



unleash

DREAM BIG. FLY HIGH.



GROWTH | CUSTOMER SERVICE | PROFITABILITY

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During the fiscal, we have embarked on a transformative journey, 'Udaan', which lends us the strength and courage to dream big and fly high.

Arvind Uppal
Chairman

About the Report

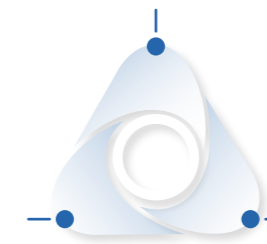
We are delighted to introduce our Annual Report for the Financial Year 2022-23 which offers our stakeholders comprehensive financial and non-financial disclosures, which include our achievements, governance, strategy, people and opportunities. It underscores the Company's ability to generate value for stakeholders while emphasizing the significance of responsible business conduct in attaining our objectives.

Reporting Period

The Annual Report covers the period from April 1, 2022 to March 31, 2023, including a comprehensive analysis of historical data trends wherever applicable. The report includes all facets of Eureka Forbes Limited's business operations and strategy. In addition, the report elucidates the Company's business model, overall performance, and corresponding outcomes achieved during the reporting period.

Scope of the Report

This report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which significantly influence our ability to create value. All the information presented in this report pertains to the consolidated operations of Eureka Forbes Limited unless otherwise specified.



Feedback

Feedback from stakeholders is sought to help address their queries and provide clarifications on material topics that encapsulate their key concerns. Any feedback, suggestions, or stakeholder concerns can be communicated to us via email at compliance@eurekaforbes.com or sent to Eureka Forbes Limited, B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, India.



Reference to another page in the report



Reference to further reading online



To visit the Company website, please scan the above QR code

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



Fulfilling the Promise of Health

Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) is one of India's leading health and hygiene brands, offering some of the most renowned water purifying and cleaning solutions.

We began our journey in 1982 with a joint venture between Campbell (a Tata Group Company) and Electrolux of Sweden. Over the last four decades, we have introduced pioneering solutions that have fulfilled the promise of healthy and safe living for our consumers. We have developed a wide range of water purifiers, vacuum cleaners, and air

purifiers to meet the evolving needs of our growing consumer base.

With an omnichannel presence and one of the largest direct sales networks, we have a pan-India footprint to take our products and services closer to our customers. We have a direct sales force operating from Customer

Response Centres in more than 120 cities and towns in India. The retail, institutional and e-commerce channels have also largely contributed to our business growth and the creation of an expansive service network. An inventive franchise business partner network has further extended our reach to rural areas.



Mission

To make a positive difference to our customers as their 'Friends For Life' through:

People

who are Curious, Empowered and Resilient.

Partnerships

that are Symbiotic, Collaborative and Built on Trust.



Products and Services

that are Meaningful, Innovative and set Industry Benchmarks.

Culture

which is Caring, Meritocratic and Entrepreneurial.



Vision

A **healthy** world.

A **protected** you.

A **happy** US.



Values

Customer Centricity

Don't just satisfy, delight.

Commitment

Once given, always adhered to.

Diversity

Welcoming and celebrating differences.

Respect

Give it, to get it.

Excellence

Forever striving to learn and improve.

Innovation

If there's a better way to do it, it will be found.

Integrity

Doing the right thing, the right way.

Responsiveness

Moving with the speed of right.

Responsibility

Not just promise, deliver.

Communication

Transparent, open and two-way.

About the Company

Product Category

We have a diverse product portfolio consisting of technologically advanced water purifiers and innovative cleaning solutions. Our air purifier segment further exemplifies our commitment to ensure the health and overall wellbeing of our valued consumers.

Water Purifiers

Our water purifier range, available under the Aquaguard, Aquaguard Select, and Sure brands have earned the trust and loyalty of consumers across the country. Engineered with Reverse Osmosis (RO) and Ultraviolet (UV) technologies, these water purifiers assure the delivery of healthy and pure drinking water. We cater to diverse customer requirements with more than 50 SKUs that cater to over 21 different water conditions.



Vacuum Cleaners

We have a wide range of indoor, outdoor, and automotive vacuum cleaners. These are ideal for cleaning different surfaces and are available in conventional, handheld, wet and dry varieties. We also have a range of innovative robotic vacuum cleaners. Our industrial and institutional cleaning solutions cover products across price points.



Air Purifiers

Our extensive range of air purifiers, including Aeroguard and Forbes models help to purify the indoor air and provide protection against airborne diseases. With Professional HEPA 13 filters, they can be used in homes, kitchens, bathrooms as well as automobiles. The Forbes Air Purifier is equipped with UV-C technology with TiO2 filters that eliminate 99.99% of bacteria and viruses.



Customer Service

We are consistently aiming to enhance the quality of our services and transform customer experiences. By offering on-demand service and customer convenience, we remain dedicated to offer more control to consumers. It not only allows them to conveniently order products or services, it also provides them greater visibility of the entire process.

Tiered AMC

We are scaling up our Annual Maintenance Contract (AMC) sales through Direct-to-Consumer channels to strengthen our customer relationship and improve service delivery.

Our extensive experience and rich legacy have garnered customer trust across the nation. We exclusively provide genuine spare parts adhering

to ISO standards. The convenience of booking Aquaguard genuine service is faster through the user-friendly Eureka Forbes Service App. Our service technicians are certified experts, ensuring top-quality assistance. We offer a seamless customer experience owing to the easy accessibility of our service centres.

Installed devices in more than

8 million

homes



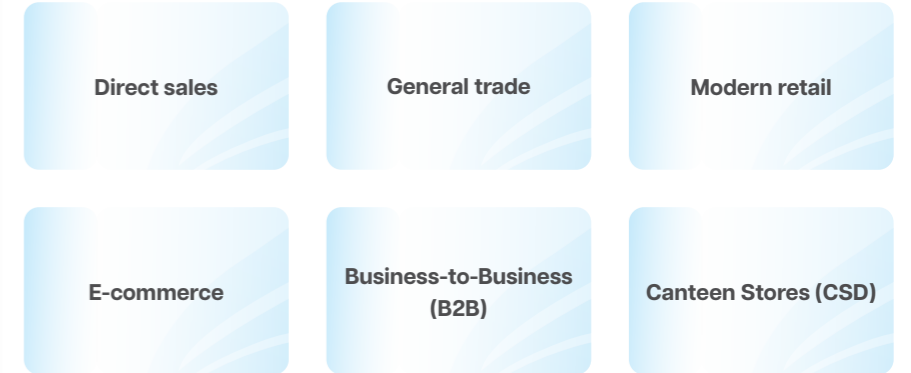
Distribution Network

The expansion of our distribution channels is a key growth driver as it offers us substantial room to increase our visibility as we expand our footprint across the country, integrating all our channels.

The synergy of our EuroChamps and valued partners, position us for sustained and profitable long-term growth. Our extensive service network and strong customer connections further fuel our progress across various transformation initiatives.

Our focus is on driving affordability and engagement through targeted campaigns and innovations. Our omnichannel presence, including a

direct sales network and a nationwide service network, gives us unique advantages and positions us well for driving sustained multi-year growth.



10,500

PIN codes serviced

Research & Innovation

We focus on introducing innovative products and features across a wide spectrum of water purification, cleaning and air purifying products. The development of intellectual property (IP) offers an added advantage and allows us to consistently introduce cutting-edge products that meet the evolving needs of our customers.

We have placed a strong focus on innovation, and we have been granted several patents. We are also filing new patents for innovative products in our pipeline.

Tested & certified by

130+

Leading national and international laboratories



Manufacturing Excellence

We are constantly striving to meet the market requirement for quality products by enhancing investments in our manufacturing facility. Equipped with integrated assembly lines and advanced manufacturing processes, it is designed to accommodate the specialised production requirements of our innovative products.

To reduce the use of manual labour and lead time in the production process, we have automated the assembly lines. It

not only increases the efficiency of our manufacturing operations but, also ensures the quality and reliability of our products.

Over the past year, we have taken substantial steps to improve our manufacturing capacities and address changing customer preferences. We expanded the capacity of the membrane plant in Bangalore, introduced the production of service

kits both in Bangalore and Dehradun. It has also improved our supply chain efficiency, streamlined our distribution network and enabled us to provide prompt and effective services to customers.

Two Manufacturing facilities



People and Culture

The committed efforts of our EuroChamps empower us to aim for excellence and set new benchmarks. We rely on their exceptional skills and leadership to drive growth and ensure sustainable success. We are dedicated to nurturing a work environment where talent thrives, innovation is encouraged, and hard work is acknowledged.

Our proud EuroChamps give wings to our ambitious plans and help us achieve our goals. We aim to nurture a talented team of people and strive to empower them with a conducive working environment that enables our people to realise their true potential.



Social Commitments

At Eureka Forbes, we are driven by our commitment to fulfilling our social responsibilities. Our mission centres around cultivating a responsible business ethos that actively engages with local communities. Through dedicated projects aimed at uplifting the underprivileged, we strive to address societal needs effectively.

Corporate Social Responsibility (CSR)

Our CSR objective is to ensure every individual in India has access to clean water, unpolluted air, and a pristine environment, whether at home or beyond. By focusing on various social, environmental, and ethical concerns, our initiatives contribute to sustainable development and enhance the overall well-being of communities.

We believe in building relationships that value the community, just the way we value our customers. Our initiatives are aimed at creating harmony in society. Our purpose is powered by the spirit of the **POSIBOL** (Positive-Symbol), which helps us to positively impact the health and lifestyle of people and the community at large.



We have established a CSR committee responsible for proposing and overseeing our CSR initiatives. This committee actively reviews our CSR policy, ensuring its relevance, and oversees the implementation of the outlined activities.

Chairman's Message



Backed by our strong physical presence and a growing online footprint, we are creating awareness and improving penetration across the length and breadth of the country.



Arvind Uppal
Chairman

Dear shareholders,

It gives me immense pleasure in sharing with you the updates for the year gone by and the exciting journey that we have embarked on.

Financial Year 2022-23 was a unique year in many ways. Your Company was faced with a tough macro environment which continues to persist. Inflation remained high and this had an impact on consumer sentiment and demand. The impact was felt by the business as well and I am pleased to share that the Company was able to make improvements on several fronts.

Equally, we kept ourselves focused on the long term agenda of transformation of the Company.

This required fundamental changes in the business and we embarked on that journey of change. Several building blocks for our transformation journey were put in place.

Eureka Forbes in its 4 decade history has constantly reinvented itself. From being the 1st to bring vacuum cleaners into India to being pioneers of the Direct sales channel, we have constantly adapted and reinvented ourselves.

Being pioneers and innovators is in our DNA. It is that spirit which has again been reignited to take your Company ahead.

Looking back at Financial Year 2022-23

During the year, your Company focused on navigating both business performance and creating enablers for a strong future.

Business performance was steady in the face of muted consumer sentiment. The focus was on improving execution abilities, reclaiming the role of category building in the form of a new campaign and driving business efficiencies.

On the transformation side, there were interventions made across the spectrum – from the organisation structure, talent infusion, go to market strategy, customer service, cost rationalisation and governance to creating a digital roadmap.

I am pleased to report that we were able to make steady progress on multiple fronts.

Our people have always been at the core of Eureka Forbes' transformation. The Company's management has been strengthened with an infusion of fresh talent and we now have a healthy blend of new talent and existing employees.

Customer service is critical to our business and we witnessed a significant changes in this area. We believe, our focus on customer service will create a sustainable and competitive advantage. It has also helped to improve our service KPIs.

Frugality and cost consciousness as an approach and mindset was an important area of focus. The business witnessed a steep change in its profitability profile. From a past trend of approx. 5% EBITDA margin, we witnessed 3 successive quarters of margin expansion, exiting the year at 9.3%. Our focus on operational efficiencies led to a significant reduction in our net debt. Our efforts now provide us with sufficient headroom to make necessary growth investments.

Digitization has accelerated in the post COVID world and new business models have come up around a 'Digital First' approach. Your Company has embarked on a major transformation journey in this area.

While structural changes were initiated within the business, there was a continuous focus on governance. With the objective of ensuring transparency for all shareholders, your Company started a quarterly earnings call and investor relations communication during the year. This has been well received and we will continue our engagement with stakeholders in future as well. At Eureka Forbes, we take immense pride in our commitment to excellence in corporate

governance. We firmly believe that an effective governance framework built on integrity, transparency, and accountability is essential for long-term business sustainability and value creation for our stakeholders. Our Corporate Governance framework is designed to align with a dynamic business model, enabling us to adapt to an evolving regulatory landscape and the expectations of our stakeholders.

Finally, as we exited the year, I am pleased to share that strong foundational blocks have been put in place to make Eureka Forbes future ready. Some early success has been visible in key business parameters of profitability and net debt. These early wins give us immense confidence as we look ahead to the exciting transformation journey ahead of us.

Unlocking the India Opportunity

India stands at a pivotal moment in its history. Favourable demographics, evolving geo strategic environment, stable economic growth, heightened health consciousness in a post COVID world and positive developments like access to piped water and electrification create the necessary tailwinds for long term sustainable growth.

The trust and loyalty earned by us over the last 4 decades make us best placed to unlock this opportunity. Our emphasis on improving the health and hygiene of people drives us to introduce new and innovative products to the market.

Backed by our strong physical presence and a growing online footprint, we are creating awareness and improving penetration across the length and breadth of the country. Leveraging our pioneering legacy, omnichannel presence and one of the largest direct sales networks in the country, we are reaching out to consumers and enhancing the scope of our operations.

While we do this, we will leverage our existing strengths and intertwine them with new age capabilities to prepare Eureka Forbes for an exciting future.

The Transformation Journey Ahead: Project Udaan

In Financial Year 2022-23, we have embarked on a transformative journey 'Project Udaan', which lends us the strength and courage to dream big and fly higher. Udaan will prepare the Company for the next stage in its journey of sustained and profitable growth. This transformation is sought to be achieved through six strategic transformation pillars.

The transformation initiatives cover the entire spectrum of business - from water penetration to expanding categories, from profitability to becoming a Digital First Company - all while keeping the customer at the heart of what we do and relying on the strong shoulders of our proud, passionate and committed EuroChamps.

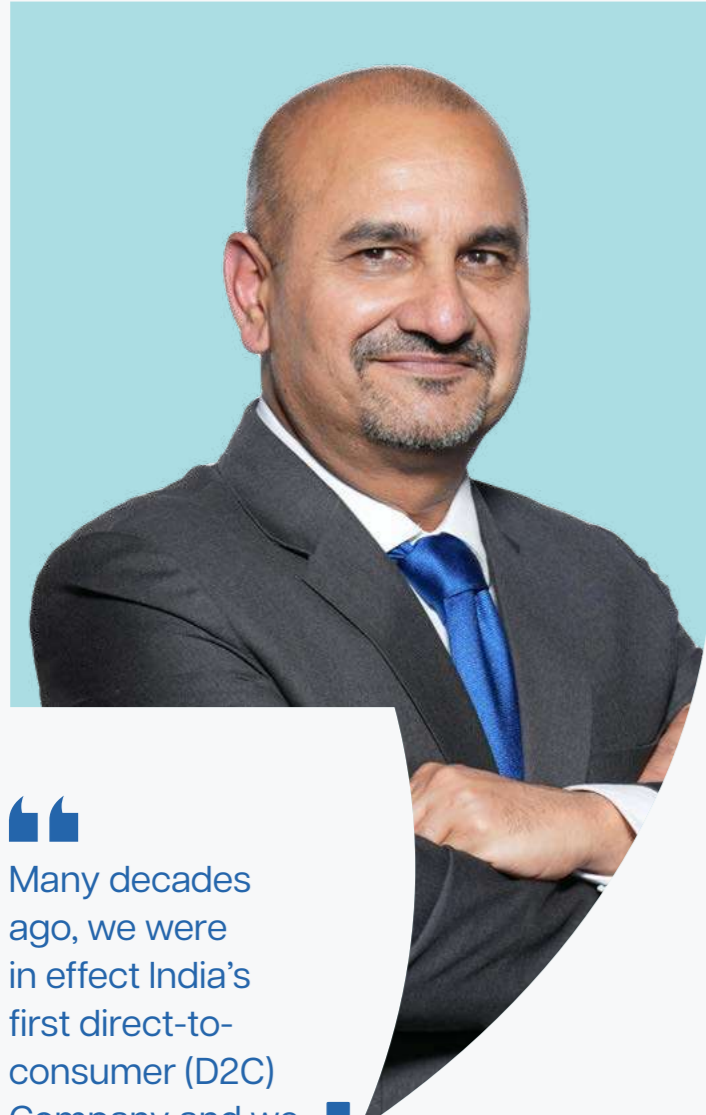
Looking back on our journey over the last year and the results that we have been able to achieve, it gives me and the Board immense joy and also the conviction to march ahead and improve performances.

I appreciate your trust in Eureka Forbes and the continuous support and counsel of my other Directors. As we embark on our journey of 'Udaan', I look forward to your continued support and trust in the organisation. The faith of our customers and support of all stakeholders has made us an iconic brand and I am confident that we will achieve even greater heights of success as we move ahead.

Regards,

Arvind Uppal
Chairman

MD & CEO's Message



“ Many decades ago, we were in effect India's first direct-to-consumer (D2C) Company and we now reimagine that D2C reality in a more contemporary and digitally-enabled manner.”

Pratik Rashmikant Pota
Managing Director & CEO

Dear shareholders,

I am delighted to share an update with you on our performance in Financial Year 2022-23, which was in many ways a pivotal one, and a synopsis of the exciting transformation journey that we have embarked upon.

Your Company has several distinctive foundational strengths that it has built and nurtured over the years.

- We were pioneers and category creators many decades ago. While we may have lost some of the innovation muscle in the recent past, we retain the pioneer's DNA in our bloodstream.
- In Aquaguard, your Company has one of India's strongest and most credible brands, one that has almost universal awareness and enjoys long-standing relationships with millions of customers and has their trust and confidence.
- From being a Direct channel dominated Company, we are now an omnichannel business with strong presence across Retail and E-Commerce as well. Our Direct Sales channel however remains unique and lends us a competitive advantage.
- We have a large and distributed national service network, one of India's largest, which allows us to service and support our large base of installed devices.

However, we have faced several challenges in the recent past. We have had slow growth and our profitability has also been low. In addition, we have fallen behind on innovations and ceded ground to competition and lost market share.

In Financial Year 2022-23, we kicked off a journey of transformation that will allow us to harness the many strengths that we have, even as we resolve the more recent challenges. Titled Project Udaan, it aims to unlock growth, improve profitability, and deliver an elevated customer experience. We believe that this new strategy will help us break free from our often self-imposed boundaries and give flight to our ambitions.

Project Udaan

As part of the strategy, Project Udaan has a few clear and distinct pillars.

- **Grow Water Purifier business** by driving category penetration and investing in innovations.
- **Strengthen our portfolio** of Vacuum Cleaners and incubate and grow the fledgling Air Purifier business.
- Offer an **elevated and superior customer experience**

- **Become a digital-first business** that will enable us to be agile, flexible and efficient.
- Drive a **culture of cost-consciousness** and efficiency.
- Strengthen the army of EuroChamps and make the organisation **future-ready**.

Despite the universal need for pure drinking water, Water Purifiers (WPs) have remained at a low penetration of 5%. Even in urban markets, the penetration of WPs is just 12%. These penetration levels are significantly lower when compared to other durable categories in India and WP penetration in other countries.

The category is now seeing several tailwinds building up. There is growing awareness of the importance of health and hygiene, and pure water is at the core of good health. Additionally, availability of tap water in households has jumped from 17% to over 60% in the last four years, and most homes are now electrified. We believe that the convergence of all these factors and combined with our brand strength positions your Company to drive growth.

We will drive growth in water purifiers through offerings addressing all price points, category creating communication and expanding distribution. Equally, we will step up the pace on innovation to address the large replacement market in Water Purifiers. We have strengthened our R&D team and are building capabilities such as Internet of Things (IoT) and Engineering & Design. We have an exciting set of innovations lined up which will drive differentiation and market share.

Our recent product offerings and new TV campaign have shown very encouraging results with a dominant proportion of buyers being new category entrants. On the innovation front, our launch of Aquaguard Superio SS in Financial Year 2022-23 did well and helped drive strong growth and market share gain in the mid-price segment.

The Vacuum Cleaner category has seen increased acceptance after the pandemic related challenges on availability of domestic help. Within this, the sub-segments that offer convenient cleaning solutions are seeing strong growth. We have a strong existing portfolio of Vacuum Cleaners which we will further enhance through an exciting

range of new products that offer easy and convenient cleaning solutions to customers.

Our new robotics Vacuum cleaner saw extremely favourable customer acceptance and became the market leader in this segment.

We believe strongly in the potential of Air Purifiers given the distressed air quality in many parts of the country. Going forward, we aim to make investments for incubating and growing the category through the availability of right products at the right price points.

Customers now have become accustomed to high standards of service and we, at Eureka Forbes will step up to exceed our customer expectations.

We will take charge of the customer experience and the service delivery process. We will work with our business partners to strengthen the service network, embed digital ways of working and reinforce our training inputs - to deliver an experience that truly delights our customers.

In Financial Year 2022-23, we made a good beginning by introducing a digital platform that onboards and hosts all our service technicians centrally. This will be a critical enabler in transforming the service experience and we will use this to accelerate service speed, improve quality and drive efficiencies.

We will embrace digital ways of working across every part of the business. Many decades ago, we were in effect India's first D2C Company and we now reimagine that D2C reality in a more contemporary and digitally-enabled manner. We will use our growing strengths in Digital to drive customer convenience, access, and personalisation. We will also provide our frontline teams with digital enablement that will help them provide customised solutions to our customers and improve their efficiency.

We made a start in Financial Year 2022-23 by building a strong team that will power our Digital ambitions. We have invested in new-age capabilities in Product Management, Engineering and Architecture and Data Science. In addition, we have also strengthened our external partnerships and kicked off exciting digital projects that will drive impact in the years to come.

We will steadily improve the financial health of the business. Several initiatives are underway that will enhance the margin trajectory of the business, improve cash flows and strengthen return on capital over a period of time.

In Financial Year 2022-23, we reset the EBITDA margin bar with margins moving up from our past mid single digits to exit the year with 9.3%. Our net debt reduced from ₹ 216 crores to ₹ 50 crores, giving us the headroom to invest in growth opportunities.

We are fortunate to have an army of Eurochamps who have been with us for many years and who carry a wealth of experience.

We have augmented this team with the infusion of new leaders with new capabilities, new ideas and new energy. We now have an exciting combination of experience and new ideas that we believe will build on our strong foundation and drive transformation.

In addition, for the first time ever in corporate India, every single manager of the Company has been given ESOPs. This has helped bring in goal alignment, increased ownership and drive and instilled a sense of pride and positivity.

To conclude, your Company with a rich legacy of over four decades is at an inflection point in its journey. As responsible custodians of the brand and the Company, our outlook is long term and our goal is to transform Eureka Forbes, to make it future ready and to set it on the path of sustained and profitable growth for the next several decades.

In the year gone by, we have made a start and put in place the building blocks needed to take the transformation forward. We recognise that a transformation of this scale will pan out over a period of time but we are enthused by our early experience.

We could not be more excited about the future and are confident that Project Udaan will help us drive much faster growth, improve our customer experience and profitability.

So please sit back, fasten your seat belts, and look ahead as we take Udaan...!

Regards,

Pratik Rashmikant Pota
Managing Director & CEO

Opportunities for Exciting Growth

The convergence of macro factors is vital for the growth of our business. India's robust economic growth of 7.2% in Financial Year 2022-23, increased access to piped water, widespread electrification, growing awareness about health and hygiene, higher per capita income, and low category penetration offer substantial prospects for expansion in our core categories. We are well-positioned to leverage these opportunities to drive business growth.

Increasing Access to Piped Water

The ambitious Jal Jeevan Mission aims to ensure safe and sufficient drinking water for every rural household in India through individual tap connections by 2024. The significant 27% increase in budget allocation for the Jal Jeevan Mission in FY 2023-24, amounting to approximately ₹ 70,000 Crores, reflects the importance of this initiative. We are committed to actively contribute to the realisation of this vision and facilitate access to clean water for every rural household in the country.



8 Crores

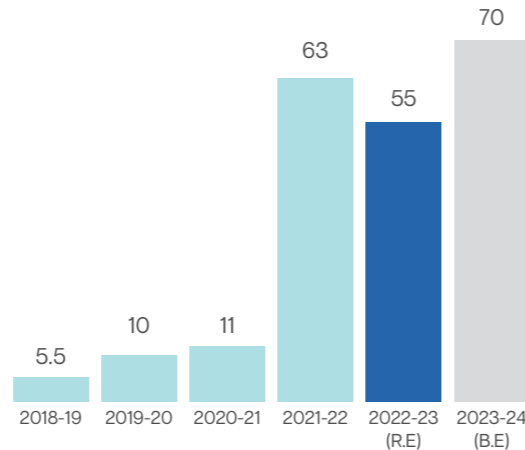
households provided water connections since 2019

11 Crores

Households have tapped water connection

Over **12X** increase in outlay since FY2018-19

Budget allocation for the Jal Jeevan Mission
(Amount in ₹ Thousand crores)



Rising Income Levels

The rise in working women and the prevalence of nuclear families have contributed to a notable surge in household incomes. This has not only created a demand for user-friendly consumer durable products but has also generated awareness and appreciation for innovative solutions that enhance convenience in daily life. Furthermore, the phenomenon of urban migration has given rise to an aspirational middle class that actively seeks a diverse range of consumer durables.

Consciousness on Health and Hygiene

In the wake of the pandemic, consumer trends have undergone significant transformations, prompting a re-evaluation of habits and priorities. There is now a heightened emphasis on healthier food choices, fitness routines, and overall well-being. Additionally, the persistent issues of air and water pollution have created a surge in demand for air and water purifiers throughout the year.



Growth of e-commerce Platforms

Internet penetration across urban, semi-urban, and rural areas has significantly contributed to the growth of the consumer durables market. E-commerce platforms have improved access to affordable products and allows customers to compare similar products before making a purchasing decision. Consequently, there has been a rise in consumer expenditure on health and hygiene products which has translated into higher online sale of water and air purifiers, vacuum cleaners etc.

Increasing Electricity Access

The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) initiative has achieved remarkable success by ensuring electricity access across the country. This initiative has connected 2.86 crore previously unelectrified households, marking the fastest expansion of power access globally. Power availability has improved, with rural areas now having access for 22.5 hours per day compared to 12 hours in 2014, while urban areas enjoy nearly 24-hour access.



Udaan Our Transformation Strategy

With a vision to fortify our position in the direct-to-consumer (D2C) business, we have embarked on a transformative journey 'Udaan'. This strategic initiative is designed to fuel growth, enhance profitability, and unlock significant value for our business.

SO1 Grow Water Purifier Business

We endeavour to increase the access to pure water, a basic human need, aligning with both customer needs and our business growth aspirations.

- Prioritising Accessibility and Affordability**

Working to make water purifiers accessible and affordable to a wider demographic, addressing the current low penetration of a mere 5%.

- Expanding Distribution**

Innovating our distribution channels to reach potential customers more effectively.

- Category Creating Communication**

Our recent campaign, 'Nal se kapda hatega toh sar se kapda hatega,' aims to enlighten people about the importance of safe water usage to prevent water-related illnesses.

- Product Innovation and Communication**

Creating innovative products and communicating their benefits to transform non-users into satisfied customers.



SO2 Strengthen Our Portfolio

We emphasise broadening our product baskets, fostering growth in water purifier and cleaning products. In line with this, we are exploring a line-up that resonates with health, wellness, and a better quality of life with help of intelligent and interconnected devices.

- Water Purifiers**

We are innovating to increase market share and enhance premium offerings in the water purifier business. This year we launched a new range of water purifiers including Aquaguard Superio, Blaze and Eden. We also introduced products like water softeners, sediment filters, iron removers, alkaline water ionisers, and activated carbon filters.

- Air Purifiers**

Acknowledging the urgency of deteriorating air quality, we are strengthening air purifier business and are striving to educate consumers about the necessity of products that assure better air quality and protect against diseases.

- Vacuum Cleaners**

We strive to make cleaning less laborious with the launch of our latest range of automatic vacuum cleaners which includes robotic vacuum cleaners and upright vacuum cleaners.



SO3 Elevated and Superior Customer Experience

We strive to meet and exceed the evolving needs of customers by charting innovative pathways for customer interaction and engagement. Through our concerted efforts, we aim to elevate the entire customer lifecycle, turning each interaction into an opportunity for excellence and personalised service.

Reimagined Service Standards

We are leveraging insights for customised solutions, focusing on a 'Customer First' approach, where customer logic reigns supreme.

Enhancing Quality and Convenience

Offering on-demand service and greater control and visibility to consumers, transforming their experience with our products and services.

Own the Customer Experience

We strive to exceed customer expectations, take ownership of the customer experience and enhance service through digital integration and offer robust training to our partners.

Scheduling and Feedback

Customers can conveniently schedule service appointments and provide ratings and feedback, allowing us to better align with their expectations.

Problem Ownership and Collaboration

Emphasising responsibility and cross-functional collaboration in problem-solving.



SO4 Culture of Cost-Consciousness

We understand the criticality of a healthy financial profile and have initiatives across the value chain to drive and improve financial performance.

Efficient Operating Model Implementation

Implementing an efficient operating model to streamline cost structures and optimise operations. We aim to achieve higher productivity and better liquidity while creating room for strategic investments.

Invest for Growth

Focused on creating growth opportunities by embracing a zero-based cost approach and maximising productivity gains.

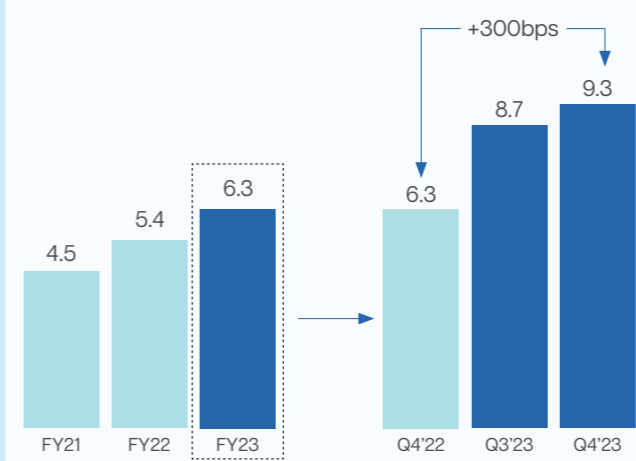
Holistic Cost Initiatives

Executing diverse initiatives across the entire P&L value chain, establishing new cost action pipelines.

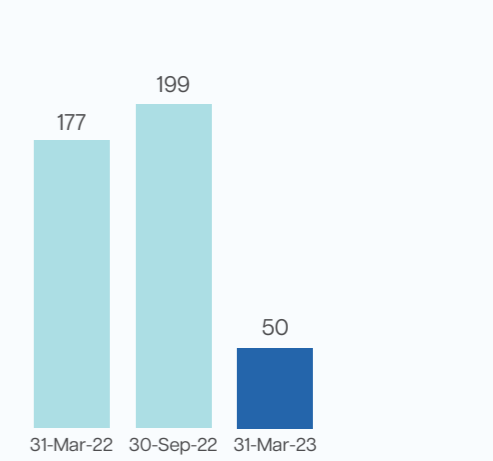
Optimising Cashflows

We are actively working to reduce our finance costs by diligently managing our financial operations and cost-related activities.

EBITDA Margin (in %)



Net Debt (in ₹ Cr)



The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022. Previous year numbers are on a proforma basis to depict the results of the combined entity (erstwhile EFL and FESL) had the acquisition of the business occurred as on 01 April 2021.



SO5 Become a Digital-First Business

We embrace digitalisation, which is a key aspect of our strategic planning. It plays a vital role in transforming our operations to serve over 8 million customers, channel partners and strengthen our trade team.

• **'Digital First' Approach**

Reimagine the Company with a 'Digital First' approach and embed technology across the value chain.

• **Build Digital Assets**

Building digital assets for consumers, partners and employees with focus on convenience.

• **E-Commerce Engagement**

Providing accessible and efficient purchasing experiences for contemporary consumers.



SO6 Make the Organisation Future-ready

We focus on enhancing our capabilities across diverse domains such as research and development (R&D), technology and data science to ensure a dynamic response to evolving market landscapes. Our transformation strategy recognises EuroChamps as an integral component of this. Our efforts lie in cultivating their potential, thereby enabling them to build strong and lasting relationships with our customer base.

• **Newer Capabilities**

Alignment with organisational objectives is prioritised.

• **Learning and Skill Development**

Frontline training is revamped with digital learning; investment in functional and leadership training.

• **Performance Enhancement**

Strengthen our R&D, engineering, technology team to build capabilities

• **Culture of Ownership across Channels and Regions**

Emphasis on mobility, new verticals such as Digital and E-Commerce, and encouraging new skills.



Corporate Governance

We are a Board-driven Company with an effective governance framework built on integrity, transparency, and accountability. It is essential for long-term sustainability and value creation for our stakeholders. Our corporate governance framework is aligned with a dynamic business model that adapts to our growth, an evolving regulatory environment and stakeholder expectations.



Our Governance Philosophy

We adhere to a robust corporate governance philosophy that safeguards the best interests of all stakeholders. Our philosophy is anchored in transparency, fairness and accountability, values we believe are indispensable for sustained growth and a substantial contribution to corporate responsibility. Our governance approach aligns with the vision of our leaders and emphasises ethical conduct within a comprehensive framework for timely and accurate dissemination of information.

Our Corporate Governance Philosophy encompasses:

Open and Timely Communication

We are committed to fostering open dialogue with all stakeholders. We believe in the timely dissemination of information, ensuring transparency and accountability in our operations.

Leadership with Integrity

We believe in leadership that prioritises ethical conduct. Our leaders are not just responsible for guiding the Company towards profitability but also for ensuring responsible operations.

Corporate Citizenship

We consistently engage in responsible business practices and invest in social and environmental initiatives. We recognise our responsibility towards society and strive to make a positive impact through our operations and corporate social responsibility programmes.



Commitment to Stakeholder Interests

We are dedicated to considering the perspectives of all stakeholders in our decision-making processes, emphasising a commitment to long-term value creation.

Diversity and Inclusion

We celebrate diversity within our Board and our workforce, knowing that varied perspectives lead to more informed decisions and a more inclusive Company culture.

Robust Oversight and Compliance

We have a strong compliance system in place to ensure adherence to laws, rules, regulations and guidelines applicable to our business. Additionally, we have an effective whistleblower mechanism to report instances of misconduct.



A Multi-Tiered Approach to Corporate Governance

Our governance structure is multi-tiered, comprising the Board of Directors, Board Committees, the Managing Director and Chief Executive Officer (Managing Director & CEO). This structure allows for effective oversight and clear delineation of responsibilities, ensuring strategic decision-making is balanced and grounded in expertise

Board of Directors	Board Committees	Managing Director & CEO
The Board's primary role is to ensure long term sustainable success of the Company for the mutual benefit of all stakeholders.	The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review.	The Managing Director & CEO supported by the Board, is responsible for ensuring delivery of the Company's strategy, business plans and financial performance.



Governance Principles and Compliance

Our operational framework is based on strict governance principles. More than just guidelines, these principles establish credibility and integrity in our actions. Integral to our governance is our comprehensive compliance framework. Each quarter, we reaffirm our commitment to this framework by presenting a compliance certificate to our Board.

By consistently ensuring high regulatory compliance, we enhance our accountability and transparency. In line with modern business environments, we are digitising our compliance processes, aiming to streamline procedures, provide real-time tracking and minimise errors. This initiative strengthens our governance and compliance efforts.



EFL Code of Conduct

For Employees

Our corporate governance philosophy is firmly grounded in our Code of Conduct, which outlines a comprehensive framework that drives legal compliance, ethical business operations and utmost professionalism. It requires our employees to maintain a high standard of ethical conduct, act with integrity and respect human rights, aligning with our corporate values. Should employees deviate from these norms, significant consequences, including employment termination, can ensue.

The Code of Conduct emphasises regulatory compliance across all operational aspects, underscoring key operational elements. It needs government authorisation prior to any concurrent employment, to avoid potential conflicts of interest. In addition, the Code promotes, among other things, confidentiality, cyber security, and ethical social media use. These features reinforce our commitment to fostering a respectful and safe workplace, preserving sensitive information, minimising unfair competition, and encouraging responsible technology use.

For the Board of Directors

The Code of Conduct for our Board of Directors and Senior Management Personnel sets the conduct standards, fostering responsible decision-making and stakeholder respect. It covers a broad range of themes, including

- Compliance with laws
- Confidentiality
- Fair dealing
- Asset protection
- Reporting unethical behaviour
- Respect for human rights
- Shareholders and business partners care
- Truth in advertising

For Non-Executive Directors

The Code of Conduct for Non-Executive Directors at our Company provides clear guidance on professional conduct, ethics and governance. The policy obligates Non-Executive Directors, including Independent Directors, to act in the Company's best interest and avoid potential conflicts with their roles in the Company. This code also underlines the duties of the Directors according to the provisions of Section 166 of the Companies Act, 2013. The code maintains stringent rules on potential conflicts of interest and upholds the confidentiality of sensitive Company information. Non-Executive Directors are also required to ensure that all disclosures made are accurate, timely and comprehensible. We mandate an annual affirmation of compliance with the Code of Conduct from each of our Directors.



Whistle Blower Policy

Our Whistle Blower Policy is a vital aspect of our governance structure, aiming to uphold the values of transparency, professionalism, honesty, integrity and ethical behaviour. It serves as a window for individuals, such as employees, partners, vendors, or customers, to report any irregularities, unethical conduct, malpractices, or violations of Company policies. In essence, it encourages whistle-blowing by providing a safe and secure channel for reporting these concerns without fear of retaliation.

The Audit Committee is primarily responsible for overseeing the implementation of this policy, acting as a supervising authority for the detailed processes laid out for reporting and investigating disclosures. These disclosures can be made by any stakeholder in contact with the Company. The policy is structured to offer robust protections for the whistle-blower, incorporating stringent measures to prevent any retaliation or discrimination against them.

On completion of an investigation, if an unethical or improper act is found to have occurred, the policy mandates the Audit Committee to recommend appropriate disciplinary or corrective actions. Equally, any misuse of the policy or making allegations in bad faith also carries disciplinary consequences.



Policy Matrix

Our carefully designed suite of policies stands as the guiding force in our mission to maintain high standards of corporate governance.

Policy for Determining Material Subsidiaries	Policy on Related Party Transactions and the Materiality of Related Party Transactions	Nomination and Remuneration Policy	Code of Conduct for Prevention of Insider Trading
Code of Conduct for Board of Directors and Senior Management	Code of Conduct for Non-Executive Directors	Code of Ethics for Employees	Enterprise Risk Management Policy
Business Responsibility Policy	Prevention of Sexual Harassment Policy	Dividend Distribution Policy	Corporate Social Responsibility Policy
Policy on Preservation of Documents	Archival Policy	Familiarization Programme	Policy for determining materiality of disclosures
Vigil Mechanism			

Read more at : www.eurekaforbes.com/investor-relations/corporate-governance/policies



Board Leadership and Composition

A Board comprising of Non-Independent and Independent Directors is at the heart of our robust governance framework. Their unique expertise and unbiased perspectives strengthen our strategic decision-making, driving long-term stakeholder value creation. Esteemed Independent Directors offer an abundance of experience, ensuring unbiased governance and fostering a sense of transparency among stakeholders.

Our Board's diverse composition is bolstered by the participation of these Directors in

various Committees, reinforcing their integral role in our operations. The invaluable guidance they provide to the executive leadership, helmed by Managing Director & CEO Mr. Pratik Rashmikant Pota, further enhances our corporate governance. Due to this commitment to diversity and independence, we aspire to maintain the highest standards of governance and foster a balanced and effective boardroom dynamic.

Board of Directors



C M

Mr. Arvind Uppal
Non-Executive - Non Independent Director, Chairman

Mr. Arvind Uppal holds a Masters in Business Administration from FMS Delhi and has completed an Executive Program at I.M.D. Switzerland. With over thirty-one years in the consumer industry, he first gained prominence at Nestlé, particularly for his work on the Maggi brand across multiple countries.

He then served as President Asia Pacific for Whirlpool Corporation, leading a notable operational turnaround. Presently, Mr. Arvind Uppal is the Non-Executive Chairman of Whirlpool of India Ltd. and a Director at Gulf Oil Lubricants India Limited. He holds board positions at Amber Enterprises India Limited and Akzo Nobel India, and acts as an Industry Advisor to Advent International.



M M

Mr. Pratik Rashmikant Pota
Executive Director, Managing Director & CEO

Mr. Pratik Rashmikant Pota holds a Master of Business Administration in Marketing from the Indian Institute of Management, Calcutta (1990 - 1992), and a Bachelor of Engineering in Electrical and Electronics from Birla Institute of Technology and Science, Pilani (1986 - 1990). With a career extending over 30 years, Mr. Pratik Rashmikant Pota has occupied significant roles across various sectors. Most notably, he served as the CEO of Jubilant Foodworks Ltd (JFL), where he was instrumental in a complete business turnaround and the expansion of Domino's as India's leading D2C brand. During his term, the Company's market capitalisation surged ten-fold. Prior to his transformative role at JFL, Mr. Pratik Rashmikant Pota took on leadership responsibilities at reputable organisations such as PepsiCo, Airtel, and Hindustan Unilever Ltd.



M M M

Mr. Sahil Dilip Dalal
Non-Executive - Non Independent Director

Mr. Sahil Dilip Dalal joined Advent in 2009 and leads Advent India's investing efforts in the Retail, Consumer & Leisure sector, and the Technology / Technology Services sector. Prior to Advent, Mr. Sahil Dilip Dalal was an associate with JLL Partners, a New York-based private equity firm where he focused on buyout and growth equity transactions. Prior to JLL Partners, Mr. Sahil Dilip Dalal spent three years with Bear Stearns in New York as an analyst in its Investment Banking Division. Mr. Sahil Dilip Dalal has 16 years of experience in Private Equity and 19 years of experience in financial services.

Mr. Sahil Dilip Dalal has a BBA with High Distinction from The Ross School of Business at the University of Michigan and an MBA from The Wharton School at the University of Pennsylvania.

Mr. Sahil Dilip Dalal has led, co-led, and supported on 12 investments at Advent. He is also a director in Advent India PE Advisors Private Limited, DFM Foods Limited and Modenik Lifestyle Private Limited and was previously a Director at Crompton Greaves Consumer Electricals Limited.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee,

C - Chairperson/ Chairman
M - Member



C M M M C

Mr. Vinod Rao
Non-Executive - Independent Director

Mr. Vinod Rao holds a Bachelor of Commerce from Madras University and is a member of the Institute of Chartered Accountants of India. He attended a Senior Executive Programme at London Business School. With over 35 years in finance roles, Mr. Vinod Rao has worked with global giants such as Diageo, PepsiCo, and ICI, spanning industries like FMCG and consumer durables. His last executive role was Group Treasurer and Head of Investor Relations at Diageo Plc, London. He possesses expertise in both developed and developing markets, including India and Europe. Additionally, he serves as a Trustee for the UK-based Isha Foundation.



M C M C M

Mrs. Gurveen Singh
Non-Executive - Independent Director

Mrs. Gurveen Singh earned her Bachelor's in Philosophy Honours from Lady Sri Ram College, Delhi University, and further honed her skills with a Post Graduate degree in 'Personnel Management and Industrial Relations' from Xavier Labour Relations Institute, Jamshedpur. She is a seasoned specialist in Human Resource Management with a 42-year career span. She retired as the Chief Human Resources Officer of Reckitt Benckiser PLC, a FTSE 20 Company, in 2020. She holds board positions with Viyash Life Sciences Private Limited and VLCC Health Care Limited. Her career also includes key HR roles in the hospitality industry and regional responsibilities with Reckitt Benckiser in South and East Asia. Mrs. Gurveen Singh has been instrumental in establishing foundational HR functions in prominent companies, thereby facilitating their growth.



M M

Mr. Homi Adi Katgara
Non-Executive - Independent Director

Mr. Homi Adi Katgara is a partner in Jeena & Company, a 122-year-old pioneering freight forwarding firm in India. He has garnered nearly 32 years of experience in the forwarding industry. He also holds partnership and directorship roles in various group companies. Mr. Homi Adi Katgara serves as a Trustee at Masina Hospital in Bombay and has held leadership roles in the Air Cargo Club of Bombay and the Rotary Club of Bombay. Moreover, he was a Committee Member of the Indo-Canadian Business Chamber. In addition to his business pursuits, he is involved in real estate and contributes to society through family-established charitable trusts.



M M

Mr. Shashank Shankar Samant
Non-Executive - Independent Director

Mr. Shashank Shankar Samant is an alumnus of Savitribai Phule Pune University. He currently serves as Chairman of GlobalLogic, after retiring as its President & CEO in 2022. Before GlobalLogic, he was President of Ness Technologies, leading the Company to a NASDAQ IPO in 2004. He has also made significant contributions to Hewlett-Packard's Verifone division and was instrumental in establishing IBM's first India-based software engineering lab. At the onset of his career, he was part of Citicorp's team that developed FlexCube banking technology. Additionally, Mr. Shashank Shankar Samant serves on the boards of Office Depot, Rackspace Technology, and Cyderes.

Key Managerial Personnel



Mr. Pratik Rashmikant Pota
Managing Director & CEO



Mr. Gaurav Pradip Khandelwal
Chief Financial Officer



Ms. Pragya Kaul
Company Secretary & Compliance Officer

Management Executive Committee



Mr. Ajit Dheer
Chief Operating Officer



Mr. Gaurav Pradip Khandelwal
Chief Financial Officer



Ms. Mahnaz Shaikh
Chief Human Resources Officer



Mr. Nithyanand Shankar
Chief Digital Business Officer



Mr. Shubham Srivastava
Chief Product & Technology Officer



Mr. Satish Satyarthi
Chief Innovation & R&D Officer



Mr. Anurag Kumar
Chief Growth Officer



Mr. Anirudha Karnataki
Chief Supply Chain & Procurement Officer



Mr. Suresh Redhu
Chief Technical Officer

Corporate Information

Board of Directors

Mr. Arvind Uppal
Non – Executive, Non – Independent Director. Chairman

Mr. Pratik Rashmikant Pota
Managing Director & CEO

Mr. Sahil Dilip Dalal
Non-Executive, Non-Independent Director

Mr. Vinod Rao
Independent Director

Mrs. Gurveen Singh
Independent Director

Mr. Homi Adi Katgara
Independent Director

Mr. Shashank Shankar Samant
Independent Director

Key Managerial Personnel

Mr. Pratik Rashmikant Pota
Managing Director & CEO

Mr. Gaurav Pradip Khandelwal
Chief Financial Officer

Ms. Pragya Kaul
Company Secretary and Compliance Officer

Bankers

Axis Bank Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.
State Bank of India
HDFC Bank Ltd.
Saraswat Co-operative Bank Ltd.
IDBI Bank Ltd.
Indian Bank

Auditors

M/s. Deloitte Haskins & Sells LLP
Statutory Auditor

M/s. Mihen Halani & Associates
Secretarial Auditor

M/s. J Chandra & Associates
Cost Auditor

Corporate and Registered Office

B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013

Registrar and Share Transfer Agent

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai - 400 083

Phone: +91 22 4918 6000

E-mail: info@linkintime.co.in

Contact Person: Mr. Ishwar Suvarna

CIN: U67190MH1999PTC118368

Plant Locations

Dehradun

Khasra Number 3946,3961 & 3962,
Lal Tappar Industrial Area, Majri
Grant, Dehradun-Haridwar Highway,
Tehsil – Rishikesh, Dist. – Dehradun,
Uttarakhand- 248140

Bangalore

Plot No.143, C-4, Bommasandra
Industrial Area, Husur Road,
Bangalore - 560 099

Management Discussion and Analysis

Economic overview

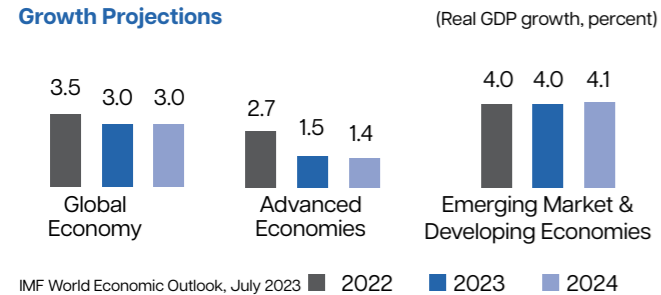
Global Economic Overview¹

The global economy has continued to be burdened by several macroeconomic pressures. Broadening of inflationary pressures, the food and energy crisis in Europe, the lingering effects of the COVID-19 pandemic, as well as geopolitical conflicts such as the war of attrition in Ukraine, impeded economic activity. However, despite the multitude of challenges, the IMF reported that the global economy has registered a growth rate of 3.5% in the year 2022.

At the beginning of 2023, the global economy showed tentative signs of a soft landing, but recent financial sector turmoil and stubbornly high inflation have dampened growth prospects. With debt levels remaining consistently high and geopolitical tensions elevated, risks are partially skewed to the downside.

The economic slowdown is concentrated in advanced economies, particularly in the Eurozone and the United Kingdom. In addition to this, central banks' monetary policies are expected to bear fruit, contributing to a decline in global inflation. However, emerging markets and developing economies, including India, are powering ahead in many cases, with growth rates expected to witness a significant upsurge this year.

Growth Projections



Outlook

According to a recent report by the IMF, India, on account of its strong economic fundamentals, is expected to contribute a significant share in the global growth in CY2023. As the headwinds in the Asia-Pacific region start abating, the Emerging markets and developing economies (EMDEs) are anticipated to clock a growth rate of 5.3% in CY2023.

Another silver lining is that there are early signs that indicate a slow yet steady recovery from the pandemic-induced shocks and supply-chain constraints. Emerging markets and developing economies (EMDEs) are set to play a crucial role in facilitating the revival of the economy in the upcoming years.

The pace and effectiveness of fiscal and monetary policy measures implemented to support economic expansion would also help shape a promising outlook. Central banks around the world have been tightening monetary policy, but it is yet to be seen whether these measures will be effective in curbing sticky inflation and supporting sustainable growth.

Indian Economic Overview²

Notwithstanding the grim global outlook, the Indian economy demonstrated sheer resilience and sustained its position as one of the fastest-growing major economies in FY23 by recording a growth rate of 7.2% [Source: National Statistical Office (NSO)]. The growth of the Indian economy has been fuelled by strong domestic demand, particularly in private final consumption expenditure, rising gross fixed capital formation and the government's enhanced focus on capital expenditure.

The corporate sector's credit-to-GDP ratio remains below its historical trend, indicating ample room for the sector to raise its debt burden. The strong debt profile of the corporate sector has also played a crucial role in driving macroeconomic stability. Additionally, employment in the corporate sector is showing a gradual surge, as indicated by lower unemployment and an increase in net payroll additions under the EPFO.

The Government has provided an enhanced impetus to support this robust growth by announcing a historic budget estimate (BE) of ₹ 10 Lakh crore in the Union Budget for 2023, which is set to have a multiplier effect on the economy's manufacturing sector and lend Indian goods a competitive edge in the global market.

Also, in response to monetary policy actions by the RBI and other supply-side measures, headline CPI inflation has gradually declined from its peak of 7.8% in April 2022 to 5.7% in March 2023 and is projected to moderate further to 5.2% in Q4: 2023-24.³ In 2023-24, India is expected to be among the fastest-growing major economies in the world, accounting for 15% of global growth, the second-largest contribution and higher than that of the US and EU put together.⁴

Outlook

The high-frequency indicators, such as GST collections, railway and air traffic, electronic toll collections and the volume of E-way bills generated, suggest a robust economic recovery, making India an attractive destination for pitching in substantial investments. In the coming years, India is anticipated to register the fastest growth rate among the G-20 countries. In addition to this, India's presidency of the G20 Summit in 2023 has significantly boosted its international standing.

As uncertainties start to fade at the beginning of FY24, businesses are expected to focus on their growth potential. The RBI is anticipated to rein in inflation, manage currency fluctuations and reduce the immediate impact of a fiscal deficit on the Indian economy. Along with a conducive domestic policy environment and an improvement in downside risks, consumer sentiment is expected to further improve, bringing some modest relief to the Indian economy.

Industry overview



Water Purifier Industry⁵

Inadequate access to clean water and water contamination caused by increasing levels of fluoride and arsenic fuel the demand for water purifiers in the country. The Indian water purifier market has experienced significant growth in recent years, owing to several other factors such as rising incidences of water-borne diseases and the introduction of product variants that can effectively remove inorganic compounds.

Based on technology type, the Indian water purifier market can be categorised into RO purifiers, UV purifiers, gravity purifiers, sediment filters, water softeners and others. In developing nations, demand for water treatment technologies has been driven by a rise in municipalities' access to safe water and a higher number of recycling processes. Due to their effectiveness, low electricity consumption and periodic technological innovation, RO and UV purifying technologies account for the majority of the water purifier market.

Market Penetration of Water Purifiers

The water purifier market has experienced notable expansion, especially in the aftermath of the pandemic, as individuals re-evaluate their lifestyles and prioritize health-conscious choices. This trend, coupled with modern lifestyle shifts, has sparked a surge in demand for water purifiers, resulting in a considerable market size increase.

However, there remains substantial room for further growth. A lower penetration rate within the water purifier market suggests a promising avenue for industry stakeholders to tap into a significant segment of the population that has yet to adopt these systems. This untapped market potential could stem from factors like limited awareness, affordability constraints, or regional variations.

Macro Growth Drivers

The current trend of heightened awareness regarding health and hygiene practices is serving as a significant macro-environment

growth driver. Furthermore, the consumer durables segment, including core categories in which Eureka Forbes is operating, has observed low market penetration, presenting substantial growth opportunities for the Company.

The Jal Jeevan Mission has successfully provided over 12 crore rural households with tap connections to provide safe drinking water. The coverage of functional household tap connections in rural areas has increased from 17% to over 60%.⁶

The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) initiative has connected 2.86 crore previously unelectrified households, marking the fastest expansion of power access globally. Power availability has improved, with rural areas now having access for 22.5 hours per day compared to 12 hours in 2014, while urban areas enjoy nearly 24-hour access.⁷

These all have emerged as prominent macro environment factors driving increased demand for Eureka Forbes' products. As a result, these factors collectively contribute significantly to the sustainable growth of the Company.

Sectoral Growth Drivers:

The water purifier market in India is demonstrating strong growth. This growth is largely an outcome of the increasing cases of water-borne diseases. There has been a rising consciousness, driving the demand for water purifiers. Increasing health awareness among people, an exponentially rising population and growing water contamination are other crucial aspects projected to propel the demand for water purifiers and drive the market. According to a global evaluation of 122 countries, India ranks 120th in terms of its water quality. Approximately 37.7 million Indians are affected by water-borne diseases annually and 50% of Indian hospital beds are acquired by patients suffering from water-borne diseases. Less than 50% of the population in India lacks access to safe drinking water.⁸ These factors are expected to boost the demand for water purifiers in the country.

Outlook

With the growing scarcity of potable water, the surge in demand for water purifiers has become significantly pronounced. Increasing urbanisation, coupled with heightened consumer awareness concerning the critical importance of consuming safe water, has contributed to a substantial boost in global sales of these purification systems. The Company is well positioned to propel the growth trajectory within the water purifier market. This will be accomplished through a diverse range of product offerings catering to various price points, the implementation of strategic communication strategies that establish distinct market categories, and the expansion of its distribution network. Concurrently, a heightened emphasis on innovation will be undertaken to effectively tap into the extensive replacement market within the water purifier segment.

¹<https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

²https://mospi.gov.in/sites/default/files/press_release/PressNoteNAD_28feb23final.pdf

³https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review_Feb%202023.pdf

⁴<https://www.indiabudget.gov.in/doc/bh1.pdf>

⁵<https://www.expertmarketresearch.com/reports/water-purifier-market>

⁶<https://jaljeevanmission.gov.in/>

⁷<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1907728>

⁸<https://health.economictimes.indiatimes.com/news/diagnostics/water-borne-diseases-impact-37-7-mn-indians-annually-health-experts/95739207>



Vacuum Cleaner Industry⁹

In India's numerous end-user industries in the domestic, industrial and commercial sectors, the market for vacuum cleaners has been growing significantly. Due to the absence of domestic help after the pandemic, the market showed signs of development and more people switched to vacuum cleaners.

India's vacuum cleaner market size is projected to grow, driven, hygiene concerns and consumer awareness of cleanliness.

Furthermore, with the growing trend of automation in home appliances, the vacuum cleaner market in India offers a plethora of growth opportunities for manufacturers to introduce new products into their portfolio and expand their customer base. The availability of different types of vacuum cleaners, such as Canister, Central, Drum, Robotic, Upright, Wet and Dry, and so on, is projected to drive the market.

Among the different types of vacuum cleaners, the deep cleaner or carpet cleaner has grown considerably owing to the unavailability of domestic help and people's concern about the spread of infection. Sales of vacuum cleaners are also anticipated to climb in the upcoming years considering its varied uses for cleaning carpets, curtains and floors in both household and commercial settings.

Due to the steady rise in household earnings, it is expected that the urban population will rise, which will also fuel consumption and increase demand for vacuum cleaners.

Market Penetration of Vacuum Cleaners

The vacuum cleaner market in India has witnessed a notable surge in market penetration driven by technological advancements. With the introduction of smart features, improved energy efficiency, and versatile designs, vacuum cleaner adoption has grown steadily, catering to diverse household needs.

However, a substantial portion of the population still remains untapped, especially in rural and semi-urban regions. This presents an industry prospect to educate and engage with these segments, offering them the benefits of modern vacuum cleaning technology. By tailoring marketing strategies, pricing models, and product offerings to the unique requirements of these underserved markets, manufacturers can tap into a new reservoir of customers, further boosting revenue growth.

Sectoral Growth Drivers

India's vacuum cleaner market is well on its way to seeing immense growth in the years ahead. This growth can be attributed to rising consumer awareness about the various benefits of vacuum cleaners for effective cleaning and reducing the risk of allergies.

The household sector dominates the market for cleaning solutions, owing to the rapidly expanding working population and their hectic schedules. The demand for household cleaning equipment is also being fuelled by the increasing percentage of working women, the lack of domestic help and the growing popularity of convenient cleaning.

Outlook

The Government's active participation through initiatives, including the Swachh Bharat Mission, encouraging people towards cleanliness and sanitisation, is another crucial aspect promoting the adoption of vacuum cleaners across end-users such as industrial, commercial and residential sectors. The market is further poised for growth due to its low penetration, favourable conditions, increased urbanisation, busy lifestyles, and higher disposable income. These factors will act as catalysts for the vacuum cleaner market's expansion in India.



Air Purifier Industry¹⁰

Overview of the Air Purifier Industry in India

The air purifier industry in India is experiencing significant growth due to the rising levels of air pollution and air-borne diseases in various cities. Indoor air quality can be more contaminated than outdoor air, as it does not undergo circulation, making air purifiers a necessity in the country.

Amidst deteriorating air quality in the Northern regions like Delhi, Punjab, and Haryana due to factors like stubble burning and low wind speeds, the wide usage of air purifiers across India has gained significance. This is particularly crucial as the respiratory issues such as asthma and bronchitis is rising to the unfavourably air condition. The market is further stimulated by the advent of the corona virus pandemic, as air purifiers are used to clean indoor air and eliminate viruses and pollutants.

The air purifier market in India can be segmented based on mounting types, including fixed and portable air purifiers. The market is stimulated in the Northern parts of India due to stubble burning and unfavourable winter conditions, leading to smog and breathing disorders. Many cities in the country are suffering from dangerous air pollution levels due to increasing industrial activities, which is likely to drive the air purifier market in the region.

Technology Type

Air purifiers in India use various technologies such as High-Efficiency Particulate Air (HEPA), Activated Carbon, Ionic Filters, and others. HEPA filters, which are capable of removing larger and smaller airborne particles, are widely used in air purifiers.

Sectoral Growth Drivers

According to the World Health Organisation, the global population is exposed to unhealthy air, with over 99% of people breathing harmful substances such as fine particulate matter and nitrogen dioxide. India is no exception, as air pollution is prevalent throughout the year, leading to a rise in respiratory and airborne diseases. The increasing construction activities are also contributing to the demand for air purifiers. With online channels penetrating deeper into the country, the air purifier segment is gaining traction in regions beyond major cities.

Outlook

Factors driving the growth of the air purifier industry include rising pollution levels, the increasing number of airborne diseases, and the prevalence of breathing disorders. The inclusion of advanced air purification technologies such as HEPA and UV filters is also driving market growth. The major applications of air purifiers in India include commercial, residential, and industrial use, with the HEPA segment expected to dominate the market in coming years.



Indian Service Industry

The Indian service industry has witnessed significant growth in recent years, propelled by increasing urbanisation and a growing preference for convenience. This industry encompasses a wide range of solutions such as electronics, appliances, and furniture, offering repair, maintenance, and installation services directly to consumers' homes. Players in this sector are leveraging technology to streamline service delivery, enhance customer experiences, and provide timely solutions. As consumers' reliance on durable goods continues to expand, the industry's emphasis on efficient and reliable home services is poised to play a pivotal role in shaping the overall consumer landscape in India.

However the industry is facing risk arises from the presence of grey market. It involves the unauthorised sale of products, often at lower prices, without the adherence to quality standards or regulations. This poses a notable consumer risk not only in terms of economic losses but also, in some cases, towards health and safety. Consumers who unknowingly purchase goods from the grey market may be exposed to counterfeit or substandard products that could potentially compromise their health. These products might lack proper quality control measures, testing, and adherence to safety guidelines, leading to potential hazards.



Business Overview

Company Overview¹¹

Eureka Forbes is a leading health and hygiene brand in India, founded in 1982 as a joint venture between Forbes, Campbell (a Tata Group Company) and Electrolux of Sweden. Eureka Forbes is a multi-product, multi-channel Company with a varied portfolio that serves both B2C and B2B customers. Committed to 'Making a Positive Difference,' the Company is led by the tenets of 'Better every day, in every way,' 'Dare to care,' 'Relationship of trust, 'Growing together' and 'Ready for tomorrow.'

'A protected you,' 'a happy organisation' and 'a healthy world' form the Company's vision. To realise its vision, the Company has embarked on a journey to enhance the lives of its customers. EFL "Friends For Life" thrives through curious, empowered individuals, nurtures trusting partnerships, and offers innovative, benchmark-setting products and services. The Company values customer centricity, commitment, diversity, respect, innovation, excellence, responsiveness, responsibility, integrity and transparent, open and two-way communication. In line with this, the Company's culture is compassionate, meritocratic and entrepreneurial.

EFL has a long history of launching innovative products that have touched countless lives in India. The Company's flagship product, Aquaguard has been India's trusted water purifier for over three decades. The air purifiers under the Forbes range are all 'Made in India' to cater to the unique conditions and indoor air pollution prevalent in the country. 'Sure,' from Forbes, consists of a range of stylish vacuum cleaners that cater to the everyday cleaning needs of consumers.

Eureka Forbes has a strong brand association with its product category, and its Aquaguard brand has high brand health scores and top-of-mind recall. Eureka Forbes has an extensive service network and strong customer connections, with in-home service available in over 10,500 pin codes. Over 8 million active customers are served by the organisation.

Water Purifiers

Aquaguard, since its launch, has become synonymous with quality drinking water and is trusted by millions of households. The range of Aquaguard water products is categorised into electric, non-electric and on-the-go, with SKUs catering to more than 21 different water conditions in India. The Aquaguard water purifiers have been certified by over 135 national and international laboratories. EFL has also invested in multiple water labs led by skilled microbiologists who track the quality of water across 10,500+ pin codes in India to develop appropriate technology

⁹<https://www.6wresearch.com/press-release/india-vacuum-cleaner-market-size-is-projected-to-grow-at-a-cagr-of-110-during-2022-2028>

¹⁰<https://www.expertmarketresearch.com/reports/india-air-purifier-market>

¹¹<https://www.eurekaforbes.com/about-us>

solutions. The products are manufactured in Bengaluru and Dehradun with in-house membrane manufacturing capabilities.

Additionally, AquaSure Rural Community Drinking Water Plants and skid-mounted RO plants provide healthy and safe drinking water solutions to rural communities, industries and institutions.



Vacuum Cleaners

Eureka Forbes started its journey with a direct marketing and selling strategy and has now become a household name owing to the efficacy of its vacuum cleaners and cleaning solutions. EFL's product line includes over 75 SKUs across canister and upright, mop and vac, wet and dry, handheld, cordless and corded, steam cleaners and more. The Company has conducted thorough research to understand the needs of Indian homes and has developed a range of customised cleaning equipment for workplaces and institutions, such as vacuum cleaners, scrubbers, dryers, sweepers, polishers and road sweepers.

Air Purifiers

EFL has an attractive range of air purifiers for indoor applications. The products come at different price points and are offered through various channels.

Key Developments

Focused on educating the market about the importance of air quality and the effectiveness of the Company's products, EFL has launched a range of air purifiers with unique features. The smart range of Forbes Air Purifiers, which includes optional humidifiers, is now made in India and offered worldwide.



Omni Channel Presence

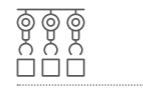
Consumer trends have been evolving following the pandemic and posing new health risks. This has led to a reassessment of habits, with a greater focus on healthier food, fitness regimes and well-being. As a result, consumers are now more concerned about the ingredients used in products and avoid packaged alternatives.

In light of these dynamics, EFL's strategic placement with its omni-channel presence and direct sales network empowers it to effectively cater to the rising consumer demands.

For urban consumers in India, learning more about the product forms an important part of the shopping experience, with many checking at least two data points before making a purchase. This includes online research, such as reading reviews and considering alternatives.

The pandemic has also accelerated digitalisation in India, with a wider preference for online shopping and food delivery application. This has led to advancements in payments, online commerce and internet banking.

Going forward, it is likely that the consumer durables market will witness strong demand in the coming years due to consumers' growing desire for premium products. Flexible working is also expected to drive the sale of appliances that enhance personal convenience at home.



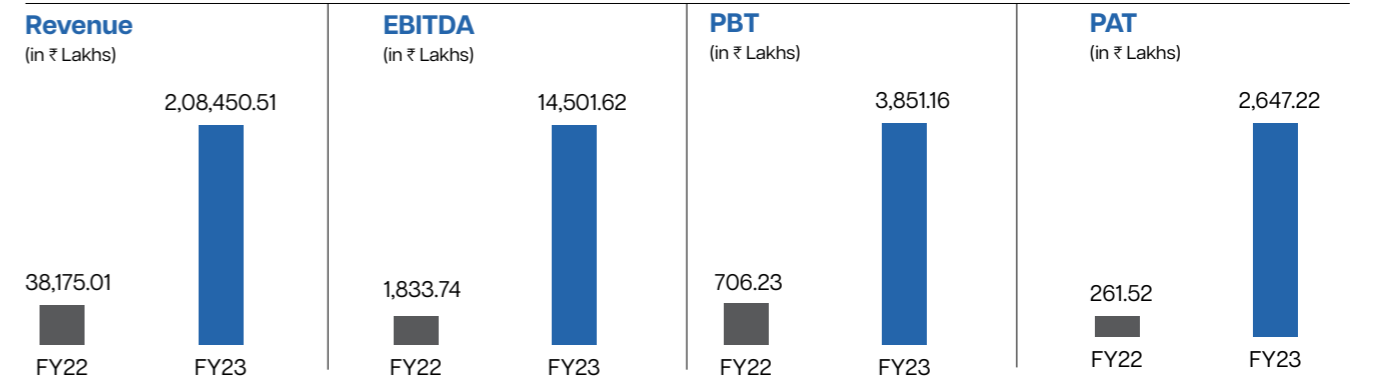
Manufacturing Overview

The manufacturing capability of EFL has been considerably enhanced to cater to the increasing demand for top-notch products. The Company has invested substantially in its manufacturing plants and has streamlined its operations to ensure optimal efficiency and meet customer demand. EFL is expanding its presence in non-metro and semi-rural areas to tap under-penetrated markets. Majority of the Company's water purifiers, select models of air purifiers and vacuum cleaners are produced in-house in India. The manufacturing facilities are equipped with integrated assembly lines that are customised to produce low- and high-volume production requirements. The adoption of sustainable practices in the manufacturing processes is a conscious effort by EFL. Quality assurance management systems and procedures have been implemented to ensure consistency in the standard of products and services across various product categories. EFL's production facilities are ISO certified, which enables it to deliver products of superior quality that exceed global standards. All products undergo rigorous testing and inspection to ensure the highest quality standards. EFL's manufacturing units are equipped with advanced technology, which facilitates the delivery of high-quality products that meet market expectations.

Key financial performance, operational highlights and ratio analysis financial performance

(in ₹ Lakhs)

Particulars	Standalone		Consolidated	
	FY23	FY22	FY23	FY22
Revenue	2,08,041.88	38,100.13	2,08,450.51	38,175.01
Earnings before interest, taxes, depreciation and amortization (EBITDA)	13,168.01	1,783.92	14,501.62	1,833.74
Profit Before Tax (PBT)	2,693.99	689.52	3,851.16	706.23
Profit After Tax (PAT)	1,708.02	280.3	2,647.22	261.52
Fixed Asset	27,024.98	27,339.72	27,296.48	27,652.64
Total Comprehensive Income	1,235.24	272.47	2,148.87	252.96
Loan funds	12,080.26	23,956.53	12,102.34	24,280.00



Note: The amounts for the year ended March 31, 2022 include the impact of the business combination (refer Note 30 of the Financial Statements) and hence are not comparable with Current Financial year.

Key Financial Ratio

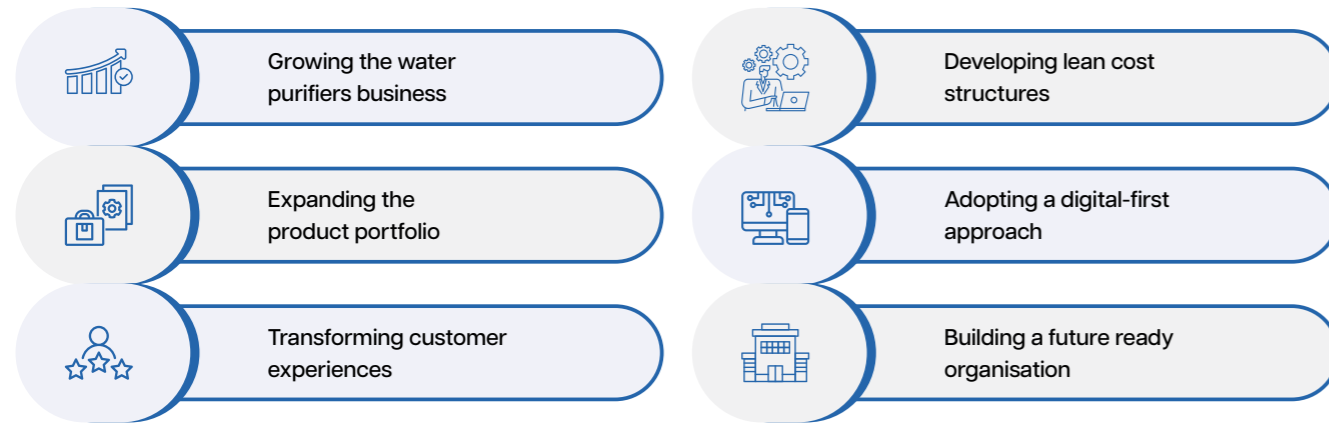
Key ratio/indicator	Standalone		Consolidated	
	FY2022-23	FY 2021-22	FY2022-23	FY 2021-22
Debtors turnover (in days) #	24	143	24	141
Inventory turnover ratio #	3.42	0.56	3.27	0.62
Interest coverage ratio #	2.36	2.59	2.90	2.60
Current ratio	0.49	0.53	0.52	0.55
Debt equity ratio	0.03	0.06	0.03	0.06
Operation profit margin (%) #	1.54%	1.59%	2.00%	1.55%
Net profit margin (%) #	0.82%	0.74%	1.27%	0.69%
Return on the net worth (%) #	0.42%	0.07%	0.65%	0.06%
Return on Capital Employed (%) *	1.72%	0.22%	1.95%	0.22%

Note: The ratios for the year ended 31st March, 2022 include the impact of the business combination (refer Note 30 of the Financial Statements) and hence are not comparable with Current Financial year.

* Capital employed = Net Worth + Total Debt + Deferred Tax Liability

Key strategic priorities for sustainable growth

The Company has identified six major strategic priorities for driving profitable growth:



EFL's approach to each of these priorities is discussed below:

1. Growing the water purifiers business

To achieve growth in the water purifiers business, EFL intends to continue focusing on innovation and new product development. The Company also looks forward to widening its distribution network to reach a wider customer base.

2. Expand the product portfolio

Going forward, EFL will nurture and grow the cleaning category while exploring the potential of smart devices to diversify its product portfolio.

3. Transforming customer experiences

Aspiring to deliver reimagined service standards and leverage consumer insights for creating customised solutions that will transform the customer experience.

4. Developing lean cost structures

EFL will drive enhanced productivity and adopt a 'Zero-based' approach to all costs to achieve lean cost structures.

5. Adopting a digital-first approach

EFL focuses on offering customers greater control, visibility and digital enablement of the value chain.

6. Building a future ready organisation

EFL emphasises towards investing in future-oriented capabilities that are agile and focused on customer needs.

Opportunities:

The Company operates in a dynamic operating environment that provides it with the following macro-environmental opportunities:

1. Availability and access to piped water through the Jal Jeevan Mission, which now covers over 40 million households.

2. The growth in electrification, with 96.7% of Indian households now connected to the grid and receiving 20.6 hours of uninterrupted power supply.
3. The rising consciousness of health and hygiene, especially post-Covid.
4. The higher per capita income is an outcome of a growing economy.
5. Low category penetration in the core categories, among the lowest in the consumer durables segment.



Information Technology and Digitalisation

As a futuristic organisation, Eureka Forbes is committed to promoting digitalisation to improve customer experience, enhance operational efficiency and drive employee productivity. With access to data from over 8 million customers, EFL is well-equipped to provide customised, data-backed solutions to its customers. The Company is also leveraging technology to boost product innovation, particularly in the development of high-tech healthcare products.

EFL's value chain is being digitalised to drive operational efficiency. This has also been instrumental in driving productivity. The Company has invested in strong partnerships with industry leaders to learn and enhance its digital capabilities, including Health Protect™, electronic authentication in spares, IoT and connected devices in water and air, QA systems, as well as component-level traceability.

EFL is also investing in digital platforms to improve decision-making and execution, with tools such as MS Dynamics 365 for

customer lifecycle management, SAP for ERP systems, GA 365 and partnerships for campaign effectiveness.

EFL is cognisant of the fact that consumers expect personalised and contextual conversations. In keeping with this, the Company is proactively embracing this cultural change. The Company is mapping customer journeys across platforms and will soon have contextual conversations with them based on their stage in the product search or service requirement. EFL spends a substantial amount of its budget on conducting performance campaigns, AB testing and optimising campaigns based on KPI performance.

The Company is also evolving from door knocks to digital door knocks, encouraging every salesperson on the ground to engage internally and digitally with customers. EFL's new and improved website will provide a hassle-free and immersive user experience.

EFL recognises that digital is a tool. However, all tools remain ineffective without a mindset change. The Company is rapidly adopting a digital mindset to embrace changing societal norms and break free from old-fashioned templates that can often hamper progress. In the last year itself, EFL has successfully driven premiumisation and category leadership through shopper insights, upskilling through learning and whitespace mapping. The Company has also made user manuals available online, using QR code technology to reduce paper usage further.



Quality Review

The Company has made significant investments to enhance its manufacturing capacity to meet the growing demand for quality products. The Company has streamlined operations and maintained a high fill rate to meet customer demand. Its in-house manufacturing facilities in India produce the majority of water purifiers, select models of air purifiers and vacuum cleaners. Automation of these assembly lines has reduced manual labour and lead time in the production process.

The implementation of quality assurance management systems and procedures has ensured consistency in the standard of products and services across various product categories.

The Company has invested in world-class technology, with water laboratories managed by highly qualified and proficient microbiologists. EFL is the development partner of choice for global technology companies. Its facilities operate in strict accordance with ISO certifications and the products are rigorously inspected, tested, and certified for quality. The Company continuously upgrades its equipment and technology to meet

customer requirements and create an edge over competitors with the delivery of quality products. EFL's commitment to deliver best-in-class products is evident in the fact that even after a decade of use, its Aquaguard and vacuum cleaners continue to work like they were new. The Company undertakes rigorous checks, continuous quality improvement, supplier engagement, and other initiatives to maintain the high standards it has set over the years.



Human Capital

Eureka Forbes recognises its human capital as an essential force driving the Company's long-term growth. To build a stronger team, the Company has fostered a positive work environment that encourages consistent learning and development. Company fosters a work culture that values diversity and inclusivity. The Company hires specially-abled people to manage the support centres, EuroAble, thereby promoting equal opportunities.

The Human Resources (HR) Function has closely partnered with business to fuel business growth. The HR team has worked on reorganisation initiatives and enabled smooth transition of leaders and employees into the new structure. The team also spearheads employee alignment to overall business goals, create an environment of ownership and create a high performance work culture.

EFL values its workforce and sees them as crucial to creating sustainable value for all its stakeholders. The Company will continue to invest in building a stronger and more engaged talent pool by leveraging its performance-driven culture. With strong values of collaboration, the Company is making great strides to enhance productivity and accountability.

The Company has a dedicated team of Eurochamps that strive to foster an innovative culture and contribute to the accomplishment of the overall organisational objectives. In order to encourage innovation and propel the success of the Company, the HR department ensures that employees have access to the requisite training and development opportunities.

2,884

Total employee strength

Risk Management

Eureka Forbes has implemented a comprehensive risk management system that covers all essential operations, functional areas, and business segments. The Company has put in place a comprehensive Risk Management framework to identify, analyse, and mitigate business risks with the objective of safeguarding the interests of its stakeholders. The Company's risk management framework is designed to ensure that risks are recognised and dealt with from the top down to the bottom up in a timely and appropriate manner. It is also kept flexible to accommodate shifting business requirements. The following are the major risks identified, along with the corresponding mitigation measures:

Key risks and mitigation measures

Risk Category	Risk Description	Mitigation Plan
 Regulatory / Compliance	Risk of non compliance due to non adherence to product related guidelines or other regulatory pronouncements	<ul style="list-style-type: none"> Product development process incorporates addressing changes to regulatory requirements In house team and access to external experts to enable identification and roll out of capabilities to ensure compliance
 Market risk	Risk of inability to drive category growth and penetration	<ul style="list-style-type: none"> Offerings at various price points – from entry level to premium Pipeline of new differentiated innovations. Capex plans have been increased to support innovation pipeline Reclaim the role of category creation through communication at non users Ease access of service offerings e.g. AMCs, filters etc by making them available at multiple channels Targeted actions on grey market operators and consumer education to garner larger share of service revenue
 Consumer / Reputation	Risk of poor customer experience and associated reputation risks due to not honouring service commitments or and / redress customer grievances	<ul style="list-style-type: none"> Customer experience has been identified as 1 of the 6 pillars of transformation Capability being put in place to deliver industry beating benchmarks on service Significant digital capability being put in place to give control to customers Culture of customer through initiatives like "Customer Day", extensive business partner engagement
 Supply Chain risks	Supply risks due to disruptions like COVID etc.	<ul style="list-style-type: none"> Vendor development roadmap in place to de risk supply issues Strategic partnerships in place and being strengthened
 Information / Cyber Security	Security vulnerabilities due to external factors - cyber attack, ransomware, data leaks etc or business continuity due to inadequate disaster recovery controls	<ul style="list-style-type: none"> Disaster recovery process strategy in place Data security measures like call masking put in pipeline Cyber Security awareness trainings initiated
 People risk	Risks to transformation initiatives due to cultural and other resistance to changes	<ul style="list-style-type: none"> Strategy alignment sessions and cascades done with all employees of the Company Incentive programs revamped & simplified to drive desired performance across all verticals Rolled out first ever ESOP program for all managers Continuing engagements with employees at all levels to drive the transformation agenda forward Building new people capabilities in R&D, technology, D2C and sales organization

Adequacy of internal Control Systems

The current Internal Financial Controls (IFC) of the Company comply with Section 134(5)(e) of the Companies Act, 2013 (Act). The IFC framework of the Company includes various elements such as conducting business efficiently and in an organised manner, protecting its assets, following Company policies, detecting and preventing fraud and errors and maintaining accurate accounting records. The Company's internal controls have been established in line with its size and business operations and provide reasonable assurance regarding all the aforementioned IFC elements.

Forward-Looking Statements

Statements forming part of the Management Discussion and Analysis Report covered in this Report 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 demand and supply conditions, changes in government regulations, exchange rates, tax laws, monsoons, natural hazards, national and global economic developments and other factors.

Board's Report

Dear Member,

Your Directors are pleased to present to you the report on the business and operations of your Company along with the Audited Financial Statements, both Standalone and Consolidated of the Company, for the Financial Year ended March 31, 2023.

1. Financial Highlights

(₹ in Lakhs)

	Standalone		Consolidated	
	Financial Year 2023	Financial Year 2022	Financial Year 2023	Financial Year 2022
Revenue and other Income (Total Revenue)	209,083.84	38,337.71	209,473.84	38,407.66
Earnings before Finance Cost, Depreciation, Share of Net Profit of Joint ventures and before Exceptional Item & Tax	13,168.01	1,783.92	14,501.62	1,833.74
Profit/(Loss) after Finance Cost, Depreciation, Share of Net Profit of Joint ventures and before Exceptional Items & Tax	6,695.79	689.52	7,852.96	706.23
Profit before Tax (PBT)	2,693.99	689.52	3,851.16	706.23
Tax Expense	985.97	409.22	1,203.94	444.71
Profit/(Loss) for the year	1,708.02	280.30	2,647.22	261.52
Other Comprehensive Income (net of tax)/(Loss)	(472.78)	(7.83)	(498.35)	(8.56)
Total Comprehensive Income/(loss)	1,235.24	272.47	2,148.87	252.96
Earnings Per Share - Basic and Diluted (₹) (continuing operations)	0.88	0.77	1.37	0.72

The Consolidated and Standalone Financial Statements of your Company for the Financial Year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards (IND-AS), the relevant provisions of Sections 129 and 133 of the Companies Act 2013 ("Companies Act") and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations/SEBI LODR") which have been reviewed by the Statutory Auditors.

- Total Consolidated Revenue from Operations for the year increased to ₹208,450.51 Lakhs vis-à-vis ₹38,175.01 in Financial Year 2021-22
- Consolidated Profit before Tax for the year was ₹3851.16 Lakhs vis-à-vis ₹706.23 Lakhs in Financial Year 2021-22.
- Consolidated Profit after Tax for the year was ₹2647.22 Lakhs compared to ₹261.52 Lakhs in Financial Year 2021-22.

2. Overview of Company's Financial Performance

- Standalone income, comprising Revenue from Operations and other income, for the year was ₹2,09,083.84 Lakhs, 445.37% higher compared to ₹38,337.71 Lakhs in Financial Year 2021-22.
- Total Standalone Revenue from Operations for the year increased to ₹2,08,041.88 Lakhs vis-à-vis ₹38,100.13 Lakhs in Financial Year 2021-22
- Standalone Profit before Tax for the year was ₹2,693.99 Lakhs vis-à-vis ₹689.52 Lakhs in Financial Year 2021-22.
- Standalone Profit after Tax for the year was ₹1,708.02 Lakhs compared to ₹280.30 Lakhs in Financial Year 2021-22
- Consolidated income, comprising Revenue from Operations and other income, for the year was ₹209,473.84 Lakhs, 445.39% higher compared to ₹38,407.66 Lakhs in Financial Year 2021-22.

Composite Scheme of Arrangement (the Scheme)

Pursuant to the Composite Scheme of Arrangement between Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited (FCL or Demerged Company) and demerger of the demerged undertaking of FCL into Forbes Enviro Solutions Limited (FESL or Resulting Company) and their respective Shareholders, the name of FESL was changed from Forbes Enviro Solutions Limited to Eureka Forbes Limited. The Scheme was made effective from February 01, 2022 being Appointed Date. Further, the Company accounted for Demerger in its books of account for the year ended March 31, 2023. Hence, we wish to clarify that the Financial Statements for the Financial Year 2022-23 may not be comparable with that of previous year.

3. Change in the Nature of Business

During the year under review, there was no change in the nature of the business of the Company.

4. Change in Promoters

During the year under review, Shapoorji Pallonji and Company Private Limited ("SPCPL"), the erstwhile Promoter of the Company transferred their entire shareholding of 14,03,89,639 shares, aggregating to 72.56% of the paid up capital of the Company to Lunolux Limited (Special Purpose Vehicle managed by Advent International Corporation, USA) pursuant to the Share Purchase Agreement dated September 19, 2021.

Further, the Company had received applications from SPCPL and Forbes Campbell Finance Limited ("FCFL"), the erstwhile Promoter Group of the Company vide their letter dated April 26, 2022 for reclassification from the 'Promoter & Promoter Group' category to the 'Public Shareholder' category, in accordance with the applicable rules and regulations.

Accordingly, the Company had filed an application with BSE Ltd on July 22, 2022 pursuant to Regulation 31A of SEBI Listing Regulations for re-classification of SPCPL and FCFL as Public Shareholder of the Company.

The Company received approval from BSE Ltd vide its letter dated January 06, 2023 for the above reclassification.

As on the date of this report, the Promoter of your Company is Lunolux Limited (a Company incorporated in Cyprus).

5. Management Discussion & Analysis Report

Management Discussion & Analysis Report as stipulated under the SEBI Listing Regulations is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure and development, opportunities and threats, performance of various products, outlook, risks and concerns.

6. Dividend

Your Directors propose to retain the entire Profit After Tax (PAT) in the Statement of Profit and Loss and do not recommend any dividend. The balance in the Statement of Profit and Loss account remains available for distribution in future.

Pursuant to Regulation 43A of the SEBI Listing Regulations, your Company has approved and adopted a Dividend Distribution Policy. The same is available on the website of the Company at the link: www.eurekaforbes.com/media/investor-relations/Dividend-Distribution-Policy.pdf.

During the year under review, the Board of Directors made certain revisions to the Dividend Distribution Policy to better serve the interests of the Company and its shareholders. These revisional aspects of the policy are to ensure that it remains aligned with the Company's financial goals, capital requirements, the expectations of shareholders, and SEBI Listing Regulations. By conducting this review, the Board aimed to uphold transparency, accountability, and responsible stewardship of shareholder funds.

7. Transfer to Reserves

Your Company does not propose to transfer any amount to the General Reserve.

8. Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

As per the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred to the IEPF Authority, after completion of seven years.

Further, according to the said Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. However, there has been no declaration of dividend so far, therefore the transfer of unpaid dividend and the shares on which dividend has not been paid or claimed, to Investor Education and Protection Fund (IEPF) is not applicable to the Company.

9. Material Changes and Commitments, if any, affecting the Financial Position of the Company occurred during the Financial Year and between the end of the Financial Year to which this Financial Statements relate and the Date of the Report

There were no material changes and commitments affecting the financial position of the Company, that have occurred during the Financial Year and between the end of the Financial Year to which the Financial Statements relate and the date of this report.

10. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

11. Subsidiary, Joint Venture and Associate Companies

Your Company has three (03) Direct Subsidiaries and one (01) Step-down Subsidiary, the details of which are as follows:

a. Forbes Aquatech Limited

Forbes Aquatech Limited having CIN: U28122KA2003PLC032492 is a subsidiary of the Company incorporated on September 03, 2003 to manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers, purifiers of all types and kinds, and allied

products and also to supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or any other liquids or material of all kinds.

Total Revenue booked for the Financial Year ended March 31, 2023 was ₹ 491.64 lakhs (including ₹ 9.34 lakhs as other income). The Loss after Tax for the current year was ₹ 74.13 lakhs as compared to a profit of ₹ 6.47 lakhs in the previous year.

b. Infinite Water Solutions Private Limited

Infinite Water Solutions Private Limited having CIN: U74999MH2008PTC180918 is a wholly owned subsidiary (WOS) of the Company incorporated on April 27, 2008 to manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds and allied products, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products and also to supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds.

Total Revenue booked for the Financial Year ended March 31, 2023 was ₹ 5346.86 lakhs (including ₹ 8.36 lakhs as other income). The Profit after Tax for the current year was ₹ 701.51 lakhs as compared to a profit of ₹ 553.17 lakhs in the previous year.

c. Euro Forbes Limited

Euro Forbes Limited having registration number 145214 is a WOS incorporated on April 12, 2011 in Dubai to carry out general trading and investment holding worldwide and to invest in Companies/Properties, joint Business Ventures with overseas entities and Investment in Overseas Entities and also Investment in properties of Dubai World, Nakeel, Emaar, Dubai Holdings and/ or any other approved projects by Jebel Ali Free Zone.

Total Revenue booked for the Financial Year ended March 31, 2023 was Nil. Net Loss After Tax was ₹ 7.38 lakhs as compared to a loss of ₹ 2.42 lakhs in the previous year.

d. Forbes Lux FZE

Forbes Lux FZE having registration number 147235, is a WOS of Euro Forbes Limited, Dubai and is a step-down subsidiary of the Company incorporated on June 26, 2011 in Dubai to distribute Cookers & Cook Stoves Trading, Refrigerators, Washing Machines & Household Electrical Appliances, Trading Water Heaters, Filters & Purifications Devices, Electrical & Electronic Appliances Spare Parts.

Total Revenue booked for the Financial Year ended March 31, 2023 was ₹ 525.71 (including ₹ 3.47 lakhs as other income). Net Loss After Tax was ₹ 617.84 lakhs as compared to a loss of ₹ 0.63 lakhs in the previous year.

The Company does not have any material subsidiary. The policy for determining material subsidiaries of the Company has been provided in the following link www.eurekaforbes.com/media/pdf/PolicyonMaterialSubsidiary.pdf

Pursuant to Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated Financial Statements and related information of the Company and Audited Annual Accounts of each of its Subsidiaries are placed on the website of the Company at: www.eurekaforbes.com/investor-relations/financial-information/subsidiaries-eurekaforbes-ltd/

Further, the Company does not have any Associate or Joint Ventures. Further, no companies became or ceased to be subsidiaries, Joint Ventures or Associate Companies of the Company during the year under review.

Pursuant to Section 129(3) of the Companies Act, 2013, statement containing the salient features of the financial statements of the Company's subsidiaries are set out in the Form AOC-1, attached herewith as **Annexure – 1**.

12. Increase in Authorized Share Capital:

The Authorised Share Capital of the Company was increased from ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores only) to ₹ 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crores only) during the year under review.

Consequent to the above, the Authorised Share Capital of the Company as on March 31, 2023 stood at ₹ 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crores only) divided into 25,00,00,000 (Twenty-Five Crores) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each.

The Paid-up Share Capital of the Company as on March 31, 2023 stood at ₹ 1,93,47,92,400/- (Rupees One Hundred and Ninety-Three Crores Forty-seven Lakhs Ninety-Two Thousand and Four Hundred only) divided into 19,34,79,240 (Nineteen Crores Thirty-Four Lakhs Seventy-Nine Thousand Two Hundred and Forty only) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each.

13. Employee Stock Option Plan 2022

The Company had by way of Postal Ballot passed a special resolution on November 10, 2022, to approve the Employee Stock Option Plan 2022 ("ESOP 2022") in compliance with the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

ESOP 2022 was conceptualised with a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract, retain, incentivize, and motivate its eligible employees for ensuring sustained growth.

Under the above plan the Company can grant up to 1,75,21,597 (One Crore Seventy-Five Lakhs, Twenty-One Thousand Five Hundred Ninety-Seven) options exercisable into not more than 1,75,21,597 fully paid-up equity shares of ₹ 10/- (Rupees Ten Only) each.

Pursuant to Shareholders' Resolution passed on April 19, 2023 at the Extra-Ordinary General Meeting of the Company, the members have consented to grant Mr. Pratik Rashmikant

Pota, Managing Director & CEO of the Company, stock options equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) during any one Financial Year.

During the year under review, no options were granted to any employee of the Company. However, between the year end and date of this report your Company has granted 1,51,26,130 (One Crore Fifty-One Lakhs Twenty-Six Thousand One Hundred and Thirty Only) Stock Options to the eligible employees under ESOP 2022.

The disclosures required to be made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are made available on the website of the Company under www.eurekaforbes.com/media/investor-relations/ESOP-Disclosure.pdf

14. Particulars of Loans, Guarantees or Investments

The Company has not given any loan or provided any security or guarantee which are covered under the provisions of Section 186 of the Act during the year under review.

The details of investments made by the Company under Section 186 of the Act forms part of this Annual Report and are given in the Notes to the Standalone Financial Statements for the Financial Year ended March 31, 2023.

15. Board of Directors, Key Managerial Personnel and Senior Management Personnel

i. Board of Directors

Sr. No.	Name	Designation	Date of Appointment/ Cessation
1.	Mr. Arvind Uppal	Chairman, Non-Executive, Non-Independent Director	April 26, 2022
2.	Mr. Pratik Rashmikant Pota	Managing Director & CEO	August 16, 2022
3.	Mr. Sahil Dilip Dalal	Non-Executive, Non-Independent Director	April 26, 2022
4.	Mr. Vinod Rao	Independent Director	April 26, 2022
5.	Mrs. Gurveen Singh	Independent Director	April 26, 2022
6.	Mr. Homi Adi Katgara	Independent Director	January 31, 2022 ¹
7.	Mr. Shashank Shankar Samant	Independent Director	October 10, 2022
8.	Mr. Marzin R. Shroff	Managing Director & CEO	August 16, 2022 ²
9.	Mr. Shapoorji Pallonji Mistry	Non-Executive, Non-Independent Director	April 26, 2022 ²
10.	Mr. Pallon Shapoorji Mistry	Non-Executive, Non-Independent Director	April 26, 2022 ²
11.	Mr. Jai Laxmikant Mavani	Non-Executive, Non-Independent Director	April 26, 2022 ²
12.	Mr. Shankar Krishnan Subramanian	Non-Executive, Non-Independent Director	April 26, 2022 ²
13.	Dr. (Mrs) Indu Ranjit Shahani	Independent Director	April 26, 2022 ²
14.	Mr. Anil Vasudev Kamath	Independent Director	April 26, 2022 ²
15.	Mr. Sivanandhan Dhanushkodi	Independent Director	April 26, 2022 ²

Note:

- Mr. Homi Adi Katgara was appointed as Independent Director and elected as Chairman of the Board with effect from January 31, 2022. Mr. Homi Adi Katgara resigned as Chairman of the Board with effect from April 26, 2022 and continues to be Independent Director of the Company.
- Date of cessation.

None of the Directors are disqualified for being appointed as the Director of the Company in terms of Section 164 of the Act. During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, perquisites and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

ii. Key Managerial Personnel (KMP)

Following were the Key Managerial Personnel (KMP) as on March 31, 2023 and as on date pursuant to Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name	Designation	Date of Appointment
1.	Mr. Pratik Rashmikant Pota	Managing Director & CEO	August 16, 2022
2.	Mr. Gaurav Pradip Khandelwal	Chief Financial Officer	August 16, 2022
3.	Ms. Pragya Kaul	Company Secretary & Compliance Officer	February 15, 2023

The following ceased to be KMPs of the Company, during the Financial Year:

Sr. No.	Name	Designation	Date of Cessation
1.	Mr. Marzin R. Shroff	Managing Director & CEO	August 16, 2022
2.	Mr. Rajagopalan Sambamoorthy	Chief Financial Officer	August 16, 2022
3.	Mr. Dattaram P. Shinde	Company Secretary, Head - Legal & Compliance Officer	February 14, 2023

iii. Senior Management Personnel (SMP)

Following are the changes in the SMP during and post Financial Year:

Sr. No.	Name	Designation	Date of Appointment/ Cessation
1.	Mr. Shubham Srivastava	Chief Product & Technology Officer	September 06, 2022
2.	Mr. Nithyanand Shankar	Chief Digital Business Officer	February 20, 2023
3.	Mr. Satish Satyarthi	Chief Innovation and R&D Officer	February 22, 2023
4.	Ms. Mahnaz Shaikh	Chief Human Resources Officer	April 12, 2023
5.	Mr. Ajit Dheer	Chief Operating Officer	May 02, 2023
6.	Mr. Anurag Kumar	Chief Growth Officer	May 22, 2023
7.	Mr. Anirudha Karnataki	Chief Supply Chain & Procurement Officer	June 08, 2023
8.	Mr. Vikram Surendran	President	April 06, 2023 ¹
9.	Ms. Binaifer Khanna	Chief People Officer	May 31, 2023 ¹
10.	Mr. Srikanth Batni	CEO – Service & CRM	December 15, 2022 ¹

Note:

1. Date of cessation

16. Board of Directors

a. Declaration by Independent Director

The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfil the conditions specified for independence as stipulated in Regulation 16 of the SEBI Listing Regulations, as amended, read with Section 149(6) of the Act along with rules framed thereunder and are independent of the Management. Further, the Independent Directors have also registered their names in the Databank maintained by the Indian Institute of Corporate Affairs (“IICA”), Manesar, Gurgaon as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014. None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Further, none of the Directors are related to each other.

b. Number of Meetings of Board

During the year under review, 09 (Nine) Meetings of the Board of Directors were held. The details of such meetings held and attended by the Directors during the Financial Year

2022-23 are given in the Corporate Governance Report which forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013 and the SEBI Listing Regulations.

c. Annual Evaluation of the Board

Evaluation of the Board, Directors, Committees etc are done on an annual basis. The process is led by the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, effective functioning of the Board, time spent by each of the Directors, accomplishment of specific responsibilities and expertise, conflict of interest, integrity of Director, active participation and contribution during discussions.

The details of the Annual Board Evaluation process for Directors form a part of the Corporate Governance Report of this Annual Report.

d. Policy on Directors’ Appointment and Remuneration and Other Details

Your Company has a Nomination and Remuneration Policy for Directors and Senior Managerial Personnel in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations as approved by the Nomination and Remuneration Committee and the Board.

The policy is available on the website of the Company at www.eurekaforbes.com/media/investor-relations/Nomination-and-Remuneration-Policy-new.pdf

e. Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, your Company has put in place a system to familiarize its Independent Directors with their roles, responsibilities in the Company, nature of the industry, business model, processes, policies and the technology and the risk management systems of the Company, the operational and financial performance of the Company and significant developments so as to enable them to take well informed decisions in timely manner.

During the Financial Year 2022-23, familiarization programmes were conducted and the Independent Directors were updated from time to time on continuous basis on Company’s business model, risks & opportunities, significant changes in the regulations and duties and responsibilities of Independent Directors under the Companies Act, 2013 and SEBI Listing Regulations and other matters.

The policy on Company’s familiarization program for Independent Directors is hosted on the Company’s website at www.eurekaforbes.com/media/investor-relations/Familiarisation-Programme-for-Independent-Directors.pdf.

f. Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

Three Independent Directors were appointed in the Company during the year. The Board after taking their respective declarations/disclosures on record and acknowledging the veracity of the same, is of the opinion that the Independent Directors of the Company possess requisite qualification(s), experience, expertise, hold highest standards of integrity and are independent of the management of the Company.

17. Committees of the Board

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees and minutes of meetings of Committee(s) are placed before the Board for information and/or for approval, as required. During the year under review, all recommendations received from its Committees were accepted by the Board.

The details of the Board and its Committees along with their composition, meetings held during the year are given under Corporate Governance Report forming part of this Annual Report.

18. Deposits

Your Company has not accepted any public deposit and as such no amount on account of principal or interest on public deposit under section 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

19. Risk Management Policy

Your Company has implemented a comprehensive risk management system that covers all essential operations, and functional areas. The Company has put in place a comprehensive Risk Management framework to identify, analyse, and mitigate business risks with the objective of safeguarding the interests of its stakeholders. The Company’s risk management framework is designed to ensure that risks are recognised and dealt with from the top down to the bottom up in a timely and appropriate manner. It is also kept flexible to accommodate shifting business requirements.

Broadly, key risks identified by the management cover risks related to regulations, market, reputation, Supply, People, and Information technology.

20. Internal Financial Control

Your Company has a defined system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business. The Company also has a well-defined process for ongoing management reporting and periodic review of businesses.

There is an active internal audit function carried out partly by the internal resources and the balance activity outsourced to Chartered Accountants firms. As part of the efforts to evaluate the effectiveness of the internal control systems, the internal audit department reviews the control measures on a periodic basis and recommends improvements, wherever appropriate.

The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

21. Corporate Social Responsibility (“CSR”)

Your Company is dedicated to add value to every individual in the country through its business by integrating societal, economic, environmental and sustainable commitments. Business practices of the Company shall contribute to make

the world a better place. The main CSR objective of the Company is to provide every Indian access to healthy water, pure air and clean earth, both at home and outside.

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as **Annexure – 2**. The CSR Policy is hosted on the website of the Company at www.eurekaforbes.com/media/pdf/CSR-Policy.pdf.

22. Auditors and Auditors' Report:

a. Statutory Auditors:

In terms of provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company at the 13th Annual General Meeting held on December 22, 2022 to hold office for a term of five consecutive Financial Years from the conclusion of the 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company.

The Report given by the Statutory Auditors on the Financial Statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report. During the year under review, the Statutory Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013.

b. Secretarial Auditors:

The Board at its meeting held on May 30, 2022, appointed M/s. Mihen Halani & Associates, Practising Company Secretaries (COP No. 12015) as Secretarial Auditors of the Company to conduct the Secretarial Audit for Financial Year 2022-2023.

The Secretarial Audit Report is annexed herewith as **Annexure - 3** to this Report.

The Secretarial Auditors had certain comments which are as follows:

Auditors Comment

Pursuant to Regulation 21(3C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee Meeting ("RMC Meeting") during the previous year and current year was held on March 29, 2022 and January 18, 2023 respectively. However, the gap between two consecutive meetings of RMC has elapsed more than 180 days.

Management's Reply

The Company got listed on BSE Limited on March 16, 2022 and has set up the appropriate processes and systems. Two RMC Meetings of the Company for the Financial Year 2022-23 were held on January 18, 2023 and March 14, 2023.

During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Companies Act, 2013.

Further, the subsidiaries of the Company are not material subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the SEBI Listing Regulations as amended, do not apply to such subsidiaries.

c. Cost Auditors:

In terms of provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and is required to get its cost accounts audited.

M/s J. Chandra & Associates, Cost Accountants, have carried out the Cost audit of the Company for the Financial Year 2022-23.

During the year under review, the Cost Auditor has not reported any fraud under Section 143(12) of the Companies Act, 2013.

d. Internal Auditor:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board, based on the recommendation of the Audit Committee at its meeting held on January 31, 2022, had approved the appointment of Mr. Vaibhav Yelekar as Chief Internal Auditor of the Company.

However, Mr. Vaibhav Yelekar has resigned from the post of Chief Internal Auditor effective from closing hours of August 9, 2023.

23. Share Capital

- Buy Back of Securities:** The Company has not bought back any of its securities during the year under review.
- Sweat Equity:** The Company has not issued any Sweat Equity Shares during the year under review.
- Bonus Shares:** No Bonus Shares were issued during the year under review.
- Shares with differential rights:** The Company has not issued any equity shares with differential rights during the year under review.
- During the year under review, the Company has not made any provision of money for the purchase of, or subscription for, shares in your Company or its holding Company, to be held by or for the benefit of the employees of the Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

24. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company has zero tolerance for sexual harassment at workplace and has formulated a comprehensive policy

on Prevention, Prohibition and Redressal against Sexual Harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). The said policy has been made available on the internal portal of the Company.

Your Company has constituted an Internal Complaints Committee ("ICC") under the POSH and has complied with the provisions relating to the same. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The constitution of ICC is as per the POSH Act and includes an external member who is an independent POSH consultant with relevant experience. The Company has also initiated the e-learning tool on POSH for all regular employees and also for induction of new employees.

During Financial Year 2022-2023, no complaints on sexual harassment were received by the Company.

25. Compliance with Secretarial Standards

Your Company has complied with all the applicable provisions of Secretarial Standards on Meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

26. Credit Rating

CARE has given the credit rating of CARE A/Stable for long term bank facilities of the Company. The details of Credit Rating are available on the website of the Company at www.eurekaforbes.com/investor-relations/shareholders-information/credit-rating.

27. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo is attached herewith as **Annexure – 4** and forms part of this Annual Report.

28. Particulars of Contracts or Arrangements with Related Parties

In accordance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Company has a Policy on Related-Party Transactions which is available on the website of the Company at: www.eurekaforbes.com/investor-relations/corporate-governance/policies.

This policy deals with the review and approval of related party transactions. The Board of Directors of the Company have approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus

approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length.

All Related Party Transactions during the Financial Year 2022-2023, were reviewed and approved by the Audit Committee and were on arm's length basis and in the ordinary course of business. There were no material transactions with related parties (i.e. transactions exceeding ₹ 1000 crore or 10% of the annual consolidated turnover, whichever is lower) during the year as per the last Audited Financial Statements. Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

Related party transactions entered during the year under review are disclosed in the notes to the Financial Statements.

29. Directors' Responsibility Statement:

Pursuant to Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the 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 fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30. Human Resource Development & Industrial Relations:

The Human Resources (HR) Function has closely partnered with business to fuel business growth. The HR team has worked on reorganisation initiatives and enabled smooth

transition of leaders and employees into the new structure. The team also spearheads employee alignment to overall business goals, create an environment of ownership and create a high performance work culture. In a transformative context, HR function is responsible to hire the right talent, grow employees in terms of skills and raise performance through the right set of incentive and reward programmes.

Thus, the Human Resource function contributes to the accomplishment of the organisation-wide business plan and objectives by building the right capability and helping in making your Company future ready.

31. Annual Return

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link: www.eurekaforbes.com/media/investor-relations/Eureka-Forbes-Limited-Annual-Return-2022-23.pdf

32. Particulars of Employees and Remuneration

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure – 5** to this Report. Your Directors affirm that the remuneration paid to Directors, KMP and employees is as per the remuneration policy of the Company.

Details of employee remuneration as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) 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 and any Member interested in obtaining a copy of the same may write to the Company Secretary.

33. Whistle Blower Policy/Vigil Mechanism

In compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, your Company has adopted a Vigil mechanism. The Audit Committee oversees the functioning of this policy. The Company's vigil mechanism/Whistle blower Policy aims to provide the appropriate platform and protection for Whistle Blowers to report instances of fraud and mismanagement, if any, to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints

regarding accounting, auditing, internal controls or suspected incidents of violation of applicable laws and regulations including the Company's code of conduct or ethics policy or Code of Conduct for Prevention of Insider Trading in the Company, Code of Fair practices and Disclosure.

The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company for redressal. Details of the Vigil Mechanism and Whistleblower policy are covered in the Corporate Governance Report, which forms part of this Annual Report and are made available on the Company's website at: www.eurekaforbes.com/media/pdf/whistle-blower-policy.pdf.

34. Corporate Governance

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from Practicing Company Secretary confirming compliance conditions, as required under Regulation 27 of the SEBI Listing Regulations forms an integral part of this Report and is annexed herewith as **Annexure -6**.

35. Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, top 1000 listed entities based on market capitalisation are required to include Business Responsibility and Sustainability Report (BRSR) with their Annual Report, in the format as specified by SEBI.

The BRSR of your Company for Financial Year 2022-23 is aligned with the Nine (9) principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India and forms part of this Annual Report as **Annexure - 7**.

36. Details of applications, approved or pending under Insolvency and Bankruptcy Code, 2016:

Your Company, in the capacity of Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2022-23 for recovery of any outstanding loans against any customer. Further, no application has been filed with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 against your Company for recovery of any debt during the year under review.

37. Difference in Valuation done for One-Time Settlement and Valuation done while taking a Loan from Banks or financial institutions

During the year under review, your Company has not entered into one-time settlement with any Bank or financial institution.

38. Appreciation & Acknowledgements:

Your Directors take this opportunity to thank sincerely and acknowledge with gratitude, the contribution, co-operation and assistance received from customers, vendors, dealers, suppliers, investors, business associates, bankers, Government authorities and other stakeholders for their continued support during the year.

Further, the Board places on record its deep appreciation for the enthusiasm, co-operation, hard work, dedication and commitment of the employees at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN: 00104992)

Place: Mumbai
Date: August 8, 2023

Annexure – 1 Form AOC -1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiaries/ Associate Companies and Joint Ventures

Part “A”: Subsidiaries

1	Sr No.	1	2	3	4		
2	Name of Subsidiary	Forbes Aquatech Limited	Infinite Water Solutions Private Limited	Euro Forbes Limited, Dubai	Forbes Lux FZE, Dubai***		
		₹- Lakhs	₹- Lakhs	US\$- Lakhs ₹- Lakhs	US\$- Lakhs ₹- Lakhs		
3	Reporting Period of Subsidiary concerned, if different from the Holding Company's reporting period.	31-03-2023	31-03-2023	31-12-2022	31-12-2022		
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	-	-	1 US\$ = ₹ 82.6699	1 US\$ = ₹ 82.6699		
5	Share Capital	56.51	700.00	513.07	42,415.57	444.60	36,755.45
6	Reserves & Surplus*	976.10	2,256.64	(513.03)	(42,411.80)	(450.57)	(37,248.74)
7	Total Assets **	1,157.42	3,511.64	0.10	7.90	5.31	438.98
8	Total Liability	124.81	555.00	0.05	4.14	11.28	932.27
9	Investments	-	0.71	-	-	-	-
10	Turnover	482.30	5,338.50	-	-	11.22	927.66
11	Profit Before Taxation	(99.78)	945.13	(0.12)	(9.72)	(6.12)	(506.03)
12	Provision for Taxation	(25.65)	243.63	-	-	-	-
13	Profit After Taxation	(74.13)	701.51	(0.12)	(9.72)	(6.12)	(506.03)
14	Other Comprehensive Income	(0.42)	(1.51)	-	-	-	-
15	Proposed Dividend	-	-	-	-	-	-
16	% of Shareholding	88.49%	100%	100%	100%	100%	100%

The above numbers are taken from the respective audited financial statements.

* Net of Debit balance of Statement of Profit & Loss and Foreign exchange transaction Reserve, where applicable

** Includes Investment

***Forbes Lux FZE, Dubai is a wholly owned subsidiary of Euro Forbes Limited, Dubai (Wholly owned subsidiary of Eureka Forbes Limited)

Part “B”: Associate Companies/Joint Ventures

Not Applicable as there are no Associate Companies and Joint Ventures

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN: 00104992)

Pragya Kaul
Company Secretary
Membership no: 17167

Pratik R. Pota
Managing Director & CEO
(DIN: 00751178)

Gaurav Khandelwal
Chief Financial Officer

Place: Mumbai
Date: August 8, 2023

Annexure-2

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company:

The Company is dedicated to add value to every individual in the country through its business by integrating societal, economic, environmental and sustainable commitments. The main CSR objective of the Company is to provide every Indian access to healthy water, pure air and clean earth, both at home and outside.

In accordance with the Companies Act, 2013, the Company has committed 2% (Profit before Tax) annually towards CSR initiatives. The CSR Policy of the Company outlines the approach and direction given by the Board, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual CSR action plan.

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

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mrs. Gurveen Singh	Chairperson, Non-Executive, Independent Director	1	1
2	Mr. Pratik Rashmikant Pota	Member, MD&CEO	1	NA ¹
3	Mr. Homi Katgara	Member, Non-Executive, Independent Director	1	0
4	Mr. Vinod Rao	Member, Non-Executive, Independent Director	1	1

1. Appointed with effect from October 10, 2022.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- Composition of CSR Committee: www.eurekaforbes.com/investor-relations/corporate-social-responsibility/
- CSR Policy: www.eurekaforbes.com/media/pdf/CSR-Policy.pdf
- CSR Projects approved by the Board are disclosed on the website of the Company: www.eurekaforbes.com/investor-relations/corporate-social-responsibility/

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

5. CSR Details:

- Average net profit of the Company as per section 135(5): ₹ 1,96,93,598/-

- Two percent of average net profit of the Company as per section 135(5): ₹ 3,93,872/-

- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

- Amount required to be set off for the financial year, if any: **NIL**

- Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 3,93,872/-

- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 4,00,000/-

- (b) Amount spent in Administrative Overheads: **NIL**

- (c) Amount spent on Impact Assessment, if applicable: **Not applicable**

- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 4,00,000/-

- (e) CSR Amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (₹)	Amount Unspent				
	Total Amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
400,000	NIL		NIL		

(f) Excess Amount for set off, if any: Nil

Sr. No.	Particulars	Amount (₹)
(i)	Two percent of average net Profit of the Company as per Section 135(5)	3,93,872
(ii)	Total Amount spent for the Finance Year	4,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	6,128
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR Amount for the Preceding Three Financial Years: NIL

8. Whether any Capital Assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NIL

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

Sd/-
Mrs. Gurveen Singh
(Chairperson CSR Committee)

Sd/-
Mr. Pratik Pota
(Managing Director & CEO)

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN: 00104992)

Place: Mumbai
Date: August 8, 2023

Annexure-3

FORM MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
EUREKA FORBES LIMITED
(formerly Forbes Enviro Solutions Limited)
B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eureka Forbes Limited** (formerly Forbes Enviro Solutions Limited) (“**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, (**the “Audit Period”**) generally 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 March 31, 2023 according to the provisions of:

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time;
- f) The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Securities) Regulations, 2021 as amended from time to time - **Not applicable to the Company during the Audit period;**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 as amended from time to time - **Not Applicable to the Company during the Audit Period, and**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time - **Not Applicable to the Company during the Audit Period;**
- vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

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

- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India (“ICSI”);
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the best of our knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.

The Committees of the Board are duly constituted. 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.

- b) Adequate notice is given to all Directors to schedule the Board Meetings and Committee Meetings. Agenda and notes on agenda were sent at least seven days in advance or with due consents for shorter notice from the Directors and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the meeting.
- c) 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:

- Pursuant to Regulation 21(3C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee Meeting (“RMC Meeting”) during the previous year and current year was held on March 29, 2022 and January 18, 2023 respectively. However, the gap between two consecutive meetings of RMC has elapsed more than 180 days. As informed by the management, the Company got listed on BSE Limited on March 16, 2022 and has set up the appropriate processes and systems. Two RMC Meetings of the Company for the financial year 2022-23 were held on January 18, 2023 and March 14, 2023.

We further report that during the audit period, the following event/action has taken place having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- Pursuant to Share Purchase Agreement executed between the Company (erstwhile Forbes Enviro Solutions Limited) (“Target Company”), Lunolux Limited (“Acquirer”), Shapoorji Pallonji and Company Private Limited (“Seller”), Forbes Campbell Finance Limited, Forbes & Company Limited and erstwhile Eureka Forbes Limited (“SPA”) on September 19, 2021 and pursuant to the Open Offer made by Lunolux Limited (“Acquirer”) along with Lunolux Midco Limited (“PAC 1”) and AI Global Investments (Cyprus) PCC Limited (“PAC 2”) and AI Pure (Cayman) Limited (“PAC 3”) to acquire shares of Eureka Forbes Limited (“Target Company”) under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Acquirer has acquired 72.56% of the total issued and paid-up share capital of the Company from the Seller. Accordingly, the Acquirer has become the Promoter of the Company;
- Further, pursuant to an application made by the Company, the BSE Limited on January 6, 2023 has granted the approval for de-classification of M/s Shapoorji Pallonji and Company Private Limited from the promoter group and reclassification of M/s. Forbes Campbell Finance Limited from ‘Person belonging to Promoter group’ to Public Shareholder of the Company, as per the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- As a result of the said acquisition of the equity shares by the Acquirer, the management of the Company has been changed during the Financial Year. Further, the disclosure of the same has also been submitted to the Stock Exchange on April 26, 2022;
- The Company had re-appointed Mr. Marzin Shroff (DIN: 00642613) as Managing Director & CEO of the Company w.e.f. April 01, 2022 for a term of five years vide special resolution passed by shareholders through postal ballot resolution dated June 30, 2022;
- Mr. Marzin Shroff (DIN: 00642613) resigned as Managing Director & CEO of the Company w.e.f. August 16, 2022 and Mr. Pratik Pota (DIN: 00751178) had been appointed as Managing Director & CEO and Key Managerial Personnel of the Company for a period of 5 years w.e.f. August 16, 2022;
- The Board of Directors of the Company at its Meeting held on August 12, 2022 has appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company for a period of 5 consecutive years, who shall hold office from the conclusion of ensuing 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting;
- Mr. Rajagopalan Sambamoorthy has retired as Chief Financial Officer of the Company w.e.f August 16, 2022 and Mr. Gaurav Khandelwal was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. August 16, 2022 as required under Section 203 of the Companies Act, 2013;
- Upon an application made by the Company, the Registrar of Companies, Mumbai, Maharashtra, has granted an extension of 3(three) months to conduct Annual General Meeting of the Company for the financial year 2021-22. Accordingly, the Company has convened its Annual General Meeting on December 22, 2022 for the said financial year;
- The Board of Directors of the Company at its Meeting held on October 10, 2022 has appointed Mr. Shashank Shankar Samant (DIN: 09733485) as an Additional Non-Executive Independent Director of the Company with effect from October 10, 2022;
- Mr. Shashank Shankar Samant (DIN: 09733485) was appointed as the Non-Executive, Independent Director of the Company for a period of 5 years at the Annual General Meeting held on December 22, 2022
- The Company has appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company, for a period of 5 consecutive years, to hold office from the conclusion of 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting, vide ordinary resolution passed at an Annual General Meeting of the Company held on December 22, 2022;
- The Company has increased Authorised Share Capital from ₹ 200,00,00,000/- (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of ₹ 10/- (Rupees Ten only) to ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) divided into 25,00,00,000 (Twenty-five Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each by the creation of additional 5,00,00,000 (Five Crore) equity shares of ₹ 10/- (Rupees Ten only) each ranking pari-passu in all respect with the existing equity shares of the Company vide ordinary resolution passed by shareholders through postal ballot resolution dated November 10, 2022;

- The Company has approved Eureka Forbes - Employee Stock Option Plan 2022’ (“ESOP 2022”/ “Plan”), for the benefit of Directors and employees of the Company it’s Group Company(ies) including Subsidiary Company(ies) or its Associate Company(ies) as per the said scheme, vide special resolution passed by Shareholders through postal ballot resolution dated November 10, 2022;
- The Board of Directors of the Company at its Meeting held on February 14, 2023 has approved the resignation of Mr. Dattaram P. Shinde (Membership. No. 6391) from the position of Company Secretary, Head-Legal & Compliance Officer effective from the close of the business hours on February 14, 2023 and the appointment of Ms. Pragya Kaul (Membership No. 17167), as Company Secretary & Compliance Officer and Key Managerial Personnel of the Company with effect from February 15, 2023.

We further report that during the audit period, the Company has co-operated with us and has produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Date: May 29, 2023
Place: Mumbai
ICSI UDIN: F009926E000412614

Mihen Halani
(Proprietor)
CP No: 12015
FCS No:9926

Note: This report is to be read with our letter of even date which is annexed as “Annexure A” herewith and forms as integral part of this report.

Annexure – A to Annexure - 3

To,
The Members,
EUREKA FORBES LIMITED
(formerly Forbes Enviro Solutions Limited)
B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India

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

Management's Responsibility

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditor's Responsibility

- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed do provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Disclaimer

- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Date: May 29, 2023
Place: Mumbai
ICSI UDIN: F009926E000412614

Mihen Halani
(Proprietor)
CP No: 12015
FCS No:9926

Annexure-4

Information under Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of the Company (Accounts) Rules, 2014 made thereunder forming part of the Directors' Report or Board's Report for the year ended March 31, 2023

(A) Conservation of Energy-

(i) Steps taken or impact on conservation of energy and Capital investment on energy equipments:

Green Features of Dehradun Plant:

As a part of your Company, the Dehradun plant is a landmark which incorporates a list of eco-friendly features, which are as follows:

- Pre-fabricated Steel Structure:** The pre-fabricated steel structure is a unique feature of this building. The building was developed with a minimum site disturbance and the materials were effectively used by adopting the design specification based on the internal load requirements thereby optimizing the use of natural resources.
- Fly Ash based Bricks & Hollow blocks:** The construction was made with fly ash based bricks, cement and concrete blocks. This reduces the burden of earth and increases the life of spend materials. In addition, the fly ash materials act as a better thermal insulation and increase the physical comfort of the people and is environment friendly.
- Natural Light Harvesting:** The building is designed with a daylight view and adequate daylight harvesting. This saves energy for light requirements.
- Thermal Comfort at Factory Premises:** The building is insulated with fly ash based bricks, cement and hollow blocks thus resisting the external temperature influences. In addition, the roof is insulated with special media and to maintain the air circulation Turbo ventilators are installed in strategic locations.
- Turbo Ventilators:** Unlike the traditional ventilation methods, Turbo vent works up the hot air from inside the building by natural convection. This roof-top wind driven ventilator is cost-effective and runs without electricity.
- Water Efficiency:** The building is fitted with water efficient gadgets that can save upto 70% on usage. The tap fittings are designed with preset flow and timer. Once you press, the water flows for 6 seconds and stops automatically. The Water taps are automated and use contactless sensor based technology which helps in further conservation of water and contactless hand-wash considering COVID-19 pandemic.
- Rain Water Harvesting:** The roof top water is harvested for collection in a tank for 'Use When Available' and

excess is used for bore well recharge. The roof top water from south-western side (distant from bore well) is recharged into the ground through recharge pits. In this way most of the roof water would be trapped either in the tank or underground.

- Introduction of Green Packaging:** Your Company is in process of reducing the use of thermocol buffer and promoting the use of recyclable pulp buffer and EPS. Pulp packaging offers a wide range of benefits over compared to traditional plastics and EPS like wise Zero Manufacturing Waste, Packaging is 100 % recyclable, etc.

(ii) Steps taken towards conservation of Environment:

Your Company has been constantly innovating ways to reduce usage of plastics and other material that could pollute environment and follow the EHS norms. Following activities have been taken and followed under this initiative

- User manuals converted to Digital mode, using QR code technology to reduce paper usage further.
- Conversion of colour carton to Brown carton in Direct division products – thereby saving printing INK which is not environment friendly and elimination of laminated plastic layer sheet.
- The size of certain stickers and labels has been further reduced through optimization, which resulted in lesser usage of Paper / PVC sheet
- With a new innovative technology of using "Q fit connectors" your Company could eliminate bigger plastic connectors at pipe junction points, thereby reducing plastic consumption.
- Use of recyclable Plastic cartons which can be used multiple times by vendors for shipping raw material. This would mean less usage of corrugated cartons.
- Registered under Government's EPR (Extended Producers' Responsibility) scheme, to ensure proper waste management of plastic packaging material.
- Disposal of e-waste, and used oil as per the protocols through Government approved handlers.
- STP and ETP plants installed at Dehradun and STP plant at Bengaluru plant to treat the waste water and zero wastage of water.
- Piezometer installed at Dehradun plant to measure and monitor ground water level.

10. IoT based Borewell water flow meter installed to measure daily water extraction and based on many other initiatives for water conservation - reduction in water consumption to the tune of 20% at Dehradun plant.
11. Replacement of older Air conditioners (AC's) with new Air conditioners which are environment friendly and also helps to reduce the emissions.
12. Elimination of Polythene cover used over the packing cartons & over Finished Goods (FGs) packaging.

(B) Technology absorption-

(i) Efforts made towards technology absorption:

Research and Development (R & D)

Your Company does not just make products, but focuses on the entire life cycle of how these products are perceived and used by our consumers.

Your Company believes in providing innovative solutions for real life consumer issues by leveraging internal research and development, coupled with external ideas, competences, and resources.

Your Company believes in creating value for society, the consumer, and your Company through a spirit of Open Innovation. To catalyse this, it collaborates with technology partners across the value chain, universities, innovators and leading research institutes. Through these partnerships, and the spirit of Open Innovation, your Company continuously strives to deliver new/ improved technologies and creates business and market opportunities.

The R&D team of your Company has developed new technologies and introduced new innovative features in its products. Your Company introduced following innovations and technologies, designed to address the specific needs in the market and are first of their kind in the market:

- **UV LED Reactor:** Conventional UV lamps have been used wide across the market for water disinfection. As per the Minamata convention on mercury, it has been decided to get rid of the products that contain mercury by 2025, which also include the UV lamps used in the water purifiers. As a pioneer in the industry, your Company has taken the initiative to adopt UV-LED reactors that has no mercury used in the process or the product. Your Company introduced the first

model during the last financial year and has plans to implement across all the models, eventually getting rid of conventional UV lamps containing mercury.

- **Stainless Steel (SS) Tanks:** Water storage in stainless steel tanks has always been a widely accepted practice in India. The Company had introduced the SS tanks in some of the top-end variants a couple of years back. Following the success of the same, the Company had developed and introduced SS tanks in the low to mid-priced variants to reach a bigger mass.
- **Pump-Current-Sensing (PCS):** An innovative concept of "Pump-Current-Sensing" was introduced last financial year. This innovation was made in electronics where the current consumption of the pump at various flow is measured to identify very low / no flow of water to protect the pump from dry running.

During the year under review there were 7 Patents filed and 5 Patents were granted.

Granted

- 1) Re-mineralizing Cartridge and method of production for Purification Apparatus (Granted on 07-April-2022; Patent no. 394450)
- 2) Single Core Multiple Fold Hybrid Membrane for Fluid Treatment (Granted on June 17, 2022; Patent no. 399468)
- 3) A method for Voltage and current control (Granted on January 02, 2023; Patent no. 416384)
- 4) Volumetric regulation system with an overflow control mechanism for use in liquid dispensing device. (Granted on January 02, 2023; Patent no. 430323)
- 5) Reverse Osmosis Based Water Purifier with Less Water Wastage (Granted on January 31, 2023; Patent no. 419783)

Benefits derived like product improvement, cost reduction, product development:

During the financial year, introduction of stainless steel tank variants in mid-cost range helped in deeper penetration in the category. Implementation of D4VC (Design for Value Creation) initiatives coupled with technology upgradations had helped to optimize the cost at product and components level.

Expenditure on Research and Development:

a. Capital	₹ 23.43 Lakhs
b. Recurring	₹ 955.34 Lakhs
c. Total	₹ 978.77 Lakhs

(C) Foreign Exchange Earnings and Outgo:

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Your Company has initiated the process of developing new international markets to increase its export business which at present is less than 1% of its turnover.

(ii) Total Foreign Exchange used and earned

Earnings in foreign exchange during the year under review were ₹ 736.48 Lakhs and the outgo was ₹ 19,202.40 Lakhs.

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN: 00104992)

Place: Mumbai
Date: August 8, 2023

Annexure-5

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Year

The median remuneration of employees of the Company for the Year and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration of each Director to Median Remuneration of the Employees for 2022-23
1	Mr. Arvind Uppal ¹	Chairman, Non-Executive, Non-Independent Director	0.88
2	Mr. Pratik Rashmikant Pota ²	Managing Director & CEO	154.22
3	Mr. Sahil Dilip Dalal ³	Non-Executive, Non-Independent Director	-
4	Mr. Vinod Rao ¹	Independent Director	1.03
5	Mrs. Gurveen Singh ¹	Independent Director	1.03
6	Mr. Homi Adi Katgara	Independent Director	1.06
7	Mr. Shashank Shankar Samant ⁴	Independent Director	0.21
8	Mr. Marzin R. Shroff ⁵	Managing Director & CEO	61.44
9	Mr. Shapoorji Pallonji Mistry ⁶	Non-Executive, Non-Independent Director	1.83
10	Mr. Pallon Shapoorji Mistry ⁶	Non-Executive, Non-Independent Director	1.88
11	Mr. Jai Laxmikant Mavani ⁶	Non-Executive, Non-Independent Director	1.88
12	Mr. Shankar Krishnan Subramanian ⁶	Non-Executive, Non-Independent Director	1.88
13	Dr. (Mrs) Indu Ranjit Shahani ⁶	Independent Director	2.23
14	Mr. Anil Vasudev Kamath ⁶	Independent Director	2.09
15	Mr. Sivanandhan Dhanushkodi ⁶	Independent Director	2.09

Notes:

1. Appointed with effect from April 26, 2022
2. Appointed with effect from August 16, 2022
3. Mr. Sahil Dilip Dalal has waived his right to sitting fee and commission.
4. Appointed with effect from October 10, 2022
5. Resigned with effect from August 16, 2022
6. Resigned with effect from April 26, 2022

2. The percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year:

The percentage increase/decrease in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in 2022-23 is provided in the table below:

Sr. No.	Name of the Director/KMP	Designation	% Increase in Remuneration in 2022-23
1	Mr. Pratik Rashmikant Pota	Managing Director & CEO	NA
2	Mr. Gaurav Pradip Khandelwal	Chief Financial Officer	NA
3	Ms. Pragya Kaul	Company Secretary & Compliance Officer	NA
4	Mr. Marzin R. Shroff	Managing Director & CEO	10%
5	Mr. Rajagopalan Sambamoorthy	Chief Financial Officer	9.1%
6	Mr. Dattaram P. Shinde	Company Secretary, Head – Legal & Compliance Officer	16.0%

Notes:

1. Mr. Pratik Pota was appointed as Managing Director & CEO of the Company with effect from August 16, 2022.
2. Mr. Gaurav Khandelwal was appointed as Chief Financial Officer of the Company with effect from August 16, 2022.
3. Ms. Pragya Kaul was appointed as the Company Secretary of the Company with effect from February 15, 2023.
4. Mr. Marzin R. Shroff resigned from the post of Managing Director & CEO with effect from August 16, 2022

5. Mr. Rajagopalan Sambamoorthy resigned from the post of Chief Financial Officer (CFO) of the Company with effect from August 16, 2022.
6. Mr. Dattaram P Shinde resigned from the post of Company Secretary, Head – Legal & Compliance Officer with effect from February 14, 2023.

3. The percentage increase in the median remuneration of employees in the financial year:

9%

4. The number of permanent employees on the rolls of the Company:

There were 2884 permanent employees and 18 permanent workers on the rolls of the Company as on March 31, 2023.

5. Average percentile increase already made in the salaries of employees other than the 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:

Median increase in remuneration for KMP and median increase in remuneration for employees remained consistent.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Place: Mumbai
Date: August 8, 2023

Arvind Uppal
Chairman
(DIN: 00104992)

Annexure – 6

Corporate Governance Report

Your Company's Report on Corporate Governance for the period ended March 31, 2023 pursuant to Regulation 34(3) and Clause (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented as follows:

1. Company's Philosophy on Corporate Governance

Your Company's philosophy on corporate governance is backed by its value systems that promote transparency, fairness, and accountability, thus ensuring sustainable success and a substantial contribution towards corporate responsibility. The vision of your Company and its leaders, imbuing a sense of purpose beyond profit, adopt a holistic approach that embraces the perspective of all stakeholders.

In line with this philosophy, your Company has taken efforts to put in place a comprehensive framework that ensures timely disclosures and accurate dissemination of information. Your Company's philosophy is supplemented by various codes of conduct and charters that govern the functioning of the Board of Directors, Board Committees, and senior-level management and, when read in conjunction with the constitutional documents of your Company, are in compliance with various applicable laws, rules, regulations, and guidelines.

The Corporate Governance philosophy of your Company is driven by the interests of stakeholders and the business needs of the organisation. Corporate Governance is essential for the growth, profitability, and stability of any business. Aligning itself with this philosophy, your Company has placed Corporate Governance as a high priority.

The highlights of your Company's Corporate Governance policy are:

- Your Company believes that an active, well-informed and independent Board is necessary to ensure high standards of Corporate Governance. Your Company has appropriate mix of Executive and Non-Executive Directors including a Woman Director.
- Constitution of various Committees for focused attention and proactive flow of information enables the Company to ensure expedient resolution of diversified matters.
- Emphasis on ethical business conduct by the Board, management and employees.
- Established Code of Conduct for Directors and employees along with the Code of Conduct for Prevention of Insider Trading.

- Detailed Policy for Disclosure of Material Events and Information.
- Established Whistle Blower Mechanism which acts as a neutral and unbiased forum for Directors, Employees and Business Partners of the Company and its subsidiaries.
- Endeavour to continuously contribute to social and environmental spheres through various CSR programs creating shared values.
- Robust and effective framework for reporting of statutory compliances and review on a periodic basis.
- Timely, transparent and regular disclosures.

2. Board of Directors

(a) Board Composition

Your Company has a professional Board with the right mix of knowledge, skills, and expertise in diverse areas and an optimum combination of Executive and Non-Executive Directors, including Independent Directors and a Woman Director. Besides having financial literacy, vast experience, leadership qualities, and the ability to think strategically, the Directors are committed to ensuring the highest standards of Corporate Governance.

The Board meets at least 4 (Four) times a year and more often if the Company needs additional oversight and guidance. During the financial year 2022-23, the time gap between any two Board Meetings did not exceed 120 days. The Board of Directors periodically review compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance, including information as mentioned in Part A of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

As on March 31, 2023, the Board consists of 07 (Seven) Directors including 01 (One) Independent Woman Director. Out of 07 (Seven) Directors, 01 (One) is Managing Director & Chief Executive Officer, 04 (Four) are Non-Executive & Independent Directors and 02 (Two) are Non-Executive & Non-Independent Directors. Your Company has a Non-Executive & Non-Independent Chairman who is not a Promoter and is not related to the Managing Director & Chief Executive Officer of the Company. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

The Board has constituted five Statutory Committees: Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.

The composition of the Board and the Directorship and Committee positions held by the Directors as on March 31, 2023 is as follows:

Sr. No	Name and DIN	Category	No. of Directorships in Companies ¹	Directorship held in Listed Companies	Committee Positions (including EFL) ²	
					Member	Chairperson
1	Mr. Arvind Uppal (DIN: 00104992)	Non-Executive, Non-Independent Director (Chairman)	4	1. Whirlpool of India Limited – Non-Executive, Independent Director (Chairman) 2. Gulf Oil Lubricants India Limited - Non-Executive, Independent Director 3. Amber Enterprises India Limited - Non-Executive, Independent Director 4. Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	6	4
2	Mr. Pratik Rashmikant Pota (DIN: 00751178)	Managing Director & CEO	1	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	1	-
3	Mr. Sahil Dilip Dalal (DIN: 07350808)	Non-Executive, Non-Independent Director	2	1. DFM Foods Limited (delisted w.e.f. April 06, 2023) - Non-Executive, Non-Independent Director 2. Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	1	-
4	Mr. Vinod Rao (DIN: 01788921)	Non-Executive, Independent Director	1	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	2	1
5	Mrs. Gurveen Singh (DIN: 09507365)	Non-Executive, Independent Director	2	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	4	0
6	Mr. Homi Adi Katgara (DIN: 00210338)	Non-Executive, Independent Director	1	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	-	-
7	Mr. Shashank Shankar Samant (DIN: 09733485)	Non-Executive, Independent Director	1	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	-	-

Notes:

- Includes Directorships in Public Companies and Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) and excludes private companies, foreign companies, companies incorporated under Section 8 of the Act and alternate Directorships.
- Committee Membership and Chairmanship as on March 31, 2023 includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including Eureka Forbes Limited).
- None of the Directors are related to each other.

As per Regulation 17A of the SEBI Listing Regulations, all Directors meet the criteria for the maximum number of Directorships. Further, the Managing Director & Chief Executive Officer of the Company does not serve as Independent Director of any other listed entity.

None of the Directors is a member of more than ten Committees or the Chairman or Chairperson of more than five Committees across all the public companies in which he or she is a Director. The limits of the Board Committees, Chairpersonship, and Membership of the Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Listing Regulations.

(b) Board Meetings and attendance records

Your Company has in place a pre-scheduled and tentative annual calendar of the Board and Committee Meetings that is circulated to the Directors well in advance to facilitate their planning and ensure meaningful participation in the meetings. However, in cases of urgent business and exigencies, the requisite approvals have been taken through the process of circular resolution as permitted by law. Subsequently, the resolutions passed through circulation are noted and confirmed in the immediate following Board/ Committee Meeting.

Further, bearing in mind various relaxations that have been provided by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Board and Committee meetings were generally conducted through Video Conferencing/other audio visual means ("VC/OAVM").

There were nine (9) Board Meetings held during Financial year 2022-23.

Attendance Record of the Directors for the year 2022-23

Date of the meeting	April 26, 2022	May 30, 2022	June 20, 2022	July 11, 2022	August 12, 2022	October 10, 2022	November 14, 2022	February 14, 2023	March 14, 2023	Last AGM: December 22, 2022
¹ Mr. Arvind Uppal	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓
² Mr. Pratik Rashmikant Pota	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓
¹ Mr. Sahil Dilip Dalal	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓
¹ Mr. Vinod Rao	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓
¹ Mrs. Gurveen Singh	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓
¹ Mr. Homi Adi Katgara	✓	✓	✓	✓	Ab	✓	✓	✓	Ab	✓
³ Mr. Shashank Shankar Samant	NA	NA	NA	NA	NA	NA	Ab	✓	✓	✓
⁴ Mr. Marzin R. Shroff	✓	✓	✓	Ab	✓	NA	NA	NA	NA	NA

The Notice convening the Board and Committee Meeting, along with the detailed agenda, setting out the business to be transacted at such Meetings and relevant documents in order to facilitate understanding are circulated at least seven (07) days before the date of the Board and Committee Meeting except for the meetings called at a shorter notice.

With a view to leverage technology, reducing paper consumption, and looking after the environmental aspect of the triple bottom line, your Company dispatches notices, agenda papers, presentations, minutes and other relevant correspondences through electronic form. Draft minutes are circulated to the Directors for their comments which are further noted in the subsequent Meetings.

The Board of Directors ("Board") is responsible for the strategic supervision and overseeing the management performance and governance of your Company on behalf of the Members and other stakeholders. Your Company is professionally managed under the overall supervision of the Board. The Board has ultimate responsibility of reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation, and corporate performance, and overseeing major capital expenditures, acquisitions, mergers, general affairs, direction, performance and long-term success of the business as a whole. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behavior and ensures compliance with laws and regulations impacting the Company's business.

Date of the meeting	April 26, 2022	May 30, 2022	June 20, 2022	July 11, 2022	August 12, 2022	October 10, 2022	November 14, 2022	February 14, 2023	March 14, 2023	Last AGM: December 22, 2022
⁵ Mr. Shapoorji Pallonji Mistry	Ab	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁵ Mr. Pallon Shapoorji Mistry	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁵ Mr. Jai Laxmikant Mavani	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁵ Mr. Shankar Krishnan Subramanian	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁵ Dr. (Mrs.) Indu Ranjit Shahani	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁵ Mr. Anil Vasudev Kamath	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁵ Mr. Sivanandhan Dhanushkodi	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

1. Appointed as Director w.e.f. April 26, 2022
2. Appointed as MD & CEO w.e.f. August 16, 2022
3. Appointed as Director w.e.f. October 10, 2022
4. Ceased to be MD & CEO w.e.f. August 16, 2022
5. Ceased to be Director w.e.f. August 16, 2022

(c) Shareholding of Directors as on March 31, 2023

Name of Director	No of Shares held
Mr. Homi Katgara	2,51,250

No other Director holds any shares in the Company.

(d) Succession Planning

The Nomination & Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and to senior management positions. The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

All new Non-Executive Directors inducted into the Board are introduced to the Company culture through orientation sessions. The Executive Director and senior management provide an overview of operations, and familiarise the new Non-Executive Directors on matters related to our values and commitments. They are also introduced to the organisation structure, services, Group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy. The details of the training programme attended by the Directors during the Financial Year 2022-23 are as follows and the same is available on the Company's website at www.eurekaforbes.com/media/investor-relations/Familiarisation-Programme-for-Independent-Directors.pdf

Sr No	Name of the Director	No of training hours attended during the financial year 2022-23
1	Mr. Vinod Rao	16
2	Mrs. Gurveen Singh	16
3	Mr. Homi Adi Katgara	6
4	Mr. Shashank Shankar Samant	9

(e) Matrix Setting out Core Competencies of the Board of Directors

The Company ensures the composition of the Board is a thoughtful combination of various skills, competencies, and experiences that in turn facilitates Board Diversity.

The following set of skills/expertise/competencies are identified by the Board as a parameter to nominate a candidate on the Board:

 Industry knowledge and experience

 Corporate Governance

 Financial and risk Management skills

 Technical aspects

 Leadership and Management skills

Tabled below are the key skills, expertise and competence of the Board of Directors in the context of the Company's business for effective functioning, as available with the Board.

Name of Director	Industry knowledge and experience	Financial and risk Management skills	Leadership and Management skills	Corporate Governance	Technical aspects
Mr. Arvind Uppal	✓	✓	✓	✓	✓
Mr. Pratik Rashmikant Pota	✓	✓	✓	✓	✓
Mr. Sahil Dilip Dalal	✓	✓	✓	✓	✓
Mr. Vinod Rao	✓	✓	✓	✓	✓
Mrs. Gurveen Singh	✓	✓	✓	✓	✓
Mr. Homi Adi Katgara	✓	✓	✓	✓	✓
Mr. Shashank Shankar Samant	✓	✓	✓	✓	✓

(f) Confirmation as regards Independence of Independent Director and Meeting of Independent Directors

The Board confirms that based on the written affirmations received from each Independent Director, all Independent Directors fulfil the conditions specified for independence as stipulated in Regulation 16(1)(b) of the SEBI Listing Regulations, as amended, read with Section 149(6) of the Act, along with the rules framed thereunder, and are independent of the Management. Further, the Independent Directors have also registered their names in the database maintained by the Indian Institute of Corporate Affairs (IICA) as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended.

None of the Independent Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, Directors, or Senior management that, in their judgement, would affect their independence. In terms of Regulation 25(8) of the SEBI Listing Regulations they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The following Independent Directors on the Board of the Company have resigned with effect from April 26, 2022:

- Mr. Anil Vasudev Kamath
- Mr. Sivanandhan Dhanushkodi
- Dr. (Mrs.) Indu Ranjit Shahni

The reason for tendering the resignation by the aforementioned Independent Directors is due to the Board reorganisation being initiated by the Board of Directors. Further, the resigning Director through written communication, have confirmed that there is no other material reason other than as mentioned above for their resignation from the Board and the Committees of the Company.

During the year under review, a meeting of the Independent Directors was held on March 30, 2023. All Independent Directors were present at the meeting to discuss risks, the performance of the Company, strategy, leadership, and the performance of the Non-Independent Directors, the Board, and the Chairman, and to assess the flow of information from management to the Board that is necessary for the Board to effectively and reasonably perform its duties.

Familiarization Programme

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company conducted various familiarisation programmes for its Directors, including a review of Industry Outlook at the Board Meetings, Regulatory framework for Related Party Transactions. Company's operations and Strategy, Annual Budget of the Company, Internal Control Systems, CSR strategy framework, update on Human Resource function, Risk Management, Internal Audit Plans and findings, visit to Company's Plants etc. Pursuant to Regulation 46 of the Listing Regulations, the details required are available on the website of your Company at the web link: www.eurekaforbes.com/media/investor-relations/Familiarisation-Programme-for-Independent-Directors.pdf.

3. Committees of the Board

i. Audit Committee

Introduction

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors where they are primarily responsible for accurate financial reporting and strong internal controls. The Audit Committee plays a major role in assisting the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Listing Regulations. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are financially literate, and the Chairman of the Audit Committee has accounting and financial management expertise. The Audit Committee also meets with the Auditors without the presence of management.

The Audit Committee also receives the report on compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Whistle Blower Policy are also placed before the Committee. None of the recommendations made by the Audit Committee were rejected by the Board.

Terms of Reference

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislations or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Key terms of Reference of the Committee are:

A. Financial Reporting and Financial Reporting Processes

- Oversight of the Company's financial reporting process and the disclosure of financial statements/ results and information submitted to the stock exchanges, regulatory authorities or the Members to ensure that the financial statement reflect a true and fair view correct and the same time sufficient and credible.
- Review with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act.
 - Changes, if any, in the accounting policies and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments, if any, made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements concerning Financial Financial Statements.
 - Disclosure of related party transactions.
 - Qualification/ modified opinion, if any, in draft audit report.
- Review accounting adjustments, if any, that are noted or proposed by the statutory auditors but were 'passed' (as immaterial or otherwise).
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers/ private placements/ debt issues and related matters.
- Review with the management the quarterly financial statements before submission to the Board for approval.
- Review of the Management Discussion & Analysis of financial condition and result of operations.

ix. Consider and discuss with the statutory auditors its judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting with reference to Generally Accepted Accounting Principles in India.

x. Review details of significant transactions/ investments by the subsidiaries.

B. Risk Management, Internal Control and Governance Processes

i. Review and discuss with Management the adequacy of the Company's system of business risk assessment including the risk of fraud. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

ii. Review and discuss with the statutory auditors, the internal auditors and management the adequacy and effectiveness of the Company's system of internal controls.

iii. Review any material defalcations or acts of fraud / misconduct as reported by the Risk Management Committee.

C. Statutory Audit

i. Recommend to the Board the appointment, re-appointment, terms of reference and, if required the replacement or removal of the Statutory Auditors, Cost Auditors and Secretarial Auditors considering their independence and effectiveness and also recommend the audit fees.

ii. Approve all auditing and permissible non auditing services (services other than those services which cannot be rendered by the Statutory Auditors as per Section 144 of the Act) to be rendered by the Statutory Auditors and determining the remuneration for all such services.

iii. Annual review and discuss with the Statutory Auditors all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence.

iv. Review the performance of the Statutory Auditors.

v. Review and discuss the nature and scope of the Statutory Auditors' before audit commence, annual audit as well as post-audit discussion with the Auditors to ascertain any area of concern.

vi. Mandatory review of Management Letters/ letters of internal control weaknesses and any significant findings and recommendations issued by the Statutory Auditors together with Management's response thereto.

vii. Following completion of the annual audit, review and discuss with the Statutory Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

viii. Meet separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed separately.

ix. Review the annual Cost Audit report submitted by the Cost Auditors.

D. Internal Audit

i. Review the Internal Audit scope and recommend changes, if any.

ii. To approve appointment, removal and terms of remuneration of Chief Internal Auditor.

iii. Review with the Management the performance of the internal auditors and adequacy of the internal controls.

iv. Consider and approve, in consultation with the Statutory Auditors and the Head of Internal Audit, the annual scope and plan of the Company's Internal Audit and any significant changes thereto.

v. Review the adequacy of the 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.

vi. Review with the Internal Auditor and the Statutory Auditors the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts and the effective use of audit resources.

vii. Review internal audit reports relating to internal control weaknesses.

viii. Review any significant findings and recommendations of Internal Audit, together with Management's responses thereto.

ix. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature and reporting the matters to the Board. Review with the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

x. Meet separately with the Chief Internal Auditor to discuss any matters that the Committee or the Chief Internal Auditor believes should be discussed separately.

E. Other Responsibilities

i. (a) Approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPTs subject to conditions specified in Regulation 23 of SEBI Listing Regulations.

(b) Review of Related Party Transactions on a quarterly basis.

ii. Review of internal control systems, policies and procedures under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

iii. Perform other activities as required by law or determined by the Board.

iv. Approval of appointment of Chief Financial Officer ("CFO") after assessing his qualification, experience & background etc.

v. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

vi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

vii. Institute and oversee special investigations as needed.

viii. Periodically report to the Board or Committee of the Board inter alia all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/ regulatory compliances.

xi. Consider and comment on rational, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., in the listed entity and its shareholders.

x. Confirm annually that all responsibilities outlined in this Charter have been carried out by the Committee.

xi. Self-evaluation of the Committee's performance once every year.

F. General

i. Develop, with the appropriate assistance from the statutory auditors, the internal auditors and management, an annual audit plan, internal audit plan and other plans/ matters to be reviewed as part of the responsibilities of the Committee.

ii. Perform such other role as mandated to the Committee by the Board of Directors and under the applicable rules/ regulations/ laws.

G. Vigil Mechanism

To oversee and review the Vigil Mechanism/ Whistle Blower function established by the Company to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct. Your Company will provide adequate safeguards against victimization of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets the Internal and Statutory Auditors separately, without the presence of Management representatives.

The Audit Committee met five times during the Financial Year 2022-23 on May 30, 2022, August 12, 2022, November 14, 2022, February 14, 2023, and March 14, 2023 and the attendance record of the Members is as follows:

Director	Category	Attendance
Mr. Vinod Rao (Chairman)	Non-Executive, Independent	5/5
Mrs. Gurveen Singh	Non-Executive, Independent	5/5
Mr. Sahil Dilip Dalal	Non-Executive, Non-Independent	5/5

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee

ii. Nomination & Remuneration Committee

Introduction

The Nomination & Remuneration Committee is responsible for formulating evaluation policies and reviewing all major aspects of the Company's HR processes relating to hiring, training, talent management, succession planning and the compensation structure of the Directors, KMP, and Senior Management. The Committee also anchored the performance evaluation of the Individual Directors. None of the recommendations made by the Committee were rejected by the Board.

Key terms of Reference of the Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating

to, the remuneration of the Directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. 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 of Directors their appointment and removal
5. Whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Committee also plays the role of Compensation Committee and is responsible for administering Eureka Forbes – Employee Stock Option Plan 2022 ("Stock Option Schemes") as applicable to the employees of the Company.

The Nomination and Remuneration Committee met eight times during the Financial Year 2022-23 on April 26, 2022, May 30, 2022, June 20, 2022, July 11, 2022, August 12, 2022, October 10, 2022, February 14, 2023 and March 14, 2023.

Director	Category	Attendance
Mrs. Gurveen Singh (Chairperson)	Non-Executive, Independent	7/7
Mr. Vinod Rao	Non-Executive, Independent	7/7
Mr. Homi Adi Katgara	Non-Executive, Independent	6/8
Mr. Sahil Dilip Dalal	Non-Executive, Non-Independent	7/7
Dr. (Mrs.) Indu Shahani ¹	Non-Executive, Independent	1/1
Mr. Shapoorji Pallonji Mistry ¹	Non-Executive, Non-Executive	0/1

Note:

1. The Nomination & Remuneration Committee was reconstituted on May 6, 2022 consequent to the reconstitution of the Board of Directors.

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

Remuneration Policy

Your Company's Nomination & Remuneration Policy for Directors and Senior Managerial Personnel has been approved by the Nomination & Remuneration Committee and the Board. It is driven by the success and performance of individual employees and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop, and motivate a high-performance workforce.

The purpose of the Remuneration Policy is to establish and govern the procedures applicable.

- To evaluate the performance of the members of the Board.
- To ensure remuneration payable to Directors, KMP's & other Senior Management strike an appropriate balance and are commensurate among others with the functioning of the Company and its long-term objectives.
- To retain, motivate, and promote talent within the Company, and to ensure the long term sustainability of the managerial persons and create competitive advantage.

The policy inter-alia covers the Directors' appointment and remuneration, Key Managerial Personnel, and other senior management's appointment and remuneration.

The Remuneration Policy as required under Section 178 of the Companies Act, 2013, is available on the website of the Company and can be accessed at web link: www.eurekaforbes.com/media/investor-relations/Nomination-and-Remuneration-Policy-new.pdf

Performance Evaluation of the Board and its Criteria

Pursuant to the provisions of the Act, SEBI Listing Regulations and Nomination & Remuneration Policy, the Board has carried out annual evaluation of its performance, its Committee(s) and of each Director. The process of performance Evaluation was anchored by the Chairman of the Board and Chairperson of the Nomination & Remuneration Committee.

A structured questionnaire was prepared and circulated to the Directors for each of the evaluation who submitted their response to the Chairperson of Nomination & Remuneration Committee.

The performance of the Board as a whole was evaluated by each Director on parameters such as its roles and responsibilities, contribution to the development of strategy and effective risk

management, understanding of business operations, availability of quality information in a timely manner, etc. and submitted.

Board Committees were evaluated by the respective Committee members on parameters such as its role and responsibilities, effectiveness of the Committee vis-a-vis assigned role, appropriateness of Committee composition, timely receipt of information by the Committee, upgrading knowledge by the Committee members, effectiveness of communication by the Committee with the Board, Senior Management and Key Managerial Personnel etc.

The performance of the Chairman was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board Meetings, quality of discussions at the Board Meetings etc.

The Directors were evaluated individually by all other Directors (except the Director himself/herself); Non-executive Directors evaluated Independent Directors and vice versa on various parameters. Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management.

Meeting of Independent Directors was held on March 30, 2023. The Independent Directors, inter-alia, evaluated performance of Non-Independent Directors, the Chairman of the Company and the Board as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Board Evaluation discussion was focused on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure, composition, meetings, functions and interaction

with management and what needs to be done to further augment the effectiveness of the Board's functioning.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. During Financial Year 2022-23, the Company actioned the feedback from the Board evaluation process conducted in Financial Year 2021-22.

The Board noted the key improvement areas emerging from this exercise in Financial Year 2022-23 and action plans to address the same are in progress. These include business strategy, Business Continuity Plan and other matters.

iii. Stakeholders' Relationship Committee (SRC)

Introduction

The SRC oversees the various aspects of interests of security holders of the Company. The Committee also monitors the performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises. None of recommendations made by the Committee were rejected by the Board.

Key Terms of Reference of the Committee are:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Stakeholders' Relationship Committee met once during the Financial Year 2022-23 on March 14, 2023.

Director	Category	Attendance
Mr. Arvind Uppal (Chairman)	Chairman – Non-Executive, Non-Independent	1/1
Mr. Vinod Rao	Non-Executive, Independent	1/1
Mr. Pratik Rashmikant Pota	Managing Director & CEO	1/1
Mrs. Gurveen Singh	Non-Executive, Independent	1/1
Mr. Shashank Shankar Samant ¹	Non-Executive, Independent	NA

Notes:

1. Appointed as a member of the Committee on May 29, 2023

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

The status of investor grievance redressal mechanism as required under the SEBI (LODR) Regulations, 2015 is filed with the Stock exchange within twenty-one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter and the statement is placed before the Committee and the Board periodically. There were no instances where the grievance was not solved to the satisfaction of the shareholders.

Details of the complaints from shareholders during Financial Year 2022-23 are as follows:

Number of complaints Received	Number of complaints Resolved	Number of pending Complaints
3	3	0

iv. Corporate Social Responsibility Committee

Introduction

The CSR Committee's responsibilities include developing the CSR Policy and the activities that the Company will engage in. The CSR Committee also recommends to the Board the amount of spending to be made on CSR activities of the Company, and evaluates the Company's performance in these areas. None of the recommendations made by the Committee were rejected by the Board.

Key Terms of Reference of the Committee are:

1. Formulate and recommend to the Board the CSR Policy and activities to be undertaken

2. Recommend the amount of expenditure to be incurred on CSR activities
3. Formulate and review the Annual Action Plan in pursuance of the CSR Policy
4. Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation
5. Schedules for the projects/ programmes
6. Monitoring and reporting mechanism for the projects/ programmes

The Corporate Social Responsibility Committee met once during the Financial Year 2022-23 on May 30, 2022.

Director	Category	Attendance
Mrs. Gurveen Singh	Chairperson – Non-Executive, Non-Independent	1/1
Mr. Vinod Rao	Non-Executive, Independent	1/1
Mr. Pratik Rashmikant Pota ¹	Managing Director & CEO	NA
Mr. Homi Adi Katgara	Non-Executive, Independent	0/1
Mr. Marzin R. Shroff ²	Managing Director & CEO	0/1

Note:

¹ Mr. Pratik Rashmikant Pota was appointed as the member of the CSR Committee on October 10, 2022.

² Mr. Marzin R. Shroff resigned from the post of Managing Director & CEO with effect from August 16, 2022

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

v. Risk Management Committee

Introduction

The Risk Management Committee ('RMC') inter alia formulates the Enterprise Risk Management Policy and reviews the same periodically; monitors and oversees implementation of the Policy, including evaluating the adequacy of risk management systems; ensures appropriate methodology, processes, and systems are in place to monitor and evaluate business risks, informs the Board about its discussions, recommendations, and actions to be taken; and appoints the Chief Risk Officer, including terms of remuneration. None of the recommendations made by the Committee were rejected by the Board.

The Risk Management Committee also safeguards the shareholders' interests and the Company's assets, reviews

reports from the Company's internal audit function relating to risk management, and all other matters specified under the Act, Listing Regulations or any other role as may be prescribed by law or by the Board of Directors from time to time.

Key Terms of Reference of the Committee are:

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee met twice during the Financial Year 2022-23 on January 18, 2023 and March 14, 2023.

Director	Category	Attendance
Mr. Vinod Rao	Chairman – Non-Executive, Non-Independent	2/2
Mr. Arvind Uppal	Non-Executive, Non-Independent	2/2
Mr. Sahil Dilip Dalal	Non-Executive, Non-Independent	2/2
Mrs. Gurveen Singh	Non-Executive, Independent	2/2
Mr. Shashank Shankar Samant ¹	Non-Executive, Independent	NA

Note:

¹ Appointed as a member of the Committee on May 29, 2023.

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

4. Directors' Remuneration

Remuneration paid to Managing Director & CEO:

Mr. Pratik Pota was appointed as the Managing Director & CEO of the Company with effect from August 16, 2022. The annual remuneration package of Mr. Pota constitutes a fixed salary component including allowances/ reimbursements; a variable pay component as approved by the Nomination & Remuneration Committee and the Board of Directors, from time to time. The Commission is performance linked and such other parameters as may be fixed by the Nomination and Remuneration Committee and Board from time to time. All other components are fixed.

The details of the remuneration paid to the Managing Director & CEO for the Financial Year 2022-23 is reproduced below:

Particulars	₹ In Lakhs
Salary & Perquisites	574.79
Contribution to retiral benefits	14.35
Total	589.14

Notes:

1. Mr. Pratik Rashmikant Pota is eligible to participate in stock options under the Company's Employee Stock Option Plan (ESOP 2022).
2. The variable pay of MD and CEO is paid annually which is determined by NRC after factoring in KPIs achieved and the Company's performance.
3. The appointment of the Managing Director & CEO is contractual in nature. He may resign by giving 06 (Six) months written notice without assigning any reason whatsoever. The Company can terminate the appointment by giving 06 (Six) months written notice without assigning any reason whatsoever.

Remuneration paid to Former Managing Director & CEO:

Mr. Marzin R. Shroff resigned from the post of Managing Director & CEO of the Company with effect from August 16, 2022. The remuneration of the former Managing Director & CEO for the Financial Year 2022-23 comprised a fixed salary component in addition to allowances and variable pay component as approved by the Nomination & Remuneration Committee and the Board of Directors from time to time. The details of the remuneration paid to the former Managing Director & CEO is reproduced below:

Particulars	₹ In Lakhs
Salary & Perquisites	75.80
Contribution to retiral benefits	8.89
Commission	150
Total	234.69

Remuneration to Non-Executive Directors:

Non-Executive Directors are remunerated by way of sitting fees for attending the meetings and an annual commission. The criteria for making payment to Non-Executive Directors and Independent Directors are available on website of the Company at www.eurekaforbes.com/media/Code_of_Conduct_for_Non_Executive_Director.pdf.

Details of the Sitting Fees and Commission paid to Non-Executive Directors for the Financial Year 2022-23 is mentioned below:

Sr. No	Name of the Director	Sitting Fees	Commission	Total
1.	Mr. Arvind Uppal	3,35,000	-	3,35,000
2.	Mr. Sahil Dilip Dalal	NA	NA	NA
3.	Mr. Vinod Rao	3,95,000	-	3,95,000
4.	Mrs. Gurveen Singh	3,95,000	-	3,95,000
5.	Mr. Homi Adi Katgara	4,05,000	-	4,05,000
6.	Mr. Shashank Shankar Samant	80,000	-	80,000
7.	Mr. Shapoorji Pallonji Mistry ¹	-	7,00,000	7,00,000
8.	Mr. Pallon Shapoorji Mistry ¹	20,000	7,00,000	7,20,000
9.	Mr. Jai Laxmikant Mavani ¹	20,000	7,00,000	7,20,000
10.	Mr. Shankar Krishnan Subramanian ¹	20,000	7,00,000	7,20,000
11.	Dr. (Mrs.) Indu Ranjit Shahani ¹	1,50,000	7,00,000	8,50,000
12.	Mr. Anil Vasudev Kamath ¹	1,00,000	7,00,000	8,00,000
13.	Mr. Sivanandhan Dhanushkodi ¹	1,00,000	7,00,000	8,00,000

Notes:

1. Resigned with effect from April 26, 2022

The Commission payable to the Non-Executive Directors of the Company for the Financial Year 2022-23 is ₹ 27,00,000 per Director. Mr. Sahil Dilip Dalal has waived his right to sitting fees and commission.

Other Terms

During the year under review, there were no other pecuniary transactions or relationships of Non-Executive Directors with the Company. The Company has not granted any stock options of the Company to any of its Directors during the year under review.

5. General Body Meetings

Details in respect of the past three Annual General Meetings of the Company:

Date of the Meeting (Years)	Venue	Time	Special Resolution passed
December 22, 2022	The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company	04:00 PM IST	<ul style="list-style-type: none"> Appointment of Mr. Shashank Shankar Samant (DIN: 09733485) as Non-Executive and Independent Director. Payment of Commission to Non-Executive Directors Consideration and approval of payment of Managerial Remuneration and waiver of excess Managerial Remuneration payable to Managing Director & Chief Executive Officer (Managing Director & CEO).
September 13, 2021	B1/B2, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013	10:00 AM IST	-
September 23, 2020	B1/B2, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013	10:00 AM IST	-

The following resolutions were passed through Postal Ballot during the Financial Year 2022-23:

Date of Postal Ballot	Resolutions passed	Approval Date	Scrutiniser	Link for postal ballot notice and result
May 31, 2022	<ul style="list-style-type: none"> Appointment of Mr. Arvind Uppal (DIN: 00104992) as Non-Executive and Non-Independent Director, proposed to be passed as an Ordinary Resolution; Re-appointment of Mr. Marzin R Shroff (DIN: 00642613) as Managing Director and Chief Executive Officer, proposed to be passed as a Special Resolution. Appointment of Mr. Sahil Dilip Dalal (DIN: 07350808) as Non-Executive and Non - Independent Director, proposed to be passed as an Ordinary Resolution; Appointment of Mr. Vinod Rao (DIN: 01788921) as Non-Executive and Independent Director, proposed to be passed as a Special Resolution; Appointment of Mrs. Gurveen Singh (DIN: 09507365) as Non-Executive and Independent Director, proposed to be passed as a Special Resolution; and Appointment of Mr. Homi Adi Katgara (DIN: 00210338) as Non-Executive and Independent Director, proposed to be passed as a Special Resolution; 	June 30, 2022	Mr. Mihen Halani, Proprietor of M/s. Mihen Halani & Associates, Practicing Company Secretaries	www.eurekaforbes.com/investor-relations/shareholders-informations/postal-ballot/
October 10, 2022	<ul style="list-style-type: none"> Increase in Authorised Share Capital of the Company, proposed to be passed as an Ordinary Resolution; Appointment of Mr. Pratik Rashmikant Pota (DIN: 00751178) as a Director of the Company, proposed to be passed as an Ordinary Resolution; Appointment of Mr. Pratik Rashmikant Pota (DIN: 00751178) as Managing Director and Chief Executive Officer of the Company, proposed to be passed as a Special Resolution; Consider and approve 'Eureka Forbes - Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan"), proposed to be passed as a Special Resolution; 	November 10, 2022	Mr. Mihen Halani, Proprietor of M/s. Mihen Halani & Associates, Practicing Company Secretaries	www.eurekaforbes.com/investor-relations/shareholders-informations/postal-ballot/

Date of Postal Ballot	Resolutions passed	Approval Date	Scrutiniser	Link for postal ballot notice and result
	<ul style="list-style-type: none"> Grant of employee stock options to the employees of Subsidiary Company (ies) of the Company under 'Eureka Forbes - Employee Stock Option Plan 2022', proposed to be passed as a Special Resolution; and Grant of employee stock options to the employees of the Group Company (ies) including Associate Company (if any) of the Company under 'Eureka Forbes - Employee Stock Option Plan 2022', proposed to be passed as a Special Resolution; 			

Procedure to Conduct Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs ("MCA") respectively issued by the Ministry of Corporate Affairs (MCA), the Company provided electronic voting (e-voting) facility to all its Members.

The Notice of Postal Ballot was sent in electronic mode only to all those Members who had registered their e-mail addresses with the Company or Depository Participant/Depository/Link Intime India Private Limited. Further, the Members had the option to vote only through remote e-voting and voting through physical ballot papers was not provided.

The Company had also published a notice in the newspaper declaring the details and requirements for postal ballot as mandated by the Act and applicable rules post circulation of postal ballot notice to all the shareholders.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date.

The scrutiniser completed their scrutiny and submitted the report to the Chairman/Managing Director, and the consolidated results of the voting were announced by the Chairman/Authorised Officer.

The results were also displayed on the Company's website besides being communicated to the Stock Exchange, Depositories and Registrar and Share Transfer Agent.

6. Means of Communication

Website, News & Events

A separate dedicated section under 'Investors' at www.eurekaforbes.com/investor-relations gives information on applicable policies including policy on dealing with related-party transactions which is at www.eurekaforbes.com along with news and events held during the year of the Company.

A separate dedicated section under 'Investors' section on the Company's website at www.eurekaforbes.com gives information on policy for determining material subsidiary at www.eurekaforbes.com.

The quarterly, half-yearly and yearly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations are sent to the Stock Exchange where the shares of the Company are listed i.e. BSE Limited. The results are normally published in "Financial Express" (English Daily) and "Mumbai Lakshadeep" (Marathi Daily) within 48 hours of the conclusion of the Meeting of the Board in which they are approved.

The results are displayed on the Company's website www.eurekaforbes.com/investor-relations/financial-information/eurekaforbes-ltd/

The proceedings of the General Meetings are also available on the Company's website at www.eurekaforbes.com/investor-relations/shareholders-information/report

Other information, such as Press Release and Presentations made to investors and analysts etc. is regularly updated on the Company's website.

The required disclosures were made to the Stock Exchange and were uploaded on the website of the Company at www.eurekaforbes.com.

SEBI processes investor complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

7. Shareholder's Information

14th (Fourteenth) Annual General Meeting (through Video Conference/Other Audio Visual Means)

Day & Date: Friday, September 22, 2023

Time: 10:00 AM IST

Venue: The 14th Annual General Meeting of the Company ('AGM') is being conducted through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility and the deemed venue for the AGM shall be the Registered Office of the Company.

Book Closure date: Not Applicable

Dividend Payment Date: Not Applicable

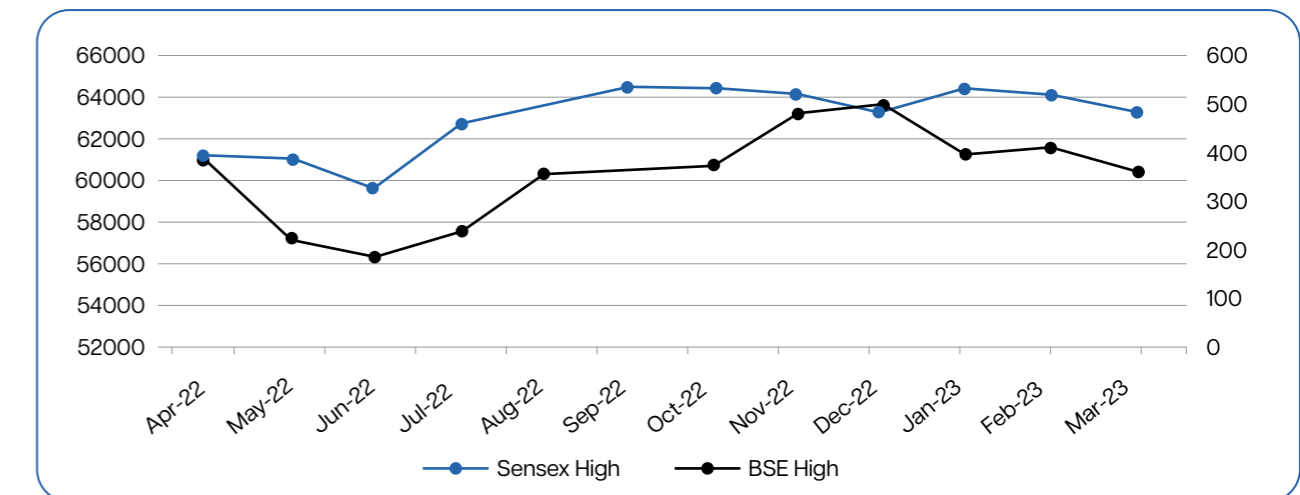
Financial year: The Financial Year of the Company is from April 01 to March 31.

Market Price Data and Comparison:

Monthly high and low price of the equity shares of the Company from April 2022 to March 2023 is given as below and performance in comparison to BSE Sensex is given in Chart:

Month	BSE Limited	
	High	Low
April	397.50	316.00
May	388.85	282.00
June	334.00	282.00
July	462.00	307.00
August	500.00	418.40
September	535.00	425.55
October	531.95	490.10
November	520.00	451.00
December	488.00	440.10
January	537.05	459.25
February	524.85	449.95
March	484.00	400.00

Performance of the Share Price of the Company in Comparison to the BSE Sensex:



Registrar & Transfer Agents (For both shares held in physical and dematerialised mode)

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

Phone: +91 22 4918 6000

E-mail: info@linkintime.co.in

Contact Person: Mr. Ishwar Suvarna

Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the Registrar and Transfer Agent (RTA).

In terms of the SEBI Listing Regulations, effective from April 1, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to April 1, 2019 and returned due to deficiency in the documents. SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 has instructed companies to not accept transfer requests in physical form with effect from March 31, 2021. Hence, the Company has not accepted any document for transfer of shares in physical form post March 31, 2021.

Shareholders are advised to dematerialise their shares held by them in physical form at the earliest. Requests for dematerialisation of shares are processed by RTA and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) within the statutory time limit from the date of receipt of share certificates, provided the documents are complete in all respects.

Distribution of Shareholding as on March 31, 2023					
Sr. No	Category (Shares)	No of Shareholders	% to total shareholders	No of Shares	% to total no of shareholders
1	Upto 500	8,745	60.34	1,27,62,990	0.66
2	501 to 1000	2,567	17.71	1,88,24,140	0.97
3	1001 to 2000	1,740	12.00	2,24,81,000	1.16
4	2001 to 3000	533	3.67	1,37,16,640	0.71
5	3001 to 4000	156	1.10	54,89,710	0.28
6	4001 to 5000	152	1.05	68,86,180	0.36
7	5001 to 10000	328	2.26	2,37,33,550	1.23
8	10001 and above	271	1.87	1,83,08,98,190	94.63
	Total	14,184	100.00	19,34,79,240	100.00

Shareholding Pattern as on March 31, 2023

Sr. No	Category	No of Shareholders	% of Shareholding
A	Promoter Holding		
1	Promoter & Promoter Group	14,03,89,654	72.56
	Sub- Total (A)	14,03,89,654	72.56
B	Non-Promoter Holding		
1	Institutional Investor		
1.1	Mutual Fund	26,30,066	1.36
1.2	Alternate Investment Funds	7,95,648	0.41
1.3	Foreign Portfolio Investor	2,11,72,338	10.94
1.4	Financial Institutions / Banks	1,92,900	0.10
1.5	Foreign Bank	1,950	0.00
2	Central / State Government(s)	4,55,445	0.24
	Sub Total (B)	2,52,48,347	13.05
	Non- Institutions		
1	Bodies Corporate/LLP	66,89,818	3.46
2	Non Resident Indians	5,27,998	0.27
3	Individuals/HUF/Trust/Others	2,06,23,423	10.66
	Sub Total (C)	2,78,41,239	14.39
	Grand Total (A+B+C)	19,34,79,240	100.00

Dematerialisation & Liquidity of Shares

As on March 31, 2023, 98.15% of the total issued share capital was held in dematerialised form with NSDL and CDSL.

Plant Locations:

Dehradun

Khasra Number 3946,3961 & 3962, Lal Tappar Industrial Area, Majri Grant, Dehradun-Haridwar Highway, Tehsil – Rishikesh, Dist. – Dehradun, Uttarakhand- 248140

Bangalore

Plot No. 143, C-4, Bommasandra Industrial Area, Husur Road, Bangalore - 560099

Address for Correspondence

Ms. Pragya Kaul is the Company Secretary & Compliance Officer of the Company. The correspondence address of the Company is:

Registered Office – B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra – 400013, India.

Phone: +91 22 4882 1700

Fax: +91 22 4882 1701

Website: www.eurekaforbes.com;

E-mail: compliance@eurekaforbes.com

The Company welcomes all the members to communicate with the Company as per the above details or through the Company’s Registrar and Share Transfer Agent (RTA): Link Intime India Private Limited.

Credit Ratings

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

The Company has a credit rating of CARE A/Stable for long term bank facilities. The details of Credit Rating are available on the website of the Company at www.eurekaforbes.com/investor-relations/shareholders-information/credit-rating

8. Other Disclosures

(a) Disclosures on materially related party transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2022-23, there was no materially related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with IND AS-24 are given in Note No. 29 of Other Notes on Accounts of the Annual Report. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company’s website at the web link www.eurekaforbes.com/media/investor-relations/Policy-on-Materiality-of-Related-Party-Transactions-and-on-dealing-with-Related-Party-Transactions.pdf

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has not been penalised, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

(c) Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit Committee

The Company has adopted a Whistle Blower Policy which means alert/ vigilant empowering any person associated with the organisation to file a grievance if he/ she notices any irregularity. The Policy is available on the website of the Company at www.eurekaforbes.com/media/pdf/whistle-blower-policy.pdf No person has been denied access to the Audit Committee for any grievance.

(d) Web link where policy for determining ‘material’ subsidiaries is disclosed

The policy for determining ‘material’ subsidiaries is available on the website of the Company under “Codes & Policies” in the Corporate Governance section and can be accessed at www.eurekaforbes.com/media/pdf/PolicyonMaterialSubsidiary.pdf

(e) Disclosure of commodity price risks and commodity hedging activities

In order to manage the Company’s Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates. Policy on Foreign Exchange Risk and Commodity Price Risk along with Foreign Currency exposure is given under Note No. 34 of Other Notes on Accounts of the Annual Report.

The details of Foreign Currency exposure are given under Note No. 34 of Other Notes on Accounts of the Annual Report.

(f) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

(g) Certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

On the basis of written representations/ declaration received from the Directors, as on March 31, 2023, M/s Miheh Halani & Associates, Company Secretaries (Membership No. FCS9926, CP No. 12015), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

(h) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board accepted the recommendations of its Committees, wherever made, during the financial year.

(i) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

The details of remuneration paid to the Statutory Auditor is given in Note No. 27 forming part of the Standalone Financial Statements. The statutory auditors and their network firm/network entity are not providing any services to the Subsidiaries of the Company.

(j) Disclosure of the extent to which the Discretionary Requirements as specified in Part E of schedule II have been adopted

- a. The Board: The Company's Chairman is a Non-Executive Director and is entitled to maintain the Chairman's office at the Company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.
- b. Shareholder Rights: Quarterly Financial Statements are published in leading newspapers and uploaded on Company's website www.eurekaforbes.com
- c. Modified opinion(s) in audit report: Auditors have raised no qualification on the Financial Statements.
- d. Separate posts of Chairman and the MD or CEO: Presently, Mr. Arvind Uppal is the Non-Executive Chairman and Mr. Pratik Rashmikant Pota is the Managing Director & CEO of the Company.
- e. Reporting of Internal Auditor: The Company has appointed Chief Internal Auditor who has direct access to the Chairman, Audit Committee.

(k) Disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the certificate by Practicing Company Secretary with respect to compliance with Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance, has been annexed to this Report.

(l) Policy for Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Complaint Committee (ICC) and has a

well-defined policy. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. During the year, the Company has not received any complaint under the Policy.

- a. Number of complaints filed during the Financial Year – **NIL**
- b. Number of complaints disposed off during the Financial Year – **NIL**
- c. Number of complaints pending as on end of the Financial Year – **NIL**

(m) Dividend Policy

The Company has adopted a Dividend Policy which has been displayed on the Company's website and can be accessed at www.eurekaforbes.com/media/investor-relations/Dividend-Distribution-Policy.pdf.

(n) Legal Compliance Reporting

The Board of Director reviews, on a quarterly basis, the report of compliance with respect to all applicable laws and regulations.

(o) Demat Suspense Account

The Company does not have any shares in Demat suspense account/unclaimed suspense account. Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors confirming compliance with the requirements of SEBI Listing Regulations forms part of the Annual Report.

(p) Code of Conduct

The Company has formulated and adopted Code of Conduct for members of the Board of Directors and senior management personnel (which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act ('Code for Independent Directors') in accordance with Regulation 17(5) of the SEBI Listing Regulations which is available on the website www.eurekaforbes.com/media/Code_of_Conduct_for_Board_of_Directors_Senior_Management_Personnel.pdf. The Company has received confirmation from all members of the Board of Directors and Senior Management Personnel regarding compliance of the Code for the year under review. The declaration signed by Mr. Pratik Rashmikant Pota, Managing Director & CEO stating that the members of Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel is forming part of this report.

(q) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount':

Notes to accounts reported under the note Related Party Transaction.

(r) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not applicable

(s) Disclosure of agreements entered under Clause 5A of Paragraph A of Part A of Schedule III which are binding on Listed entities: Not applicable

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN: 00104992)

Place: Mumbai
Date: August 8, 2023

Declaration Regarding Compliance with the Code of Conduct of the Company by the Board Members and Senior Managerial Personnel

[Pursuant to Regulation 34(3) and Schedule V of the SEBI Listing Regulations]

I, Pratik Rashmikant Pota, Managing Director & CEO of Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited), hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI Listing Regulations for the Financial Year ended March 31, 2023.

On behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Sd/-
Pratik Rashmikant Pota
Managing Director & CEO
DIN 00751178

Place: Mumbai
Date: August 8, 2023

Certificate of Practicing Company Secretary on Corporate Governance

To,
The Members
EUREKA FORBES LIMITED
(formerly Forbes Enviro Solutions Limited)

We have examined the compliance of conditions of Corporate Governance by Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure 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 as given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except following:

- Pursuant to Regulation 21(3C) of the SEBI (LODR) Regulations, 2015, the Risk Management Committee Meeting ("RMC Meeting") during the previous year and current year was held on March 29, 2022 and January 18, 2023 respectively. However, the gap between two consecutive meetings of RMC has elapsed more than 180 days.

We state that in respect of investor's grievance received during the year ended March 31 2023, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2023, there were no investors' grievances remaining unattended / pending to the satisfaction of the investor.

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

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Place: Mumbai
Date: May 29, 2023
ICSI UDIN: F009926E000412671

Mihen Halani
Proprietor
CP No: 12015
FCS No:9926

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
EUREKA FORBES LIMITED
(formerly Forbes Enviro Solutions Limited)
B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) bearing CIN - L27310MH2008PLC188478 and having registered office at B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Designation	Date of Appointment In Company
1.	Arvind Uppal	00104992	Non-Executive – Non-Independent Director, Chairperson	26/04/2022
2.	Homi Adi Katgara	00210338	Non-Executive - Independent Director	31/01/2022
3.	Vinod Rao	01788921	Non-Executive - Independent Director	26/04/2022
4.	Sahil Dilip Dalal	07350808	Non-Executive – Non-Independent Director	26/04/2022
5.	Gurveen Singh	09507365	Non-Executive - Independent Director	26/04/2022
6.	Pratik Rashmikant Pota	00751178	Executive Director, MD & CEO	16/08/2022
7.	Shashank Shankar Samant	09733485	Non-Executive - Independent Director	10/10/2022

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Place: Mumbai
Date: May 29, 2023
ICSI UDIN: F009926E000412636

Mihen Halani
(Proprietor)
CP No: 12015
FCS No:9926

Annexure – 7

Business Responsibility & Sustainability Report (BRSR)

[under Regulation 34(2)(f) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL DISCLOSURES

I. Details of listed entity		
1.	Corporate Identity Number (CIN) of the Company	L27310MH2008PLC188478
2.	Name of the Company	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)
3.	Year of incorporation	November 26, 2008
4.	Registered office address	B1/B2, 7 th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013
5.	Corporate address	B1/B2, 7 th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013
6.	E-mail id	compliance@eurekaforbes.com
7.	Telephone	+91 2248821700
8.	Website	www.eurekaforbes.com
9.	Financial year reported	2022-2023
10.	Name of the Stock Exchanges where shares are listed	BSE Limited
11.	Paid-up Capital (In ₹)	1,93,47,92,400
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Name: Mr. Pratik Rashmikant Pota Designation: Managing Director & Chief Executive Officer Email id: compliance@eurekaforbes.com Telephone: +91 2248821700
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1.	Manufacturing	Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment	52.11%
2.	Manufacturing	Repair & installation of machinery & equipment, motor vehicles	30.27%
3.	Trading	Retail trading	17.62%

15. Products/Services sold by the Company (accounting for 90% of the turnover)

Sr. No	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of domestic electric appliances	27501	14.58%
2.	Manufacture of filtering and purifying machinery or apparatus for liquids and gases	28195	45.24%
3.	Servicing of water filter cum purifier, vacuum cleaners and air purifiers	829	30.27%

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	2	134	136
International	0	0	0

17. Markets served by the Company

a. Number of locations

Locations	Number
National (No. of States)	34 (28 States + 6 Union Territories)
International (No. of Countries)	6

b. What is the contribution of exports as a percentage of the total turnover of the Company?

0.26%

c. Types of customers

The Company caters to a wide range of consumers including Government Institutions like Railways, Armed Forces, CPC other Departments via GEM, Private Institutions like Hospitals, SMEs, Hotels, etc, General domestic Households, Artichects, Retailers, Dealers, whole-salers, Distributors, E-commerce channels etc.

IV. Employees

18. Details as at the end of Financial Year, i.e. March 31, 2023:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2,884	2,750	95%	134	5%
2.	Other than Permanent (E)	26	23	88%	3	12%
3.	Total employees (D+E)	2,910	2,773	95%	137	5%
WORKERS						
4.	Permanent (F)	18	18	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total workers (F+G)	18	18	100%	0	0%

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D+E)	Nil	Nil	Nil	Nil	Nil
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F+G)	Nil	Nil	Nil	Nil	Nil

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.28%
Key Management Personnel	3	1	33.33%

20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

	FY 2022-23			FY2021-22			FY2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	61%	55%	61%	42%	47%	42%	0	0	0%
Permanent Workers	5%	0%	5%	10%	0%	10%	0	0	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Name of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/ Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	Lunolux Limited	Holding	72.56%	No
2.	Forbes Aquatech Limited	Subsidiary	88.49%	
3.	Infinite Water Solutions Private Limited	Wholly-owned Subsidiary	100%	The Company takes all active measures to include its Subsidiaries in its BR initiatives
4.	Euro Forbes Limited, Dubai	Wholly-owned Subsidiary	100%	
5.	Forbes Lux FZE, Dubai	Step down Subsidiary	100%	

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover

₹ 2,08,041.88 Lakhs

(iii) Net worth

₹ 4,07,450.25 Lakhs

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/ No) (If yes, then provide weblink for grievance redressal policy)	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes, Link to grievance redressal mechanism is www.eurekaforbes.com/contactus	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)	Not Applicable as we don't have any Investors other than Equity Shareholders						
Shareholders		3	0	-	NIL	NIL	-

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/ No) (If yes, then provide weblink for grievance redressal policy)	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Employees and workers		NIL	NIL	-	NIL	NIL	-
Customers		91	77	-	70	66	-
Value Chain Partners		NIL	NIL	-	NIL	NIL	There is no formal mechanism in place.
Other (please specify)		-	-	-	-	-	-

24. Overview of the Company's business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the Risk or opportunity (Indicate positive or negative implications)
1	Regulatory / Compliance	Risk	Risk of non compliance due to non adherence to product related guidelines or other regulatory pronouncements	<ul style="list-style-type: none"> Product development process incorporates addressing changes to regulatory requirements In house team and access to external experts to enable identification and roll out of capabilities to ensure compliance 	Negative
2	Market risk	Risk	Risk of inability to drive category growth and penetration	<ul style="list-style-type: none"> Offerings at various price points – from entry level to premium Pipeline of new differentiated innovations. Capex plans have been increased to support innovation pipeline Reclaim the role of category creation through communication at non users Ease access of service offerings eg AMCs, filters etc by making them available at multiple channels Targeted actions on grey market operators and consumer education to garner larger share of service revenue 	Negative
3	Consumer / Reputation	Risk	Risk of poor customer experience and associated reputation risks due to not honoring service commitments or and / redress customer grievances	<ul style="list-style-type: none"> Customer experience has been identified as 1 of the 6 pillars of transformation Capability being put in place to deliver industry beating benchmarks on service Significant digital capability being put in place to give control to customers Culture of customer through initiatives like "Customer Day", extensive business partner engagement 	Negative

Sl. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the Risk or opportunity (Indicate positive or negative implications)
4	Supply Chain risks	Risk	Supply risks due to disruptions like COVID etc	<ul style="list-style-type: none"> Vendor development roadmap in place to de risk supply issues Strategic partnerships in place and being strengthened 	Negative
5	Information / Cyber Security	Risk	Security vulnerabilities due to external factors - cyber attack, ransomware, data leaks etc or business continuity due to inadequate disaster recovery controls	<ul style="list-style-type: none"> Disaster recovery process strategy in place Data security measures like call masking put in pipeline Cyber Security awareness trainings initiated 	Negative
6	People risk	Risk	Risks to transformation initiatives due to cultural and other resistance to changes	<ul style="list-style-type: none"> Strategy alignment sessions and cascades done with all employees of the Company Incentive programs revamped & simplified to drive desired performance across all verticals Rolled out first ever ESOP program for all managers Continuing engagements with employees at all levels to drive the transformation agenda forward Building new people capabilities in R&D, technology, D2C and sales organization 	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink of the policies, if available	www.eurekaforbes.com/investor-relations/corporate-governance/policies								
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	<ol style="list-style-type: none"> GC Mark Certificate (Bangalore & Dehradun) IGBC Membership Certificate (Dehradun) ISO 14001: 2015 (Environment Management System) (Bangalore & Dehradun) ISO 9001: 2015 (Quality Management System) (Bangalore & Dehradun) BIS Certification as per IS 14724 : 1999 (Dehradun) 								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	The Company is dedicated towards providing long term sustainable value to its stakeholders. While the Company is still in the process of defining targets, it is however taking conscious efforts to promote a sustainable way of living by providing highest quality of products and eco-friendly packaging								
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	Not Applicable								

Governance, leadership and oversight

7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Sustainability has emerged as a crucial factor in the consumer appliances industry, not just in India but globally. Companies are increasingly placing emphasis on various sustainability aspects to meet evolving consumer expectations. This includes optimizing energy usage throughout the long-term operations of appliances, adopting sustainable packaging practices, and prioritizing local suppliers.

The Company has embraced sustainability as a core principle and it into various aspects of its business operations. It has implemented resource conservation measures to reduce waste generation and improve resource efficiency. Additionally, the Company has focused on energy optimization by adopting energy-efficient practices and technologies. It has also prioritized sustainable supply chain practices, collaborating with suppliers to promote responsible sourcing and minimize environmental impact. Through these efforts, the Company aims to reduce its environmental footprint, improve operational efficiency, and contribute to a more sustainable future.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Name : Mr. Pratik Rashmikant Pota
DIN: 00751178
Designation : Managing Director & CEO

9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes.

The Managing Director & CEO and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review provided below taken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Company periodically reviews all policies and necessary changes are made to the policies and processes as per the need																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the regulations to the extent applicable																	

11. Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Various processes, operations and compliances of the Company are subjected to review by different agencies Internal Auditor and Statutory Auditor, as may be applicable. The policies are reviewed periodically and amended as per need with the approval of the Board.								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principle material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)								Not Applicable	
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	16	Familiarisation Programmes are carried out by the Company	100
Key Managerial Personnel	16	which includes the following topics and areas: 1. Overall industry in which the Company operates, Company's operations and Strategy and Annual Budget of the Company; 2. Internal Control Systems; 3. CSR strategy framework; 4. Human Resources - Organisation Structure, Leadership Program and Talent Management; 5. Risk Management; 6. Internal Audit Plans and findings; 7. Regulatory updates at Board and Audit Committee Meetings; 8. Visit to Company's Plants.	100

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than Board of Directors and KMPs		EUREKA FORBES LIMITED (EFL) ensures that all the Company policies/practices conforms to the National Voluntary Guidelines (NVGs) and the implementation of these are overseen by various Board Committees and Functional Heads. To ensure that there is regular awareness and ease of reference, all the HR policies are hosted on the employee portal of the Company, which ensures seamless communication and transparency. Other statutory policies are hosted on the website of the Company at www.eurekaforbes.com .	100
Workers		The Company has a formalized Code of Conduct and Code of Ethics, along with a well defined Whistle Blower policy, which encompasses all its internal and external stakeholders. There are comprehensive structured e-learning courses available for all employees on both these policies. All new joinees of the organization are required to complete this course as a part of their induction. This course has to be undertaken atleast once annually, by each existing employee to promote ethics, transparency and accountability. For workers quarterly refresher sessions are facilitated by the local HR teams. 100% employees have to undergo these programs in a year.	100

2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹) Brief of the Case Has an appeal	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NA	NA	NA	NA
Settlement	NIL	NA	NA	NA	NA
Compounding fee	NIL	NA	NA	NA	NA

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NA	NA	NA
Punishment	NIL	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has laid down a Whistle Blower Policy which encourages reporting concerns on any unethical behaviour, actual or suspected fraud, or any violation of the Company's Code of Conduct. The Whistle Blower Policy facilitates employees and vendors to report without fear, any wrongdoings, unethical or improper practice. The Company is committed to promote ethics, transparency, and accountability which encompasses all its internal as well as external stakeholders.

Link to the whistle blower policy: www.eurekaforbes.com/media/pdf/whistle-blower-policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

NA

Principle 2:

Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	2%	3%	The Company has undertaken several significant initiatives to enhance its products and practices, contributing to environmental sustainability and innovation. The Company has launched UV LED-based disinfection chambers for water purification, replacing the earlier Mercury lamp-based chambers. As a part of value engineering, the Company introduced pump current sensing, resulting in the removal of LPS/DRS components from its products. This engineering improvement not only optimizes the product's performance but also reduces its overall footprint, aligning with the Company's commitment to environmental conservation. Moreover, the Company has developed numerous prototypes and conducted extensive field trials.
Capex	5%	21%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company is aiming to increase supplier's understanding of their legal obligations and the importance of employee Health & Safety. The Company adheres to ISO 14001 and other Environmental, Health & Safety regulations.

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging) and other waste: The Company has collaborated with India's leading waste management and disposal companies to address plastic waste responsibly. The Company aims to minimize the environmental impact of plastic waste and contribute to a circular economy by promoting the recycling and reuse of plastics. By partnering with reputable waste management companies, the Company demonstrates its dedication to environmental stewardship and taking concrete steps towards a greener future.

(b) E-waste: The Company has partnered with leading electronic asset management and disposal companies for its e-waste recycling initiative. Through this collaboration, Eureka Forbes provides e-waste drop-off centers and ensures environmentally safe management of electronics at their end-of-life phase, contributing to environmental protection and responsible waste management.

(c) Hazardous waste: The Company has taken significant steps to address environmental concerns at its factories in Dehradun and Bommasandra, Bangalore. The Company has installed Effluent Treatment Plants and Sewage Treatment Plants to effectively remove contaminants from wastewater and sewage. The treated water is collected in storage tanks and reused for gardening and recharging the groundwater level, promoting sustainable water management practices. Additionally, the Company has identified reliable and renowned partners, who are India's leading waste management and disposal companies, to efficiently handle the waste generated during their operations. This proactive approach highlights the Company's commitment to responsible waste management and environmental stewardship.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. EPR is applicable to The Company. The EPR plan of Eureka Forbes is accessible through the following link: www.eurekaforbes.com/media/EXTENDED_PRODUCER_RESPONSIBILITY_PLAN_BY_EUREKA.pdf

Principle 3:

Business should respect and promote the wellbeing of all employees, including those in their value chains

Essential indicators:

1. a. Details of measures for the wellbeing of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2750	2750	100%	1947	71%	0	0%	60	2%	0	0%
Female	134	134	100%	93	69%	12	9%	0	0%	0	0%
Total	2884	2884	100%	2040	71%	12	0%	60	2%	0	0%
Other than Permanent employees											
Male	23	0	0%	0	0%	0	0%	0	0%	0	0%
Female	3	0	0%	0	0%	0	0%	0	0%	0	0%
Total	26	0	0%	0	0%	0	0%	0	0%	0	0%

b. Details of measures for the wellbeing of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	18	18	100%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	18	18	100%	0	0%	0	0%	0	0%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI ¹	100	100	Y	100	100	Y
Others- please specify	-	-	-	-	-	-

1. Applicability as per statute

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

The Company recognizes the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and is taking necessary steps to support the needs of individuals with disabilities. The Company does not have any permanent employees with disabilities. The Company believes that accessibility is an essential aspect of social responsibility and is persistent in its efforts to create an inclusive environment for everyone. The Company is implementing appropriate measures to provide its employees with a better, more accessible work environment.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment free from discrimination based on race, gender, religion or beliefs, disability, age, sexual orientation, gender identity, gender expression, and so on. The Company promotes equal treatment and opportunities for all employees. The employee code of conduct specifically prohibits discrimination in all its manifestations. The link to the statutory policies are hosted on the website of the Company at www.eurekaforbes.com.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	60	97%	0	0%
Female	12	92%	0	0%
Total	72	96%	0	0%

Note: Employees who have left within 2 weeks of joining back have not been considered as retained - 1 maternity & 2 paternity cases

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	The Company is an equal employment opportunity Company and is committed to creating a healthy working environment. The policies of the organization strictly prohibits discrimination against any employee or applicant for employment on the grounds of the individual's race, color, religion, gender, sexual orientation, national origin, age, disability or any other characteristic protected by law. The Company ensures that all employment decisions, involving recruitment, hiring, promotion, training, compensation, benefits, transfer, discipline, and discharge, are all free of unlawful discrimination. To reinforce its commitment to create a healthy work environment that enables employees to work without fear of prejudice, bias or harassment, the Company has put in place a well defined grievance redressal mechanism. Committees are setup at regional levels and manufacturing units. Employee Assistance Registers (EAR) are maintained in Units, and regular awareness sessions are held to ensure that any complaints or concerns of employees are heard and amicably resolved. These mechanisms are designed to receive and facilitate the resolution of concerns raised by employees and to address complaints, disputes, or grievances brought forward by external stakeholders. It serves as an important channel for individuals to seek redress and ensures that their concerns are handled in a fair and timely manner. By involving various functions and establishing robust mechanisms, The Company strives to create a work environment that respects and safeguards human rights. The Company is committed to addressing any human rights issues that may arise and continuously improving practices to uphold the well-being and dignity of all individuals impacted by its operations.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Benefits	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Total Permanent Employees	2884	0	0%	4154	0	0%
-Male	2750	0	0%	3969	0	0%
-Female	134	0	0%	185	0	0%
Total Permanent Workers	18	0	0%	19	0	0%
-Male	18	0	0%	19	0	0%
-Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2750	0	0%	47	2%	3969	0	0%	211	7%
Female	134	0	0%	2	2%	185	0	0%	11	8%
Total	2884	0	0%	49	2%	4154	0	0%	222	7%
Workers										
Male	18	6	33%	13	72%	19	5	26%	9	47%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	18	6	33%	13	72%	19	5	26%	9	47%

Note: The Company is committed to ensuring that all its existing employees, and workers get the necessary inputs on health and safety measures, as well as skill upgradation. However currently most of these trainings are done on-the-job and there is not much formal recording or tracking of these regular periodic sessions done at the workplace. The necessary compliance reporting is done as per mandate. Whilst centrally driven interventions are regularly tracked, going ahead the tracking of the other Unit and location level local inputs would be done with more rigour.

9. Details of performance and career development reviews of employees and workers:

Benefits	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2750	1740	63%	3956	2371	60%
Female	134	80	60%	183	97	53%
Total	2884	1820	63%	4139	2468	60%
Workers						
Male	18	0	0%	19	0	0%
Female	0	0	0%	0	0	0%
Total	18	0	0%	19	0	0%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company is yet to have ISO 45001: 2018, however we are in the process of implementing ISO 45001:2018, the Occupational Health & Safety Management System, with a target of completing the above in the present Financial Year.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company conducts monthly evaluations for routine job tasks, which include:

- Gemba Walk assessment.
- Internal and External Audit reviews.
- Near Miss Reporting for the Employee & Visitors.
- Quarterly Work Zone Monitoring for illumination and noise level.

For non-routine jobs, the Company implements a Work Permit System (WPS) to ensure proper authorization and safety measures.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has put in place a well-defined set of processes to address work-related hazards effectively. These processes empower workers to report any potential risks or unsafe conditions they encounter during their work tasks. The Company's commitment to creating a safe work environment through effective hazard reporting and risk avoidance demonstrates their dedication to the well-being of their workers.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees of the Company have access to non-occupational medical and healthcare services and all the employees are covered under Healthcare Insurance.

11. Details of safety related incidents, in the following format:

Safety Incident /Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	2	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company emphasizes the importance of maintaining a safe and healthy workplace for all its employees. The Company takes proactive measures to ensure a secure environment by maintaining an in-house trained Emergency Response Team. Furthermore, the Company conducts safety induction for all new joiners before they commence work, and ensures to continue the process of safety training to keep their employees well-informed and equipped in effectively handling potential hazards.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Health and safety practices	Annual audits are conducted at the factory locations through external audit partners for overall plant operations which covers safety and security aspects too. For non-plant locations, half yearly audits on the basic working conditions (fire and safety etc) is done along with the other parameters, and necessary action planning is managed by the local F&A, HR and admin teams. Audit is done by external auditors. 100% audit for both the Manufacturing Plant i.e. Dehradun & Bangalore by third party Auditors.

The above details pertain to both manufacturing plants of the Company.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Audit observations converted to risk mitigation plans and specific action are taken to address these. The last year's audit observations were made in the area of adequacy of fire extinguishers and CCTV surveillance system, which has been acted / corrected by Factory management team. Necessary actions have already been taken and both points have been closed.

Principle 4:

Business should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the Company.

The Company ensures a thorough stakeholders mapping exercise which includes the following key stakeholders:

- a. Employees
- b. Government
- c. Members
- d. Investors
- e. Suppliers
- f. Vendors
- g. Local Community

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)*	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Town Hall Meetings, Rewards & Recognition, Team Building, Workshops, Performance review, meetings, Exit Interviews, Annual Meetings. All the employees are connected through Eureka TV Open House to answer questions relating to Business & Org	Continuous Townhall frequency is quarterly Annual meetings where employees from all across the territory join.	Career Development, Diversity and Equal opportunity, Skill upgradation Addressing grievances, Building a safe work culture, Health and well being, Business Strategy & updates on performance.
Community	Yes	CSR activities	Continuous	CSR initiatives address various social, environmental, and ethical concerns, aiming to contribute to sustainable development and improve the well-being of communities.
Suppliers/ vendors	No	Meetings, Emails, SMS, telephone	Continuous	To ensure smooth business operations, the Company collaborates with suppliers, prioritizing the establishment of productive and streamlined procurement practices.
Shareholders	No	Annual general meeting, calls and meets, Emails, website	Quarterly	Shareholders contribute to the Company's robust financial position, enhancing its stability and strength.

*While we have marked "No" above as these stakeholders are not vulnerable and marginalised in entirety, however, we are consciously involved in uplifting the vulnerable and marginalized segments for the above stakeholders. For example, we have incorporated India's first call centre manned and operated by people with special needs, operating from NASEOH (National Society for Equal Opportunities for the Handicapped) at Chembur, a Mumbai suburb.

Principle 5:

Business should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Benefits	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	The Company recognises the importance of providing a safe environment for employees to come forward and address their concerns without fear of negative consequences. The POSH and Whistle blower policies are governed closely with all employees made to undergo a mandatory refresher (e-learning course) on the same annually. Tracking of the program is rigorous and the Company ensures 100% coverage.					
Other than Permanent						
Total Employees						

Benefits	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Workers						
Permanent	The Company recognises the importance of providing a safe environment for employees to come forward and address their concerns without fear of negative consequences. The POSH and Whistle blower policies are governed closely with all employees made to undergo a mandatory refresher (e-learning course) on the same annually. Tracking of the program is rigorous and the Company ensures 100% coverage.					
Other than Permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2884	557	19%	2327	81%	4139	61	1%	4078	99%
Male	2750	521	19%	2229	81%	3956	61	2%	3895	98%
Female	134	36	27%	98	73%	183	0	0%	183	100%
Other than Permanent	26	0	0%	26	100%	39	0	0%	39	100%
Male	23	0	0%	23	100%	31	0	0%	31	100%
Female	3	0	0%	3	100%	8	0	0%	8	100%
Workers										
Permanent	18	18	100%	0	0%	19	19	100%	0	0%
Male	18	18	100%	0	0%	19	19	100%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	100%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	6	137.19	1	28.70
Key Managerial Personnel (KMP)	2	429.02	1	6.38
Employees other than BoD and KMP	2748	4	133	5
Workers	18	3	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company is aware about the severity of violations of human rights. To maintain a safe and productive workplace, the Company has adopted a POSH policy and a whistle-blower policy. To familiarise the employees with POSH and whistle-blower policies as well as the implications of human rights issues, the Company also offers training on these topics.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to an organisational culture that recognises the importance of Human Rights and has adopted some of the best practices. It seeks to promote fulfillment of Human Rights by improving economic, environmental and social conditions and by serving as a positive influence in communities in which it operates. The policies framed here under include all its internal stakeholders.

The Company is aware about the severity of violations of human rights. To maintain a safe and productive workplace, the Company has adopted a POSH policy and a whistle-blower policy. Detailed response on the same is shared in P5-Q7.

Human rights is a sensitive topic, and the Company has zero tolerance for human rights violations. Human rights is one of the Company's key focus areas. Any human rights violation, wherever reported, shall be investigated by the Management following the code of conduct policy of the Company.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other Human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has implemented a robust whistleblower policy to encourage the reporting of unethical or unlawful activities within the organization. This policy provides employees, stakeholders, and other relevant parties with a secure and confidential channel to report any concerns or wrongdoing they may witness or suspect. By establishing this policy, the Company demonstrates its commitment to maintaining a transparent and ethical work environment, where integrity and accountability are valued. The link for the Policy is www.eurekaforbes.com/media/pdf/whistle-blower-policy.pdf

The Company has a strict adherence to policy on discrimination and harassment where all information/names of employees disclosed in investigations is strictly confidential to prevent any disadvantage to the complainant or the witnesses. In line with

POSH policy implemented across the organization, all necessary steps are taken to safeguard individuals who raise complaints against victimisation or retaliation. We recognise the importance of providing a safe environment for employees to come forward and address their concerns without fear of negative consequences. The POSH program (available on the LMS) is a mandatory compliance course for all employees to undertake at least once a year, to effectively address both sexual and non-sexual harassment. The Company has established Internal Complaints Committee (ICC) both at the regional and corporate locations. The Committee comprises a diverse group of internal and external members with relevant backgrounds, with well-defined criteria for handling sexual harassment cases. To ensure awareness and sensitivity towards these issues, sensitisation and training programs to all employees are provided on regular basis. These initiatives will be coordinated with the Human Resources department and other relevant functions to ensure comprehensive coverage across the Company

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, However the Company strongly believes that suppliers and vendors are an integral part of its business and contribute to its growth and viability. Thus regular engagement activities are organised with suppliers and vendors

9. Assessment for the year:

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	
Forced Labour/Involuntary Labour	
Sexual Harassment	None
Discrimination at workplace	
Wages	
Other- please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

No complaints related to child labour, forced labour, involuntary labour, or discriminatory employment were received during the reporting year, and none are pending at the end of the reporting year.

Principle 6:

Business should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption in Joules (A)	2,775,597	2,798,405
Total fuel consumption (B)	124,757	112,735
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	2,900,355	2,911,140
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0001	0.0007

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

Note: 1. The above details pertain to both manufacturing plants of the Company.

2. The unit for the above numbers is MegaJoule

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company doesn't come under the PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	13314	16022
(iii) Third party water	7541	4470
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	20855	20492
Total volume of water consumption (in kilolitres)	20855	20492
Water intensity per rupee of turnover (Water consumed / turnover)	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note: 1. The above details pertain to both manufacturing plants of the Company.

2. Water consumption has gone up due to production scale up at Bangalore Unit.

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company is yet to have Zero Liquid Discharge, however there are efforts to maximize the recycle and reuse of Water. The Company has implemented a Sewage Treatment Plant (STP) with a capacity of 30 KLD at its Dehradun location and another STP with a capacity of 40 KLD at its Bangalore location. Additionally, the Company has installed an Effluent Treatment Plant (ETP) with a capacity of 20 KLD at the Dehradun location. These environmentally responsible measures demonstrate the Company's commitment to addressing wastewater management effectively at both its Dehradun and Bangalore facilities.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	mg/m ³	20.14	17.38
SOx	mg/m ³	9.45	7.45
Particulate matter (PM)	mg/m ³	35.58	33.55
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others – please specify	-	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note: The above details pertain to both manufacturing plants of the Company.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions *(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 2 emissions *(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover *	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Note: The above details pertain to both manufacturing plants of the Company.

* The Company is yet to formulate its GHG inventory for emissions.

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company has replaced the refrigerant in their air conditioners, moving from R-22 to the more eco-friendly R-32 refrigerant. This switch has resulted in a decrease in ODP and CO₂ emissions.

8. Provide details related to waste management by the Company, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	45.58	92.66
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous Waste. Please specify, if any. (G)	47.00	0.25
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	494.02	490.26
Total (A+B + C + D + E + F + G + H)	586.60	583.17
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	586.60	583.17
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	586.60	583.17
For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

Note: The above details pertain to both manufacturing plants of the Company.

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has well-defined waste management systems in place to manage operational waste efficiently. In accordance with the EPR (Extended Producer Responsibility) guidelines under PWM Rule 2016, the Company's plastic waste management processes are carefully implemented. The Company ensures that they collect, process, and recycle the same amount of plastic waste that is utilized in their product packaging throughout the year. Though the generation of hazardous waste is relatively low compared to non-hazardous waste, the Company has established reliable systems for the safe collection, transportation, and disposal of hazardous waste through authorized government vendors. This exemplifies the Company's dedication to responsible waste management and its commitment to adhering to environmentally conscious practices.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Eureka Forbes Limited, Lal Tappar Industrial Area, Majri Grant, Dehradun Haridwar Highway - Dehradun, Uttarakhand -248140	Assembling Unit of Water Filter cum Purifier & Water Cooler Cum Purifier	Yes, the Company has taken the Environmental Clearance from the Ministry of Environment, Forest and Climate Change

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The Company has not done any environmental impact assessment in Financial Year 2021-2022 & Financial Year 2022-2023.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

The Company is complying with the emission norms, filling timely returns and periodic reports are submitted to Central Pollution Control Board and State Pollution Control Board, as per statutory requirements. The Company has also identified the potential risks to the Environment and the impact and risk assessment list is available in the manufacturing plants at Dehradun and Bangalore.

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control Boards or by courts	Corrective action taken, if any
1.	Air Act (Dehradun & Bangalore)			
2.	Water Act (Dehradun & Bangalore)			
3.	Hazardous Waste Rule		NA	
4.	Bio Medical Waste Management Rule,2016 (Dehradun)			

Note: The Company has complied with the emission norms and has filed timely returns and periodic reports to CPCB and SPCB, as per statutory requirements. The Company has also identified the potential risks to the Environment. Moreover, the Company's impact and risk assessment list is available in the manufacturing plants at Dehradun and Bangalore.

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential indicators

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is well represented in several business and industry chambers and associations. The Company is affiliated with 8 Trade & Industry chamber/association.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Confederation of Indian Industry (CII)	National
2.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
3.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
4.	Bombay Chambers of Commerce And Industry	National
5.	Water Quality India Association (WQAI)	National
6.	IMC Chamber of Commerce And Industry	National
7.	The Advertising Standards Council of India	National
8.	Retailers Association of India (RAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Principle 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company executes several community programmes to develop healthy relationships with the community. It regularly interacts with people and communities and tries to address their concerns. The Company ensures timely actions are taken to address the concerns raised by communities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Safety Incident /Number	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers*	56%	54%
Sourced directly from within the district and neighbouring districts**	56%	59.5%

*Sourcing from Factory

**Sourcing from within 250 Km of Factory

Principle 9:

Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has in place a well-established system to handle customer complaints and feedback. The Company can be reached through various communication channels, including the Call Center, WhatsApp, Email, IVR, physical Address, SMS, and the official Website. Additional contact information is available on the Company's website at www.eurekaforbes.com/contactus. Moreover, the Company has established the Escalation Management Team (EMT) both at the head office and in key geographies, which is already operational. In terms of reporting hierarchy for escalations, the Zonal Head directly reports to the National Service Head within each zone. This reporting structure emphasizes timely issue resolution, with a specific emphasis on addressing matters within a 48-hour timeframe.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a Percentage of Total Turnover
Environmental and social parameters relevant to the product	All the products of the Company contain relevant information as
Safe and responsible usage	required under applicable laws.
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NA	-	NIL	NA	-
Advertising	NIL	NA	-	NIL	NA	-
Cyber- security	NIL	NA	-	NIL	NA	-
Delivery of essential services ¹	0	NA	-	0	NA	-
Restrictive Trade Practices	NIL	NA	-	NIL	NA	-
Unfair Trade Practices	NIL	NA	-	NIL	NA	-
Other (product related)	91	77	-	70	66	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company's IT policy encompasses various aspects related to information technology, including a specific section that focuses on the laws of India and acknowledges the issue of cyber crime. Moreover, the Company has a privacy policy in place to address the issues of data privacy of customers. The link for the privacy policy: www.eurekaforbes.com/privacy-policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

Annexure-8

To,
The Board of Directors
Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Sub: Compliance Certificate for the year ended March 31, 2023 – Regulation 17(8) & Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)

In compliance with Regulation 17(8) & Part B of Schedule II of SEBI LODR, it is certified that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company’s affairs and comply with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financial reporting during the year;
 - b. there were no significant changes in accounting policies during the year; and
 - c. there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Thanking you

Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Sd/-
Pratik Pota (DIN: 00751178)
Managing Director & Chief Executive Officer
Date: May 29, 2023
Place: Mumbai

Sd/-
Gaurav Khandelwal
Chief Financial Officer
Date: May 29, 2023
Place: Mumbai

Independent Auditor's Report

To The Members of

EUREKA FORBES LIMITED (Formerly Forbes Enviro Solutions Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **EUREKA FORBES LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified

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

Key Audit Matters

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

Key Audit Matter	Auditor’s Response
<p>Impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill impairment</p> <p>The standalone balance sheet of the Company as on March 31, 2023 comprises of ₹ 291,119.26 lakhs of intangible assets with indefinite life and ₹ 205,581.67 lakhs of goodwill, pertaining to acquisition of a business in the previous year, which in aggregate represents 82% of the total assets of the Company.</p> <p>The recoverable value of the intangible assets with indefinite life and goodwill which is based on the value in use model, has been derived using the discounted cash flow (DCF) method. This method requires the Company to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook.</p> <p>Due to the materiality of above assets in the context of the standalone financial statements and judgements applied in determining the recoverable value, we have considered assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill to be a key audit matter.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> We obtained understanding of the process followed by the Company in respect of the assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill. Evaluated Company’s accounting policy in respect of impairment assessment of Intangibles with indefinite life and goodwill. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Company’s process relating to the impairment analysis, key assumptions and review of the valuation methodology. Assessed the professional competence, objectivity and expertise of those involved in performing the valuation exercise for the Company. Obtained understanding of the cash flow projections and assumptions used in the DCF model. Tested the appropriateness of the input data considered for the purposes of valuation by reconciling the projected cash flows with the underlying business plan and related details.

Key Audit Matter	Auditor's Response
Refer Note 4(a) and 29(XXIV) to the Ind AS financial statements.	<ul style="list-style-type: none"> Involved the internal valuation professionals with specialized skills and knowledge to assist in evaluating the impairment model used, evaluating the mathematical accuracy and assumptions (including discount rate and growth rate applied by the Company) and applying additional sensitivities to assess the reasonableness of the above key assumptions. Performed a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively to the recoverable value. Evaluated the adequacy of the Company's disclosures in the standalone financial statements in respect of its impairment testing.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's report including annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2022 included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2022 expressed an unmodified opinion.

Our opinion on the standalone financial statements is not modified in respect of this above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
 - 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limit laid down under this section are as given below:

Financial year ended	Amount of excess remuneration (₹ in lakhs)	Remarks
March 31, 2023	600.00	Aggregate remuneration paid /payable to Mr. Pratik Pota (Managing Director & CEO w.e.f August 16, 2022) and Mr. Marzin R Shroff (Managing Director & CEO upto August 15, 2022) exceeds the limit prescribed under Section 197 of the Act by ₹ 600.00 lakhs (including provision for commission of ₹ 170.00 lakhs) and is subject to shareholders approval. The company has charged off the excess remuneration paid/payable in the Statement of Profit and loss account for the year ended March 31, 2023. Pending such approval, the remuneration already paid in excess of the limit is being held in trust.
March 31, 2023	72.73	Aggregate remuneration payable to non-whole time directors exceeds the limit prescribed under section 197 of the Act by ₹ 72.73 lakhs and is subject to shareholders approval. The company has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2023.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 29(I) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 29(V) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 29(VI) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
Partner

Place: Mumbai
Date: May 29, 2023

Membership No. 49660
UDIN: 23049660BGYEK7711

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Eureka Forbes Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial

statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
Partner

Place: Mumbai
Date: May 29, 2023

Membership No. 49660
UDIN: 23049660BGYEK7711

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Eureka Forbes Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during

the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date and Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders, except for the following:

Sr. No.	Description of the property	As at Balance sheet date		Held in the name of	Whether promoter, Director, or their relative or employee	Period held since (Refer Note below)
		Gross carrying value	Net Carrying value			
1	B1/B2 701 Marathon Innova, Marathon NextGen, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013	5,141.20	5,022.39	Erstwhile Eureka Forbes Limited	No	February 01, 2022
2	Flat No. 701, 7 th Floor, Sterling Sea Face, “A” Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	918.05	893.90	Erstwhile Eureka Forbes Limited	No	February 01, 2022
3	Flat No.1103, 11 th Floor, Sterling Sea Face, “B” Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	918.05	894.54	Erstwhile Eureka Forbes Limited	No	February 01, 2022
4	Sarkar Castle Co-op. Hsg. Soc. Ltd., Flat No. 501, 5 th Floor, 43 Chimbai Road, Bandra (west) Mumbai – 400 050.	255.87	247.01	Erstwhile Eureka Forbes Limited	No	February 01, 2022
5	Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.8C, Eden Woods, Village Chitalsar, Manpada, Smt. Gladys Alvares Marg, Thane (West) – 400 061.					
6	Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.8D, Eden Woods, Village Chitalsar, Manpada, Smt. Gladys Alvares Marg, Thane (West) – 400 061.	300.03	290.27	Erstwhile Eureka Forbes Limited	No	February 01, 2022
7	Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No. 9C, Eden Woods, Village Chitalsar, Manpada, Smt. Gladys Alvares Marg, Thane (West) – 400 061.					

Sr. No.	Description of the property	As at Balance sheet date		Held in the name of	Whether promoter, Director, or their relative or employee	Period held since (Refer Note below)
		Gross carrying value	Net Carrying value			
8	D-28/3, TTC Incl. Area Behind, Turbhe Telephone Exchange, Turbhe, Navi Mumbai - 400 705.	41.06	39.62	Erstwhile Eureka Forbes Limited	No	February 01, 2022
9	201 B, 2 nd Floor, The Orion 5, Koregaon Road, Pune – 411 001.	708.18	689.40	Erstwhile Eureka Forbes Limited	No	February 01, 2022
10	Shop No.201, 2 nd Floor, South End Cnclave, R. B. Connector, EKADP, Kolkata - 700 078.	389.66	379.74	Erstwhile Eureka Forbes Limited	No	February 01, 2022
11	Vedic Village Unit No. L – F8, Shikharpur, P. S. Rajarhet North 24 Parganas, Kolkata 700 135	122.40	119.46	Erstwhile Eureka Forbes Limited	No	February 01, 2022
12	3 rd floor, Nikhilesh Palace, Opp. Jawahar Nagar, 16/4/ 17-4, Ashpk Marg, Lucknow – 226 001	264.46	257.78	Erstwhile Eureka Forbes Limited	No	February 01, 2022
13	Shop No. 203 & 204, 2 nd Floor, The Guman _ II, "A" Block, Opp. Tagore Public School, Vaishali Nagar, Jaipur – 302 021	359.00	349.58	Erstwhile Eureka Forbes Limited	No	February 01, 2022
14	Unit No. 402-408, 4 th Floor, Sapphire heights, Plot No.12, Agra - Bombay Road, Indore – 452 010.	118.00	114.99	Erstwhile Eureka Forbes Limited	No	February 01, 2022
15	2 nd & 3 rd Floor, CLOUD-9, 81/1, The Swastik Co. Op. Hsg. Soc. Ltd., Navrangpura, Ahmedabad- 380 009.	320.00	311.59	Erstwhile Eureka Forbes Limited	No	February 01, 2022
16	Shop No. 2, 2 nd Floor, Shiv Pooja Shopping Centre, City Light Main Road, Surat – 395 .	323.31	315.06	Erstwhile Eureka Forbes Limited	No	February 01, 2022
17	Office NO. 102, 1 st Floor, Ivory Terrace, R. C. Dutta Road, Alkapuri, Baroda –390 005.	206.58	201.32	Erstwhile Eureka Forbes Limited	No	February 01, 2022
18	Ground Floor, Bharati Tower, A- Block, Forest Park, Bhubaneswar – 751 009.	308.70	300.94	Erstwhile Eureka Forbes Limited	No	February 01, 2022
19	Shop No. B4 on 2 nd Floor, B5, C5 & D5 on 3 rd Floor, "Anmol Palani", No.88, G.N. Chetty Road. T. Nagar, Chennai – 600 017					
20	Shop No. B5 on 3 rd Floor, "Anmol, Palani", No.88, G. N. Chetty Road.T. Nagar, Chennai – 600 017	522.18	508.26	Erstwhile Eureka Forbes Limited	No	February 01, 2022
21	Shop No. C5 & D5 on 3 rd Floor, "Anmol Palani", No.88, G. N. ChettyRoad. T. Nagar, Chennai – 600017					
22	Unit No. 506, 5 th Floor, Pavani Prestige, Commercial Building Complex, 6-3-789, Ammerpet, Hyderabad – 500 016.	85.94	83.66	Erstwhile Eureka Forbes Limited	No	February 01, 2022
23	Unit No. 506, 507 & 508, 5 th Floor, Pavani Prestige, Commercial Building Complex, 6-3-789, Ammerpet, Hyderabad – 500 016.	328.58	319.83	Erstwhile Eureka Forbes Limited	No	February 01, 2022

Sr. No.	Description of the property	As at Balance sheet date		Held in the name of	Whether promoter, Director, or their relative or employee	Period held since (Refer Note below)
		Gross carrying value	Net Carrying value			
24	4 th Floor, Tutus Tower, NH –47, Bye-Pass Road, Padivattom, Cochin –682 024.	286.00	278.76	Erstwhile Eureka Forbes Limited	No	February 01, 2022
25	Khasra No.3946, 3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun-248140	3,404.39	3,306.86	Erstwhile Eureka Forbes Limited	No	February 01, 2022
26	No. 143, C-4, Bommasandra Industrial Area, Off Hosur Road, Bangalore -560099	5,896.60	5,779.82	Erstwhile Eureka Forbes Limited	No	February 01, 2022

Note : Reason for all the above properties not being held in the name of the Company:

The title deeds of the immovable properties are in the name of erstwhile Eureka Forbes Limited ("the EFL"). Due to the scheme of arrangement, EFL was amalgamated into Forbes & Company Limited and the said properties forming part of the Undertaking as defined in the scheme was demerged from Forbes & Company Limited in to Forbes Enviro Solutions Limited, which has been renamed as Eureka Forbes Limited (refer note 29 VII). The Company is in the process of getting the title transferred in its name pursuant to the aforesaid scheme of arrangement.

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year. with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. (iii) The Company has made investments in units of mutual funds during the year. The Company has not provided any guarantee or security and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in- transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account. (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable. (b) The investments made, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. (c) The Company has not provided any loans or advances in the nature of loans to Companies or any other entity and hence reporting under clause (iii) (c), (d), (e) and (f) are not applicable.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the revised quarterly statements comprising (stock statements, statements on ageing analysis of the debtors receivables, and other stipulated financial information) filed by the Company with such banks are in agreement (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities, during the year that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable. (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable. (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies

Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in few cases in respect of remittance of Provident Fund and Employees' State Insurance. We have been informed that the provisions of the duty of Excise and Value added tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except the following:

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

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, duty of Custom, cess

Name of statute	Nature of dues	Amount (₹ in lakhs)	Period to which amount relates	Due date	Date of subsequent payment
The Employee Provident funds and Miscellaneous Provisions Act, 1952	Employer contribution to pension scheme	1.41	2017-18	Various	Not yet paid
The Employee Provident funds and Miscellaneous Provisions Act, 1952	Employer contribution to pension scheme	4.18	2018-19	Various	Not yet paid
The Employee Provident funds and Miscellaneous Provisions Act, 1952	Employer contribution to pension scheme	7.07	2019-20	Various	Not yet paid
The Employee Provident funds and Miscellaneous Provisions Act, 1952	Employer contribution to pension scheme	7.93	2020-21	Various	Not yet paid
The Employee Provident funds and Miscellaneous Provisions Act, 1952	Employer contribution to pension scheme	7.04	2021-22	Various	Not yet paid
The Employee Provident funds and Miscellaneous Provisions Act, 1952	Employer contribution to pension scheme	42.02	2022-23	Various	Not yet paid

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid^
Central Excise Act, 1944	Excise Duty	Appellate Tribunal	AY 2001-03	56.51	56.51
		Principal Commissioner of Central Excise	AY 2001-02 to 2006-07 and AY 2015-16	508.30	499.27
		CESAT, Bangalore	AY 2015-16 to AY 2018-19	878.00	809.12
Income Tax Act, 1961	Income Tax	Tribunal CIT (A)	AY 2008-09	84.68	84.68
			AY 2016-17,	1,621.61	1,621.61
			AY 2017-18,		
			AY 2018-19,		
			AY 2019-20, AY 2020-21		

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid^		
Sales Tax Act	Sales Tax	Deputy Commissioner of Commercial Taxes	AY 2002-03, AY 2003-04, AY 2006-07 to AY 2013-14, AY 2015-16, AY 2016-17	269.39	191.44		
			Joint Commissioner Of Commercial Taxes	AY 2013-14	0.89	0.71	
			Assistant Commissioner Of Sales Tax - Appeals	AY 2015-16, AY 2016-17	3.96	3.64	
		Assistant Commissioner (assessment) Special Circle-II	Assessing Authority	The Appellate Tribunal	AY 1998-99 to AY 2004-05, AY 2012-13	1,988.05	1,454.42
					AY 2017-18	0.75	0.37
		Joint Commissioner (appeals) Trade Tax	Assessing Authority Circle "P" Jammu	Assistant Commissioner (ST)	AY 2016-17	42.88	42.77
					AY 2003-04	6.48	4.21
		Assistant Commissioner (ST)	Joint Commissioner Of Sales Tax	Telangana Vat Appellate Tribunal	AY 2016-17, AY 2017-18	26.94	26.94
					AY 2007-08 to AY 2011-12	673.11	651.87
		Deputy Commissioner Of State Tax (Appeals)	Chapter V, Finance Act, 1994	Custom, Central Excise and Service Tax Appellate Tribunal	AY 2001-02 to AY 2004-05	351.28	221.71
					AY 2002-03, AY 2004-05	0.96	0.86
		Original adjudicating authority - Karnataka Central Tax	Goods & Service Tax	High Court of Karnataka	AY 2014 to 2019	858.03	797.57
					AY 2006 to 2013	1,087.64	1,087.64
Central Goods & Service Tax Act, 2017	Goods & Service Tax	Appeal pending to be filed due to non-constitution of GST tribunal- (West Bengal)	AY 2018-19, AY 2019-20	42.68	42.68		
			AY 2018-19, AY 2019-20	39.65	39.65		
			AY 2019-20	5.94	5.34		
			AY 2018-19, AY 2019-20	1.58	1.58		
			AY 2018-19	348.89	348.89		
			AY 2018-19, AY 2019-20	5.64	5.64		
			AY 2018-19, AY 2019-20, AY 2020-21, AY 2021-22	3.25	3.25		
			AY 2018-19, AY 2019-20	4.36	4.36		
			AY 2018-19	34.32	34.32		
			AY 2019-20	85.69	85.69		

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid^
		Original adjudicating authority - Haryana Central Tax	AY 2018-19 to AY 2021-22	11.86	9.27
		Original adjudicating authority - Telangana Central Tax	AY 2018-19 to AY 2020-21	144.60	144.60
		Original adjudicating authority - West Bengal State Tax	AY 2018-19	65.95	65.95
		Original adjudicating authority - Andhra Pradesh Central Tax	AY 2018-19	82.95	82.95

^ Amount unpaid is net of the amounts paid under protest.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any joint ventures or associate companies during the year.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaint received by the Company during the year and upto the date of this report and provided to us, when performing our audit.

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

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2023 and the final internal audit reports where issued after the balance sheet date covering the period January 2023 to March 2023 for the period under audit.

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

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
Partner

Place: Mumbai
Date: May 29, 2023

Membership No. 49660
UDIN: 23049660BGYEEK7711

Standalone Balance Sheet

as at March 31, 2023

₹ in Lakhs

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3(a)	27,024.98	27,339.72
(b) Goodwill		205,581.67	205,581.67
(c) Other Intangible assets	4(a)	312,787.90	315,332.89
(d) Intangible assets under development	4(b)	245.93	-
(e) Right of Use Assets	3(b)	2,079.03	1,560.36
(f) Financial assets			
(i) Investments	5(a)	2,524.86	2,524.86
(ii) Trade receivables	6	-	332.81
(iii) Other financial assets	8	1,153.79	3,678.65
(g) Tax assets			
(i) Income Tax Asset (Net)	10	2,400.52	2,345.77
(h) Other non-current assets	11	1,279.57	1,335.19
Total Non-current Assets		555,078.25	557,989.89
Current Assets			
(a) Inventories	12	21,124.86	28,308.56
(b) Financial assets			
(i) Investments	5(b)	7,579.95	6,169.95
(ii) Trade receivables	6	12,259.64	15,329.37
(iii) Cash and cash equivalents	13	1,236.00	1,341.79
(iv) Bank balances other than (iii) above	13	121.90	99.25
(v) Loans	7	6.52	7.92
(vi) Other financial assets	8	93.82	21,297.83
(c) Other current assets	11	5,406.77	4,141.58
Total Current Assets		47,829.46	55,525.77
TOTAL ASSETS		602,907.71	613,515.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	19,347.92	19,347.92
(b) Other Equity	15	388,585.06	387,349.77
Total Equity		407,932.98	406,697.69
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,466.48	4,935.56
(ii) Lease Liabilities	29(XII)	853.52	3,320.00
(b) Provisions	19	227.02	154.47
(c) Deferred tax liabilities (Net)	9	81,897.43	82,740.48
(d) Other non-current liabilities	20	12,197.94	13,515.82
Total Non-current Liabilities		97,642.39	101,959.12
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	9,613.78	19,020.97
(ii) Lease Liabilities	29(XII)	993.99	698.91
(iii) Trade and other payables	17	6,664.73	6,112.59
(a) Total outstanding dues of micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		16,183.01	18,276.20
(iv) Other financial liabilities	18	15,074.76	48,530.27
(b) Provisions	19	2,398.30	2,131.95
(c) Income tax liabilities (Net)	10	1,881.48	528.01
(d) Other current liabilities	20	44,522.29	45,765.38
Total Current Liabilities		97,332.34	104,858.85
Total Liabilities		194,974.73	206,817.97
TOTAL EQUITY AND LIABILITIES		602,907.71	613,515.66

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai, India
Dated : May 29, 2023

For and behalf of the Board of Directors of **Eureka Forbes Limited**
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany

Pragya Kaul
Company Secretary
Mumbai, India
Dated : May 29, 2023

Pratik R Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India

Gaurav Khandelwal
Chief Financial Officer
Mumbai, India

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Lakhs

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
I Income			
Revenue from Operations	21	208,041.88	38,100.13
Other income and other gains / (losses)- Net	22	1,041.96	237.58
Total Income		209,083.84	38,337.71
II Expenses			
Cost of Materials Consumed	23	64,367.17	10,427.89
Purchases of stock-in-trade	23	15,124.62	5,279.57
Changes in inventories of finished goods,spares, stock-in-trade and work-in-progress	23	5,045.46	499.41
Employee benefits expense	24	30,054.71	4,878.25
Finance costs	25	1,985.75	434.48
Depreciation and amortisation expense	26	5,528.43	897.50
Other expenses	27	80,281.91	15,231.09
Total expenses		202,388.05	37,648.19
III Profit before exceptional items and tax			
Add/ (Less) : Exceptional items (Refer Note 29(XXV))		(4,001.80)	-
IV Profit/ (Loss) before tax and after exceptional items			
Less: Tax expense			
(1) Current tax	28	1,829.01	207.63
(2) Earlier year tax		-	10.75
(3) Deferred tax (credit) / charge	28	(843.04)	190.84
Total tax expense		985.97	409.22
V Profit/(Loss) for the year			
Total Profit/(Loss) for the year		1,708.02	280.30
VI Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans Gain/(Loss)		(631.79)	(10.46)
Tax effect		159.01	2.63
Total A		(472.78)	(7.83)
B Items that may be reclassified to profit or loss		-	-
VII Total other comprehensive income (A + B)			
Total other comprehensive income (A + B)		(472.78)	(7.83)
Total comprehensive income for the year (V+VII)			
Total comprehensive income for the year (V+VII)		1,235.24	272.47
Earnings per equity share:			
(1) Basic (in ₹)	32	0.88	0.77
(2) Diluted (in ₹)	32	0.88	0.77

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai, India
Dated : May 29, 2023

For and behalf of the Board of Directors of **Eureka Forbes Limited**
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany

Pragya Kaul
Company Secretary

Mumbai, India
Dated : May 29, 2023

Pratik R Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India

Gaurav Khandelwal
Chief Financial Officer

Mumbai, India

Standalone Statement of Cash Flows

for the year ended March 31, 2023

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit/ (Loss) before tax	2,693.99	689.52
Adjustments for:		
Finance costs recognised in profit and loss	1,808.64	412.00
Interest on Lease Liabilities	177.12	22.48
(Gain)/Loss on Modification/Disposal of Right of use assets	(26.23)	
(Gain)/ Loss on Investment recognised in profit and loss	(133.31)	-
Interest Income	(35.89)	(25.57)
(Gain)/ Loss on disposal of property, plant and equipment	(515.48)	(50.87)
Provision/write-off of doubtful debts, advances and other current assets	1,231.62	27.36
Depreciation and amortisation expenses	4,437.16	731.18
Depreciation and amortisation expenses on Right of use assets	1,091.26	166.32
Exceptional Items	4,001.80	-
Fair value of Investment at FVTPL	(80.33)	(37.14)
Net foreign exchange (gain)/loss - unrealised	(50.33)	22.94
	11,906.03	1,268.70
Operating Profit before Working capital Changes	14,600.02	1,958.22
Movements in working capital:		
(Increase)/decrease in trade and other receivables	2,231.75	(1,451.13)
(Increase)/decrease in inventories	4,681.89	1,631.31
(Increase)/decrease in loans and advances	1.39	401.02
(Increase)/decrease in Other Assets	(1,400.08)	(472.97)
(Increase)/decrease in Other Financial Assets	516.37	262.20
Increase/(decrease) in trade and other payables	(1,551.50)	4,142.10
Increase/(decrease) in provisions	(292.89)	(31.00)
Increase/(decrease) in other liabilities	(1,311.04)	(2,662.83)
	2,875.89	1,818.70
Cash generated from operations	17,475.91	3,776.92
Less : Income taxes (paid) / refund received	(371.28)	(60.06)
Net cash generated from operating activities	17,104.63	3,716.86
Cash flows from investing activities		
Interest received	35.89	25.57
Payments for property, plant and equipment and Intangible Assets under Development	(1,866.78)	(540.17)
Proceeds from sale of mutual funds	7,803.64	-
Payments for investment in mutual funds	(9,000.00)	-
Proceeds from disposal of property, plant and equipment	799.68	139.30
Movement in Bank Balance other than Cash & Cash equivalents	(22.65)	1.07
Net cash used in investing activities	(2,250.22)	(374.23)

Standalone Statement of Cash Flows

for the year ended March 31, 2023

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Amount paid for increase in authorised share capital	(50.28)	(185.25)
Repayment of borrowings	(2,500.00)	-
Net increase / (decrease) in working capital borrowings	(9,407.19)	(2,307.13)
Payment of lease liabilities	(1,225.01)	(193.39)
Interest paid	(1,777.72)	(409.97)
Net cash used in financing activities	(14,960.20)	(3,095.74)
Net Increase / (Decrease) in cash and cash equivalents	(105.79)	246.89
Cash and cash equivalents at the beginning of the year	1,341.79	19.81
Cash and cash equivalents on Business combination	-	1,075.09
Cash and cash equivalents at the end of the year	1,236.00	1,341.79
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS AS DISCLOSED ABOVE	(105.79)	246.89

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For and behalf of the Board of Directors of **Eureka Forbes Limited**
(formerly Forbes Enviro Solutions Limited)

For Deloitte Haskins & Sells LLP
Chartered Accountants

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany

Pratik R Pota
Managing Director & CEO
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Mumbai, India

Nilesh Shah
Partner

Pragya Kaul
Company Secretary

Gaurav Khandelwal
Chief Financial Officer

Mumbai, India
Dated : May 29, 2023

Mumbai, India
Dated : May 29, 2023

Mumbai, India

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

Particulars	Amount
₹ in Lakhs	
(i) Current Reporting Period	
Balance at April 1, 2022	19,347.92
Changes in equity share capital due to prior period error	-
Restated Balance at April 1, 2022	19,347.92
Add: Issued during the year	-
Balance at March 31, 2023	19,347.92

Particulars	Amount
₹ in Lakhs	
(ii) Previous Reporting Period	
Balance at April 1, 2021	482.73
Changes in equity share capital due to prior period error	-
Restated Balance at April 1, 2021	482.73
Less: Shares cancelled pursuant to scheme of arrangement	(482.73)
Add: Shares issued on account of business combination (Refer Note 30)	19,347.92
Balance at March 31, 2022	19,347.92

B. Other Equity

(i) Current Reporting Period

Particulars	Reserves and Surplus			Total Other Equity
	Retained earnings	Securities Premium	Capital Reserve	
₹ in Lakhs				
As at April 1, 2022	(196.39)	387,063.43	482.73	387,349.77
Add:				
Profit/ (Loss) for the year	1,708.02	-	-	1,708.02
Other comprehensive Income for the year, net of income tax	(472.73)	-	-	(472.73)
Total comprehensive Income/(Loss) for the year	1,235.29	-	-	1,235.29
Balance at March 31, 2023	1,038.90	387,063.43	482.73	388,585.06

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

B. Other Equity (Contd.)

(ii) Previous Reporting Period

Particulars	Reserves and Surplus			Total Other Equity
	Retained earnings	Securities Premium	Capital Reserve	
₹ in Lakhs				
As at April 1, 2021	(468.86)	-	-	(468.86)
Add:				
Profit/ (Loss) for the year	280.30	-	-	280.30
Add: Addition through business combination	-	-	482.73	482.73
Issue of equity shares on account of business combination (Refer note 30)	-	387,248.70	-	387,248.70
Less: Cost for increase in Authorised Share Capital	-	(185.27)	-	(185.27)
Other comprehensive income for the year, net of income tax	(7.83)	-	-	(7.83)
Total comprehensive income for the year	272.47	387,063.43	482.73	387,818.63
Balance at March 31, 2022	(196.39)	387,063.43	482.73	387,349.77

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai, India
Dated : May 29, 2023

For and behalf of the Board of Directors of **Eureka Forbes Limited**
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Dated : May 29, 2023

Pratik R Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India

Gaurav Khandelwal
Chief Financial Officer

Mumbai, India

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

BACKGROUND

Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) is a limited Company incorporated and domiciled in India with its registered office situated at B1/B2, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, (West), Mumbai – 400 013.

The Company is engaged in Manufacturing, selling, renting and servicing of Vacuum cleaners, Water Filter cum purifiers, Water and Waste Water Treatment Plant; Trading in Electronic Air Cleaning Systems, Small Household Appliances, Digital Security System and Fire Extinguisher etc.

Note 1: Basis of preparation of Financial statements

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

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

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

(b) Historical Cost convention

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Judgements

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

Note 2(g) and 3(a) – Useful lives of Property, plant and equipment

Note 2(h) and 4 – Useful and indefinite lives of Intangible assets

Note 2(i) and 24– Employee Benefit Expense

Note 19 and 29(l)(a)– Provisions and Contingent liabilities

Note 19– Estimation for provision of Warranty Claims

Note 6– Impairment of Trade Receivables

Note 10 and 28 and Note 2(n) – Income taxes

Note 9 and 28 and Note 2(n)– Recognition of Deferred taxes

Note 2(m)– Refund Liabilities

Note 29 (XXIV) - Impairment testing of goodwill and intangible assets with indefinite useful life

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.

(i) Note 29(1)(a) and 29(XI) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(ii) Note 29 (XXIV) - Impairment testing of goodwill and intangible assets with indefinite useful life

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

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

(e) Measurement of fair values

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in measuring fair values is included in Note 33 – Financial instruments.

Note 2: Significant Accounting Policies

(a) Foreign currency transactions

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

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

(b) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial

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

(i) Financial Assets

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

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

Effective interest method

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

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

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

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values."

(c) Derecognition

Financial Assets

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

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

Financial Liabilities

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

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

Offsetting

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

(d) Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses :

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

financial instrument) has not increased significantly since initial recognition.

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

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

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

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

(ii) Impairment of non-financial assets

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

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

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

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

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

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

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and are not considered as integral part of Company's cash management

(f) Inventories

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

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

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

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

Raw Materials and other supplies held for use in the production of finished products are not written down below

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

(g) Property plant and equipment

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

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

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

Depreciation methods, estimated useful lives and residual value

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

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

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

(h) Goodwill and other Intangible assets

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use;
- (ii) the intention to complete the intangible asset and use;
- (iii) the ability to use the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits;

(v) the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Amortisation

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite or indefinite. Finite-life intangible asset are amortised on a Straight line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite life Intangible assets are as follow:

Type of Assets	Period
Technical Knowhow	5 years
Computer Software	5 years
Distributor network-Service	10 years
Distributor network-Product	10 years

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

Indefinite - life intangible assets comprises of trademark and brands for which there is no foreseeable Limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support

For Indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates

Goodwill is initially recognised based on the accounting policy for Business combination and is tested for impairment annually

(i) Employee Benefits

(i) Short Term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined Contribution Plans

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

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

(iii) Defined Benefit Plans

Gratuity Scheme

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

Other long term employee benefits

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

(j) Research and Development

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

(k) Lease Accounting

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases

with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

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

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

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

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

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

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

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

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

independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

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

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

The Company as a lessor

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

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

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

(I) Government Grant

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(m) Revenue Recognition

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

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

In relation to certain contracts where installation services are provided by the Company, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/ services except in certain cases where a credit term is agreed between Company and customers."

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the Company using a best estimate based on accumulated experience.

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

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

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

(n) Taxation

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

Current Tax

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

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

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

Deferred Tax

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

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

Uncertain Tax position

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

(o) Earnings Per Share

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(p) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

(q) Investment in Subsidiaries

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

(r) Borrowing Cost

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

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

(s) Derivatives

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

(t) Assets Classified as held for sale

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally

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

(u) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed in the standalone statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The board of directors, which has been identified as being the Chief Operating Decision Maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Refer note 29(III) for segment information presented.

(w) Recent Pronouncements

Standards issued and effective from April 01, 2022:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

Ind AS 103- Business Combinations

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

Ind AS 16 - Property, Plant and Equipment

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

There were certain amendments to standards and interpretations which are applicable for the first time for the year ended 31 March 2023, but either the same are not relevant or do not have an impact on the financial statements of the company.

Standards issued but not yet effective

On March 31, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Financial Statements

for the year ended March 31, 2023

3 (a) Property, plant and equipment

Gross Block #	Land - Freehold@	Buildings **@	Plant and Machinery \$	Assets-on lease***	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
As at April 01, 2021	-	-	-	-	8.54	-	11.96	30.99	-	11.65	63.14
Additions through business combination	6,405.00	14,573.46	3,879.77	-	204.65	94.36	59.14	192.73	865.63	690.49	26,965.23
Additions	-	137.07	429.53	-	15.83	18.94	7.81	9.73	77.56	33.75	730.22
Deletions	-	-	(43.81)	-	(11.11)	-	(1.55)	(12.93)	(39.12)	(8.59)	(117.11)
As at March 31, 2022	6,405.00	14,710.53	4,265.49	-	217.91	113.30	77.36	220.52	904.07	727.30	27,641.48
Additions	-	102.72	916.44	7.19	61.57	16.31	18.08	43.31	592.99	103.02	1,861.63
Deletions	-	-	(235.54)	-	(15.07)	(3.54)	(8.32)	(21.35)	(352.80)	(19.75)	(656.37)
As at March 31, 2023	6,405.00	14,813.25	4,946.39	7.19	264.41	126.07	87.12	242.48	1,144.26	810.57	28,846.74

Depreciation	Land - Freehold	Buildings	Plant and Machinery	Assets-on lease***	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
As at April 01, 2021	-	-	-	-	7.07	-	9.57	20.60	-	11.07	48.31
Charge for the year	-	71.32	75.97	-	6.27	3.52	4.15	8.17	63.37	49.58	282.35
Deletions	-	-	(0.51)	-	(7.55)	-	(1.27)	(9.87)	(1.54)	(8.16)	(28.90)
As at March 31, 2022	-	71.32	75.46	-	5.79	3.52	12.45	18.90	61.83	52.49	301.76
Charge for the year	-	442.13	706.98	0.90	36.24	23.55	21.67	34.31	356.81	269.58	1,892.17
Deletions	-	-	(227.44)	-	(1.83)	(0.79)	(1.90)	(2.06)	(134.72)	(3.43)	(372.17)
As at March 31, 2023	-	513.45	555.00	0.90	40.20	26.28	32.22	51.15	283.92	318.64	1,821.76
Net Block											
As at March 31, 2022	6,405.00	14,639.21	4,190.03	-	212.12	109.78	64.91	201.62	842.24	674.81	27,339.72
As at March 31, 2023	6,405.00	14,299.80	4,391.39	6.29	224.21	99.79	54.90	191.33	860.34	491.93	27,024.98

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

@ The Title Deeds in respect of freehold land and Buildings which has been acquired in business combination (refer Note 30), are held in the name of erstwhile Eureka Forbes Limited. The Company is in the process of transferring the above freehold land and Buildings in its own name.

*** Assets given on Lease has a useful life of 6 years and depreciated accordingly.

\$ Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.

Refer note 35 for assets pledged as security

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

3 (b) Right of Use Assets

Gross Block	Land - Leasehold#	Building	Total
As at April 01, 2021	-	18.70	18.70
Additions through business combination	345.01	1,284.44	1,629.45
Additions	-	95.96	95.96
Deletions	-	-	-
As at March 31, 2022	345.01	1,399.10	1,744.11
Additions	-	1,947.82	1,947.82
Deletions	-	(513.27)	(513.27)
As at March 31, 2023	345.01	2,833.65	3,178.66
Depreciation			
As at April 01, 2021	-	17.43	17.43
Charge for the year	0.86	165.46	166.32
Deletions	-	-	-
As at March 31, 2022	0.86	182.89	183.75
Charge for the year	5.30	1,085.96	1,091.26
Deletions	-	(175.38)	(175.38)
As at March 31, 2023	6.16	1,093.47	1,099.63
Net Block			
As at March 31, 2022	344.15	1,216.21	1,560.36
As at March 31, 2023	338.85	1,740.18	2,079.03

Refer note 35 for assets pledged as security

4 (a) Intangible Assets

Gross Block	Computer Software	Distributor network-Service	Distributor network-Product	Technical Knowhow	Brand Name / Trademarks	Total
As at April 01, 2021	13.56	-	-	-	-	13.56
Additions through business combination (Refer Note:30)	118.07	20,557.83	3,966.24	19.79	291,119.26	315,781.19
Additions	-	-	-	-	-	-
Deletions	(4.90)	-	-	-	-	(4.90)
As at March 31, 2022	126.73	20,557.83	3,966.24	19.79	291,119.26	315,789.85
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2023	126.73	20,557.83	3,966.24	19.79	291,119.26	315,789.85
Amortisation						
As at April 01, 2021	12.79	-	-	-	-	12.79
Charge for the year	20.31	342.63	66.10	19.79	-	448.83
Deletions	(4.66)	-	-	-	-	(4.66)
As at March 31, 2022	28.44	342.63	66.10	19.79	-	456.96
Charge for the year	92.59	2,055.78	396.62	-	-	2,544.99
As at March 31, 2023	121.03	2,398.41	462.72	19.79	-	3,001.95
Net Block						
As at March 31, 2022	98.29	20,215.20	3,900.14	-	291,119.26#	315,332.89
As at March 31, 2023	5.70	18,159.42	3,503.52	-	291,119.26	312,787.90

Refer note 35 for assets pledged as security

Refer Note 29 (XXIV) for Impairment testing of goodwill and intangible assets with indefinite useful life

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

4 (b) Intangible assets under development

Intangible assets under development aging schedule

₹ in Lakhs

Amount of intangible assets under development for a period of	As at March 31, 2023		As at March 31, 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	245.93	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	245.93	-	-	-

Note: The Company does not have any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets completion schedule is not applicable.

FINANCIAL ASSETS

5 (a) Non Current Investments

Investments in Subsidiaries at Cost

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
3,57,765 (previous year 3,57,765) equity shares of AED 1000/- fully paid up in Euro Forbes Limited. (Includes 3,16,150 shares issued at discount) (Refer Note 1)	-	-
5,00,000 (previous year 5,00,000) equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited	50.00	50.00
70,00,000 (previous year 70,00,000) equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited	2,474.15	2,474.15
TOTAL UNQUOTED INVESTMENTS	2,524.15	2,524.15
Investments in Subsidiaries at Cost	2,524.15	2,524.15

Note 1:- The Cost of this Investment in the books of Demerged undertaking that got merged into the Company w.e.f February 01, 2022 amounted to ₹ 35,148.04 Lakhs. This investment was fully impaired in the books of demerged undertaking. (including ₹ 415.78 Lakhs pertaining to Equity Component in Fair value of Financial Guarantees).

Other investments

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted Investments (all fully paid)		
Investments in Equity Instruments - Other Company at FVOCI		
7,143 (previous year 7,143) equity shares of ₹ 10/- fully paid up in Water Quality Association. (Refer Note:-2 below)	0.71	0.71
TOTAL Investments in Equity Instruments and Debentures	0.71	0.71
Less : Aggregate amount of impairment in value of investments	-	-
Unquoted Investment at cost	0.71	0.71
Total Non Current Investment	2,524.86	2,524.86
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	2,524.86	2,524.86
	2,524.86	2,524.86

Note 2:- The Company has invested in 7143 shares of face value ₹ 10 /- each in a non profit making organisation hence the fair value has been considered same as the carrying value

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

5 (b) Current Investments

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted Investments in Mutual Funds		
Nippon India - Growth Plan Growth Option - 55,815.86 units (Previous Year 357.86 units)	3,043.76	2.93
Tata Liquid Fund - Regular Plan - Growth - 1,28,929.77 units (Previous Year - 1,23,049.19 units)	4,536.19	4,101.31
HDFC Liquid Fund - Growth - Nil units (Previous Year - 49,754.72 units)	-	2,065.71
Total Current Investment	7,579.95	6,169.95
Aggregate amount of unquoted investments and market value thereof	7,579.95	6,169.95

6. Trade receivables

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	332.81	12,259.64	14,705.97
Unsecured , Debts due from related parties (refer note 29 VIII)	-	-	-	623.40
Unsecured, which have significant increase in credit risk	-	-	-	-
Unsecured, credit impaired	361.75	28.94	749.29	787.73
Unsecured, credit impaired from related parties (refer note 29 VIII)	-	-	834.87	-
	361.75	28.94	1,584.16	787.73
Less: Allowance for doubtful debts	361.75	28.94	1,584.16	787.73
Total	-	332.81	12,259.64	15,329.37

Trade receivables

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2023

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed Trade Receivables - Considered good	Undisputed Trade Receivables - Credit impaired	Disputed Trade Receivables - Considered good	Disputed Trade Receivables - Credit impaired
Not due	5,899.49	-	-	-
Less than 6 months	5,607.19	101.75	-	-
6 months - 1 year	688.41	790.07	-	-
1-2 years	64.55	211.62	-	-
2-3 years	-	114.60	-	-
More than 3 years	-	727.87	-	-
Total (A)	12,259.64	1,945.91	-	-
Less: Allowance for expected credit loss- (B)	-	1,945.91	-	-
TOTAL [(A)- (B)]	12,259.64	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

6. Trade receivables (Contd..)

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2022

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed Trade Receivables - Considered good	Undisputed Trade Receivables - Credit impaired	Disputed Trade Receivables - Considered good	Disputed Trade Receivables - Credit impaired
	Not due	3,685.92	-	-
Less than 6 months	11,624.80	316.60	-	-
6 months - 1 year	122.26	2.37	-	-
1-2 years	75.45	23.35	-	-
2-3 years	16.30	13.65	-	-
More than 3 years	137.45	460.70	-	-
Total (A)	15,662.18	816.67	-	-
Less: Allowance for expected credit loss- (B)	-	816.67	-	-
TOTAL [(A)- (B)]	15,662.18	-	-	-

(i) Transactions with firms/Private Companies in which a Directors are interested:

Trade Receivable include ₹ Nil (Previous Year ₹ 13.93 Lakhs) due from a Private Company Shapoorji Pallonji and Company Pvt Limited, in which a Director of the Company is a Director.

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

(iii) The Company uses simplified approach for trade receivable for calculating expected credit loss. Accordingly the Company does not track changes in credit risk of individual trade receivable.

(iv) Refer note 35 for receivables pledged as security against borrowings.

7. Loans

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Loans to Employees				
- Secured, considered good	-	-	-	-
- Unsecured, considered good	-	-	6.52	7.92
- Unsecured, which have significant increase in credit risk	-	-	-	-
- Unsecured, credit impaired	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	6.52	7.92
	-	-	6.52	7.92

8. Other financial assets

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Bank deposits with more than 12 months maturity	4.35	26.49	-	-
Deposit with Banks held as Margin Money	804.10	966.56	-	-
Security deposits - unsecured considered good	345.34	643.57	93.82	127.35
	1,153.79	1,636.62	93.82	127.35

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

9. Deferred tax balances

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

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	(1,528.09)	(1,218.69)
Deferred tax liabilities	83,425.52	83,959.17
Net	81,897.43	82,740.48

Refer note 36 for detailed components of Deferred taxes

10. Income tax assets and liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Income tax assets (Net)				
Advance income-tax (Net of provision for taxation)	2,400.52	2,345.77	-	-
Total	2,400.52	2,345.77	-	-
Income tax Liabilities (Net)				
Provision for Taxation (Net of Advance Tax)	-	-	1,881.48	528.01
	-	-	1,881.48	528.01

11. Other Assets

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured considered good, unless stated otherwise				
Capital Advances	145.96	151.10	-	-
Prepaid expenses	107.13	86.61	1,222.44	1,117.22
Right to Recover Returned Goods (Refer Note: 1 below)	-	-	96.75	90.00
Balance with statutory/ government authorities	1,026.48	1,097.48	3,524.11	2,201.69
Advances recoverable in cash or kind	-	-	563.47	732.67
Advances recoverable in cash or kind - Considered Doubtful	-	-	3,610.01	3,521.42
	-	-	4,173.48	4,254.09
Less: Provision for doubtful advances	-	-	3,610.01	3,521.42
	-	-	563.47	732.67
Total	1,279.57	1,335.19	5,406.77	4,141.58

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

12. Inventories

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Inventories (lower of cost and net realisable value)		
Raw Materials ,Components and Packing Material { Includes in transit ₹ 941.80/-Lakhs (Previous Year ₹ 528.09/- Lakhs)}	4,318.97	4,752.20
Finished Goods (includes in transit:₹ 355.62/- Lakhs (Previous year: ₹7.76/- Lakhs))	5,052.47	7,100.21
Stock in Trade (includes in transit ₹ ₹ 216.31/- Lakhs (Previous year: ₹1,112.4/-Lakhs))	5,807.13	9,664.58
Spares & Accessories (includes in transit ₹ 157.99/- Lakhs - (Previous year: ₹22.07/- Lakhs))	5,946.29	6,791.57
	21,124.86	28,308.56

* Refer note 35 for inventories pledged as security against borrowing

13. Cash and cash equivalents and other bank balances

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

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Balances with Banks in current accounts	1,182.02	1,180.30
Cheques, drafts on hand	23.02	74.38
Cash on hand	24.59	77.74
Deposits with original maturity of less than 3 Months	6.37	9.37
Total Cash & cash equivalents	1,236.00	1,341.79
Bank Balances other than cash & cash equivalents		
Deposits with original maturity of more than 12 months *	62.20	4.35
Deposits with original maturity of more than 3 months but less than 12 months *	59.70	94.90
Total Bank Balances other than cash & cash equivalents	121.90	99.25
Cash and cash equivalents as per cash flow statement	1,236.00	1,341.79

* Deposits lodged as security with Government authorities

14. Equity Share Capital

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Equity share capital	19,347.92	19,347.92
Total	19,347.92	19,347.92

Authorised Share capital :

Particulars	₹ in Lakhs	
	Number of shares	Share capital
As at April 1, 2021	50,00,000	500.00
Increase during the year	19,50,00,000	19,500.00
As at April 1, 2022	20,00,00,000	20,000.00
Increase during the year	5,00,00,000	5,000.00
Balance at March 31, 2023	25,00,00,000	25,000.00
Issued and subscribed capital comprises:		
19,34,79,240 fully paid equity shares of ₹ 10 each (as at March 31, 2022: 19,34,79,240)	19,347.92	19,347.92
	19,347.92	19,347.92

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

14. Equity Share Capital (Contd..)

Movement in equity share capital :

Particulars	₹ in Lakhs	
	Number of shares	Share capital
Balance at April 1, 2021	48,27,263	482.73
Add: Shares issued on account of business combination (Refer Note 30)	19,34,79,240	19,347.92
Less: Shares cancelled pursuant to scheme of arrangement	(48,27,263)	(482.73)
Balance at March 31, 2022	19,34,79,240	19,347.92
Less: Issued during the year	-	-
Balance at March 31, 2023	19,34,79,240	19,347.92

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

II Details of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Fully paid ordinary shares		
Shapoorji Pallonji and Company Private Limited (Holding Company)	-	14,03,89,395
Lunolux Limited, Cyprus (Holding Company)	14,03,89,654	-
Total as at the end of the year	14,03,89,654	14,03,89,395

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid equity shares				
Shapoorji Pallonji and Company Private Limited	-	-	14,03,89,395	72.56%
Lunolux Limited, Cyprus	14,03,89,654	72.56%	-	-
India Discovery Fund Limited	1,60,62,569	8.30%	1,72,23,825	8.90%
TOTAL	15,64,52,223	80.86%	15,76,13,220	81.46%

IV Details of shareholdings by the Promoters of the Company

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Fully paid equity shares					
Lunolux Limited, Cyprus (Holding Company)	14,03,89,654	72.56%	-	-	100.00%
Shapoorji Pallonji and Company Private Limited (Holding Company)	-	-	14,03,89,395	72.56%	(100.00%)

Note i : Prior to approval of Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal on January 25, 2022 (Refer Note 29(VII)) for detailed description of the Scheme, Shapoorji Pallonji and Company Private Limited were holding 100% of the shares of the Company through erstwhile Eureka Forbes Limited.

Note ii : Pursuant to the Share Purchase Agreement dated September 19, 2021 ("SPA") executed between inter alia erstwhile Forbes Enviro Solutions Limited and now renamed Eureka Forbes Limited, Lunolux Limited ("Acquirer"), Shapoorji Pallonji and Company Private Limited ("Seller"), Forbes Campbell Finance Limited ("FCFL"), Forbes & Company Limited and erstwhile Eureka Forbes Limited for the acquisition by the Acquirer of a majority stake in the Health, Hygiene, Safety products and services represented by up to 72.56% of the total issued and paid-up share capital of the Company from the Seller, the Acquirer has acquired 12,35,55,843 equity shares representing 63.86% of the total issued and paid-up share capital of the Company on April 25, 2022 and 1,68,33,552

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

14. Equity Share Capital (Contd..)

equity shares representing 8.70% of total issued and paid-up share capital of the Company on July 12, 2022.

Consequent to such transfer, the Acquirer has become the promoter of the Company with effect from April 25, 2022. In furtherance of the SPA, as a result of the acquisition of the equity shares by the Acquirer, changes in the Board of Directors of the Company has taken place.

V For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- (a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:
19,34,79,240 Equity shares of ₹10 each allotted as fully paid-up pursuant to Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal on January 25, 2022 (Refer Note 29(VII)) for detailed description of the Scheme without payment being received in cash
- (b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares: Nil
- (c) Aggregate number and class of shares bought back: Nil

15. Other equity

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
1) Retained earnings		
Balance at beginning of year	(196.39)	(468.86)
Add/ (less): Profit/ (Loss) for the year	1,708.02	280.30
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	(472.73)	(7.83)
Balance at end of the year	1,038.90	(196.39)
2) Capital reserve		
Balance at beginning of the year	482.73	-
Add: Addition during the year	-	482.73
Balance at end of the year	482.73	482.73
3) Securities Premium		
Balance at beginning of the year	3,87,063.43	-
Add: Addition during the year on account of Business combination	-	3,87,248.70
Less: Cost for increase in Authorised Share Capital	-	(185.27)
Balance at end of the year	3,87,063.43	3,87,063.43
Total	3,88,585.06	3,87,349.77

Description of nature and purpose of reserves

1) Retained Earnings

This reserve represents the cumulative profits of the Company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

2) Capital Reserve

The Capital reserve has been created on cancellation of shares held by then existing shareholders of the Company as per the composite scheme of arrangement approved by the national Company Law tribunal on January 25, 2022

3) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

FINANCIAL LIABILITIES

16. Borrowings

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured – at amortised cost				
Term loans from				
Banks - Rupee Term loan (Refer Note (a) below)	2,466.48	4,935.56	2,500.00	2,500.00
Loans repayable on demand				
– from banks (Cash credit/ Buyers credit) (Refer Note (c) below)	-	-	7,113.78	15,031.28
Unsecured - at amortised cost				
Loans repayable on demand				
– from banks (Refer Note (b) below)	-	-	-	1,489.69
Total Borrowings	2,466.48	4,935.56	9,613.78	19,020.97

Summary of borrowing arrangements

Note a. Rupee Term loan (RTL) from ICICI Bank amounting to ₹ 10,000.00 Lakhs (Outstanding as on 31st March 2023 ₹ 5,000.00 Lakhs (Previous Year ₹ 7,500.00 Lakhs) carries interest rate of 1 year MCLR and secured against pari passu charge on tangible assets (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The outstanding amount is payable 8 equal quarterly instalment starting from June 18, 2023.

Note b. Unsecured short term borrowing from banks carries interest @ 8.95 % p.a.

Note c. Secured Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade and book debts and carries interest @ 7.70 % to 10.60 % p.a.

Note d. No amount are pending to be utilised from the borrowings outstanding as on March 31, 2023

Note e. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

17. Trade payables

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade and other payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	6,664.73	6,112.59
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below for dues to Micro and Small Enterprises)	-	-	13,734.57	15,660.59
Trade payables to related parties (Refer note 29 VIII)	-	-	2,448.44	2,615.61
Total	-	-	22,847.74	24,388.79

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed dues – MSME	Undisputed dues – Others	Disputed dues – MSME	Disputed dues – Others
Not due	6,661.99	10,786.40	-	-
Less than 1 year	2.74	5,124.96	-	-
1-2 years	-	233.87	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

17. Trade payables (Contd..)

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed dues		Disputed dues	
	– MSME	– Others	– MSME	– Others
2-3 years	–	2.01	–	–
More than 3 years	–	35.77	–	–
Total	6,664.73	16,183.01	–	–

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2022

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed dues		Disputed dues	
	– MSME	– Others	– MSME	– Others
Not due	6,091.22	14,508.53	–	–
Less than 1 year	15.70	3,741.52	–	–
1-2 years	–	6.58	–	–
2-3 years	5.67	0.11	–	–
More than 3 years	–	19.46	–	–
Total	6,112.59	18,276.20	–	–

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the Chapter on delayed payments to Micro and Small Enterprises

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as on year end	6,664.68	6,096.89
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	0.05	15.70
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	–	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	–	–
(v) The amount of interest accrued and remaining unpaid as on year end	0.05	15.70
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	0.05	15.70

18. Other financial liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Interest free trade deposits	–	–	4,580.01	4,601.89
(b) Others :-				
– Dues to employees	–	–	5,331.29	4,758.42
– Dues on account of customer rebate schemes and other contractual liabilities	–	–	5,163.46	2,964.53
Total	–	–	15,074.76	12,324.84

19. Provisions

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Employee benefits - Compensated absences	227.02	154.47	28.11	88.22
Gratuity payable	–	–	531.66	205.87

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

19. Provisions (Contd..)

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Other provisions (Refer Note 29XI)	–	–	–	–
Warranties	–	–	1,787.28	1,786.61
Others	–	–	51.25	51.25
Total	227.02	154.47	2,398.30	2,131.95

20. Other Liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Contract Liabilities - Income received in advance (Refer Note 29 XIII)	11,728.79	12,867.49	39,099.28	40,405.01
Others - Deductions from employees for Company's assets	469.15	648.33	836.64	1,181.42
Advance from customers	–	–	1,297.04	681.01
Contract Liabilities - Others (Refer Note (a) below)	–	–	29.63	137.04
Refund Liabilities (Refer Note (b) below)	–	–	2,092.84	1,722.40
Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	–	–	1,166.86	1,638.50
Total	12,197.94	13,515.82	44,522.29	45,765.38

Note a: Contract liability pertains to deferred revenue arising as a separate performance obligation.

Note b: The Company recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers .

21. Revenue from operations

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	1,44,724.55	27,684.99
Sale of services	62,835.47	10,324.17
Other operating revenues	–	–
Scrap sales	271.21	48.01
Other	210.65	42.96
Total	2,08,041.88	38,100.13

22. Other Income and other gains/ (losses)

₹ in Lakhs

Other Income	Year ended March 31, 2023	Year ended March 31, 2022
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	33.13	25.44
Interest Others	2.41	0.04
Interest income on financial assets at amortised cost	0.34	0.08
Rental Income from Operating Lease	39.68	6.80
Others	203.05	89.05
Total (A)	278.61	121.41

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

22. Other Income and other gains/ (losses) (Contd.)

	₹ in Lakhs	
Other gains/(losses) -Net	Year ended March 31, 2023	Year ended March 31, 2022
Gain/(loss) on disposal of property, plant and equipment	515.48	50.87
Gain/(loss) on disposal of Investments at FVTPL	133.31	–
Net foreign exchange gains/(losses)	8.00	28.16
Net gain/(loss) arising on financial assets measured at FVTPL	80.33	37.14
Gain/(Loss) on Modification/Disposal of Right of use assets	26.23	–
Total (B)	763.35	116.17
Total (A+B)	1,041.96	237.58

23. Cost of Goods Sold

	₹ in Lakhs	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw Materials, Components and Packing Materials - Inventory at the beginning of the year	4,752.20	147.42
Add : Inventory on Acquisition	–	5,748.95
Less : Disclosed under exceptional item	(796.79)	–
Add : Purchases	64,730.73	9,283.72
	68,686.14	15,180.09
Less : Inventory at the end of the year	(4,318.97)	(4,752.20)
Cost of Raw Materials, Components and Packing Materials consumed	64,367.17	10,427.89
Purchases of stock-in-trade	15,124.62	5,279.57
Less : Disclosed under exceptional item	(1,705.01)	–
Changes in inventories of finished goods,spares, stock-in-trade and work-in-progress	6,750.47	499.41
Total	20,170.08	5,778.98

24. Employee benefits expense

	₹ in Lakhs	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	28,240.84	4,555.77
Contribution to provident and other funds	1,419.63	254.26
Staff Welfare Expenses	394.24	68.22
Total	30,054.71	4,878.25

25. Finance costs

	₹ in Lakhs	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on bank overdrafts and loans	1,776.32	404.63
Interest on Lease Liabilities	177.12	22.48
Other borrowing costs	32.31	7.37
Total	1,985.75	434.48

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

26. Depreciation and amortisation expense

	₹ in Lakhs	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	1,892.17	282.35
Depreciation of right of use assets	1,091.26	166.32
Amortisation of intangible assets	2,545.00	448.83
Total	5,528.43	897.50

27. Other expenses

	₹ in Lakhs	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Electricity Power and fuel	255.09	33.78
Rent	717.92	148.66
Repairs and Maintenance - Building	59.34	11.50
Machinery	37.53	29.46
Others	540.76	107.47
Insurance	571.68	79.04
Advertisement	7,602.72	276.82
Selling and Sales Promotion	11,397.17	3,083.30
Freight, Forwarding and Delivery	5,563.82	1,216.96
Wages to contractual workers	1,043.37	182.36
Payment to Auditors (Refer details below)	99.70	81.03
Printing and Stationery	111.67	21.95
Communication cost	1,183.81	194.56
Travelling and Conveyance	1,468.72	274.36
Legal and Professional Fees	4,721.05	1,339.77
Vehicle Running Expenses	853.01	23.76
Rates and taxes, excluding taxes on income	358.55	59.81
Conference Expenses	1,934.52	55.54
Service Charges	29,755.24	6,181.42
Information Technology Expenses	5,306.31	892.83
Logistics Expenses	1,886.40	372.60
Other Establishment Expenses	3,266.11	448.15
Corporate Social Responsibility Expenses(Refer Note 29 XV)	4.00	–
Directors' Sitting Fees	20.30	7.60
Bad Debts/Advances Written-Off	13.79	92.68
Less: Adjusted against provision	–	(36.30)
	13.79	56.38
Provision for Doubtful Debts / Advances	1,217.83	(29.02)
Commission to Directors	291.50	81.00
Total	80,281.91	15,231.09

	₹ in Lakhs	
Payments to auditors (Including payment made to erstwhile auditors)	Year ended March 31, 2023	Year ended March 31, 2022
As Statutory auditor		
For Audit fee (Includes limited review fees)	82.50	71.85
For other services	9.69	4.53
For reimbursement of expenses	1.76	–
As Cost auditor	5.75	4.65
Total	99.70	81.03

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

28. Income tax recognised in statement of profit and loss

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	1,829.01	207.63
In respect of prior years	-	10.75
	1,829.01	218.38
Deferred tax		
In respect of the current year	(843.04)	190.84
	(843.04)	190.84
Total income tax expense recognised in the current year	985.97	409.22

29. Additional information to the financial statements

I Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

- (i) Disputed Income Tax demands* - ₹ 1,706.29 lakhs (previous year ₹ 1,706.29 lakhs)
- (ii) Disputed Central Excise demands - ₹ 1,442.81 lakhs(previous year ₹ 1,442.81 lakhs)
- (iii) Disputed Sales Tax demands - ₹ 3,374.56 lakhs (previous year ₹ 3,692.88 lakhs)
- (iv) Disputed Service Tax demands - ₹ 1,945.68 lakhs (previous year ₹ 1,945.68 lakhs)
- (v) Disputed civil suit - ₹ 33.73 lakhs (previous year - ₹ 33.73 lakhs)
- (vi) Disputed claims against the Company not acknowledged as debt ₹ 42.85 lakhs (Previous Year ₹ 42.85 lakhs)
- (vii) Disputed Goods and Services Tax demand - ₹ 877.39 lakhs (previous year ₹ 486.33 lakhs)
- (viii) Disputed claims against the Company for certain Labour Law & related matters estimated at ₹ 42.50 lakhs (previous year ₹ Nil lakhs)

* In calculating the tax expense for the current year, the Company has considered taxability of certain income and allowability of certain expenditure for tax purpose based on the orders/judgments passed in further appeals in its own assessment of earlier years. Based on the same, no additional provision is envisaged necessary as on 31 March 2023 in respect of earlier years and current year.

(b) Commitments:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ 172.81 lakhs (previous year ₹ 163.06 lakhs).
- (ii) Towards product performance ₹ 272.69 lakhs (previous year ₹ 359.65 lakhs)
- (iii) Towards service performance ₹145.09 lakhs (previous year ₹ 373.30 lakhs)

In respect of all items mentioned in (a) above, till the matter are finally decided, the timing of outflow of economic benefit cannot be ascertained.

II a) The Company has given certain office / factory premises and moulds on operating lease basis. Details of which are as follows -

₹ in Lakhs

Particulars	Building		Plant and Machinery (Moulds)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Gross Amount	481.49	481.49	35.66	35.66
Accumulated Depreciation	159.56	139.92	29.80	28.10
Depreciation	19.64	3.17	1.70	0.27

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

- b) The Company has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the year is ₹ 39.68/- Lakhs (Previous Year ₹ 6.80/- Lakhs) for Premises.

- III The Company is primarily engaged in the business of Health, Hygiene, Safety products and Services. Information reported to and evaluated regularly by chief operating decision maker for the purpose of resource allocation and assessing performance focuses on the business as a whole. Accordingly there is no other separate segment as per Indian Accounting Standard 108 dealing with "Operating Segment". The geographical segmentation is insignificant as the export turnover is less than 10% of the total turnover and also Company's Non Current assets (other than Financial Instrument, deferred tax, post employment benefits and rights arising under insurance contracts) are located in India.

Revenue from transactions with a single external customer did not amount to 10% or more of the Company's revenue from external customers for current and previous year.

The Company's main revenue is from sale of water purifiers , spares and servicing.

Revenue from External Customers :

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	2,07,492.77	37,931.50
Outside India	549.11	168.63
Total Revenue	2,08,041.88	38,100.13

- IV The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current year and previous year.

- V The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- VI The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- VII The Board of Directors of Eureka Forbes Limited (Formerly known as Forbes Enviro Solutions Ltd) ("the Company") and erstwhile Eureka Forbes Ltd at their Board Meeting held on September 08, 2020, had inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provided for amalgamation and vesting of erstwhile Aquaignis Technologies Private Limited ("ATPL"), erstwhile Eureka Forbes Limited and erstwhile Euro Forbes Financial Services Limited ("EFFSL") with and into erstwhile Eureka Forbes Limited. Further, upon the above part of the scheme becoming effective, amalgamation and vesting of Erstwhile Eureka Forbes Limited with and into Forbes and Company Limited (FCL).

Further, upon the above part of the scheme becoming effective, demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into the Company on a going concern basis.

The Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated January 25, 2022 approved/sanctioned the aforesaid Composite Scheme of Arrangement. Upon receipt of the certified copy of the order, the scheme was made effective by filing Form INC 28 with the Registrar of Companies on February 1, 2022. Further, the name of the Company has been changed to Eureka Forbes Ltd, vide Fresh Certificate of Incorporation dated February 11, 2022.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

Pursuant to the Share Purchase Agreement dated September 19, 2021 ("SPA") executed between inter alia the Company Lunolux Limited ("Acquirer"), Shapoorji Pallonji and Company Private Limited ("Seller"), Forbes Campbell Finance Limited ("FCFL"), Forbes & Company Limited and erstwhile Eureka Forbes Limited for the acquisition by the Acquirer of a majority stake in the health and safety solutions business represented by up to 72.56% of the total issued and paid-up share capital of the Company from the Seller, the Acquirer has acquired 12,35,55,843 equity shares representing 63.86% of the total issued and paid-up share capital of the Company on April 25, 2022 and 1,68,33,552 equity shares representing 8.70% of total issued and paid-up share capital of the Company on July 12, 2022

Consequent to such transfer, the Acquirer has become the promoter of the Company with effect from April 25, 2022. In furtherance of the SPA, as a result of the acquisition of the equity shares by the Acquirer, changes in the Board of Directors of the Company has taken place.

VIII As required under Indian Accounting Standard 24 on "Related Party Disclosures" the list of related parties and their transactions is attached. (Annexure 'A' & 'B').

IX ₹ 955.34 Lakhs (Previous year ₹ 300.98 lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

X There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current year.

XI Disclosures required by Indian Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets"

₹ in Lakhs

A) Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Excise Duty	Sales Tax	Excise Duty	Sales Tax
At the beginning of the year	49.96	1.29	-	-
Add: On Business Combination	-	-	49.96	1.29
AT THE END OF THE YEAR	49.96	1.29	49.96	1.29

B) Warranty provision

The Company gives warranty on certain products, towards satisfactory performance of products during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The table given below gives information about movement in warranty provisions:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
At the beginning of the year	1,786.61	0.43
Add: On Business combination	-	1,618.68
Add: Additions during the year*	1,787.28	1,786.61
Less: Utilization during the year	(1,786.61)	(1,214.01)
Less: Unused amount reversed / (additional utilisation) during the year	-	(405.10)
At the end of the year	1,787.28	1,786.61

*Included in Service Charges under other Expenses

XII Disclosures required under Indian Accounting Standard 116 on "Leases" refer attached Annexure 'C'.

XIII Remaining performance obligation towards rendering of maintenance contracts as at the year end is recognized as "Income received in advance" and presented in "Other liabilities". This obligation pertains to maintenance services that would be carried out over the contract period for which Company has received the advance. The service period ranges from 1 year to 4 years. Management believes that 77% pertaining to remaining obligation as of the year ended 31 March 2023 will be recognised as revenue during the next financial year, 20% will be recognized as revenue in FY 24-25 and 3% will be recognised in FY 25-26.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

Reconciliation of Revenue Recognised with contract price:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price *	2,05,842.08	40,695.87
Adjustment for		
Less:		
Refund Liabilities - Sales Return estimate	215.00	200.00
Performance Liabilities	29.63	137.04
Unperformed performance obligation at the end the year	50,828.07	53,272.50
Unperformed on acquisition	-	(51,008.81)
Unperformed performance obligation at the beginning of the year	(53,272.50)	(4.99)
Revenue from continuing operations	2,08,041.88	38,100.13

* Net of Taxes

XIV The disclosures required under Indian Accounting Standard 19 "Employee Benefits" the details of post employment benefit is attached. Annexure D

XV Corporate social responsibility expenditure:-

Section 138 relating to Corporate social responsibility was not applicable to the Company in the previous financial year, however the below Corporate social responsibility liability of erstwhile Eureka Forbes Limited was taken over on business combination and the Company has discharged the liability for Previous year .

₹ in Lakhs

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Paid in cash	Yet to be paid	Total	Paid in cash	Yet to be paid	Total
a) Gross amount required to be spent by the Company			4.00			113.92
b) Amount spent during the year on						
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) Purposes other than (i) above	4.00	-	4.00	113.92	-	113.92

XVI The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year or previous financial year.

XVII The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

XVIII The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

XIX The Company does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.

XX The Company is not covered under Section 8 , thus related disclosure is not applicable.

XXI The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

XXII The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

XXIII The comparative financial information of the Company for the year ended March 31, 2022 included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2022 expressed an unmodified opinion.

XXIV Impairment testing of goodwill and intangible assets with indefinite useful life

The Group has identified its business of Health, Hygiene, Safety Products and Services as a single Cash Generating Unit (CGU).

The recoverable amount of the CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. Market related information and estimates are used to determine the recoverable amount.

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

The key assumptions used in the estimation of the recoverable amount are set out below.

Particulars	March 31, 2023
Discount rate	11.64%
Terminal value growth rate	6.00%
Budgeted EBITDA to revenue (average of next five years)	13.37%

The discount rate was derived basis the weighted-average cost of capital of debt and equity.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the longterm EBITDA growth rate, consistent with the assumptions that a market participant would make. Budgeted EBITDA was estimated taking into account past experience, adjusted for future expectations.

The Company has performed a sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

XXV Exceptional items for the year ended March 31, 2023 amounting to ₹ 4,001.80 lakhs pertains to the following:

- An amount of ₹ 2,501.80 lakhs for the year ended March 31, 2023, which is charged to Statement of Profit & Loss, on account of phasing out of certain non-moving models and product including its raw material and components, due to change in economic conditions and technological obsolescence.
- An amount of ₹ 1,500.00 lakhs for the year ended March 31, 2023 which represents stamp duty paid / payable for transfer of title of immovable property in the name of the Company pursuant to the Scheme of Arrangement for merger of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited into erstwhile Eureka Forbes Limited, followed by the merger of erstwhile Eureka Forbes Limited into Forbes & Company Limited and demerger of demerged undertaking (as defined in the scheme) of Forbes & Company Limited into the Company.

XXVI Figures for the previous year are re-arranged/regrouped, wherever necessary, to correspond with the current year disclosure. Further on account of the acquisition of the Health, Hygiene, Safety Products and Services (Refer Note 30), the figures for the previous year are not comparable.

XXVII The Financial Statements for the year ended March 31, 2023 were approved for issue by Company's Board of Directors on May 29, 2023.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

29(VIII) Additional information to the financial statements

Related Party Disclosures

Particulars	Annexure 'A' Country
A Holding Companies	
Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company (upto November 22, 2021)	India
Forbes & Company Limited - Intermediate Holding Company (upto November 22, 2021)	India
*Erstwhile Eureka Forbes Limited - Holding Company (upto November 22, 2021)	India
*Merged with Forbes & Company Limited w.e.f February 1, 2022	
B Entities with joint control of, or significant influence over, the entity	
Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company (w.e.f. November 23, 2021)	India
Forbes & Company Limited - Intermediate Holding Company (w.e.f. November 23, 2021)	India
Erstwhile Eureka Forbes Limited - Holding Company (w.e.f. 23 rd November 2021 upto January 31, 2022)	India
Lunolux Limited (w.e.f. November 23, 2021)	Cyprus
C Subsidiaries	
Forbes Aquatech Limited (w.e.f. February 01, 2022)	India
Infinite Water Solutions Limited (w.e.f. February 01, 2022)	India
Forbes Lux FZE - Dubai (w.e.f. February 01, 2022)	Dubai
Euro Forbes Limited - Dubai (w.e.f. February 01, 2022)	Dubai
D Key Managerial Personnel	
1 Mr. Homi Katgara - Non - Executive Chairman	
2 Mr.Marzin R. Shroff - Managing Director & CEO	
3 Mr. Shapoor P Mistry Non executive director	
4 Mr.Pallon Shapoor Mistry - Non executive director	
5 Dr. Indu Shahani - Non executive Independent director	
6 Mr.Jai Mavani - Non executive director	
7 Mr. Shankar Krishnan - Non executive director	
8 Mr. D Sivanandhan - Non executive Independent director	
9 Mr. Anil Kamath - Non executive Independent director	
E Other related parties (under the control of, or significant influence by the parties in A to D above) with whom there were transaction	
Forbes Facility Services Pvt Limited	India
Lux International AG	Switzerland
Afcons Infrastructure Limited	India
Relationship Properties Pvt. Limited	India
SD Corporation Private Limited	India
Shapoorji Pallonji Oil & Gas co Pvt Ltd	India
Sterling & Wilson Pvt. Limited	India
Eureka Forbes Institute of Environment (Trust)	India

Notes to the Standalone Financial Statements for the year ended March 31, 2023

29. Additional information to the financial statements (Contd.)
(II) Transactions with Related Parties for the year ended 31 March 2022

Nature of Transaction	Forbes & Company Ltd.	Shapoorji Pallonji and Company Private Ltd	Erstwhile Eureka Forbes Limited	Forbes Aquatech Limited	Infinite Water Solutions Private Ltd	Forbes Lux FZE	Lux International AG	Forbes Facility Services Pvt Ltd.	Afcons Infra-structure Ltd.	Relationship Properties Pvt. Ltd.	SD Corporation Private Limited	Shapoorji Pallonji Oil & Gas co Pvt Ltd	Sterling & Wilson Pvt. Ltd.	₹ in Lakhs
														Eureka Forbes Institute of Environment (Trust)
Purchases														
Goods and Materials	-	-	89.58	87.94	815.13	-	-	-	-	-	-	-	-	-
Job work charges	-	-	-	31.19	-	-	-	-	-	-	-	-	-	-
			89.58	119.13	815.13									
Sales / (Sales Return)														
Goods and Materials	0.34	11.07	849.48	19.50	0.22	114.70	39.68	32.00	1.15	-	-	-	0.12	57.57
Services Rendered	0.19	1.04	-	-	-	-	-	-	0.69	-	1.97	0.06	-	28.63
	0.53	12.11	849.48	19.50	0.22	114.70	39.68	32.00	1.84		1.97	0.06	0.12	86.20
Expenses														
Rent	-	-	8.76	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	0.38	-	-	-	54.60	-	-	-	-	-	-
Interest on ICD Taken	-	-	14.84	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	0.64	-	-	-	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	145.06	-	-	-	-	-	54.60	-	-	-	-	-	-
		145.06	24.24	0.38										
Income														
Rent and other services	-	-	-	0.05	5.99	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	0.25	-	-	-	-	-	-	-	-	-	-	-	-
		0.25		0.05	5.99									
Other Receipts														
Other Reimbursements	-	-	-	-	4.33	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-	67.61	-	539.66	1,979.26	10.61	-	18.47	-	-	-	-	-	-
Trade Receivables	0.52	13.93	-	-	-	491.32	9.64	-	0.66	0.90	0.13	0.08	0.23	105.99
Other Deposits Payable	-	-	-	0.10	7.48	-	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd.)

(III) Transactions with Related Parties for the year ended March 31, 2022

Parties in D : Key Managerial Personnel Remuneration

Managing Director & CEO

Particulars	₹ in Lakhs	
	March 31, 2022	
Short-term employee benefits		51.60
Post-employment benefits *		1.60
Long-term employee benefits		1.99
Total		55.19

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

Company has provided for managerial remuneration which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 13.64 Lakhs as at 31 March, 2022. The excess remuneration is subject to the approval of shareholders.

Directors Sitting Fees and Commission

Name	₹ in Lakhs	
	March 31, 2022	
Mr. Shapoor P Mistry		7.00
Dr. Indu Shahani		9.00
Mr. Jai Mavani		7.40
Mr. Shankar Krishnan		7.20
Mr. Homi Katgara		8.50
Mr. D Sivanandhan		9.00
Mr. Anil Kamath		8.50
Mr. Pallon Mistry		7.00

Company has provided for remuneration payable to Non whole time directors which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 48.01 Lakhs as at 31 March, 2022. The excess remuneration is subject to the approval of shareholders.

29(VIII) Additional information to the financial statements

Related Party Disclosures

Particulars	Annexure 'A'	
	Country	
A Holding Company		
1 Lunolux Limited (Ultimately controlled and 100% owned by funds managed by Advent International Corporation ("AIC")) (w.e.f April 25, 2022)		Cyprus
B Entities with joint control or significant influence over the entity		
1 Shapoorji Pallonji and Company Private Ltd (upto April 25, 2022)		India
2 Lunolux Limited (upto April 25, 2022)		Cyprus
C Subsidiaries		
1 Forbes Aquatech Limited		India
2 Infinite Water Solutions Limited		India
3 Forbes Lux FZE - Dubai		Dubai
4 Euro Forbes Limited - Dubai		Dubai

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

Particulars	Annexure 'A' Country
D Name of Post employment benefit plans with whom transactions were carried out during the year:	
1 Eureka Forbes Limited Employees Provident Fund	India
2 Eureka Forbes Limited Managing Staff Superannuation Scheme	India
3 Eureka Forbes Limited Employees Gratuity Fund	India
E Key Managerial Personnel	
1 Mr. Arvind Uppal - Non executive director (w.e.f. April 26, 2022)	
2 Mr.Pratik R Pota- Managing director & CEO (w.e.f August 16, 2022)	
3 Mr.Marzin R. Shroff - Managing director & CEO (upto August 15, 2022)	
4 Mr. Homi Katgara - Non executive Independent director	
5 Mr.Anil Kamath - Non executive Independent director (upto April 26, 2022)	
6 Mr.D. Sivanandhan - Non executive Independent director (upto April 26, 2022)	
7 Dr. Indu Shahani - Non executive Independent director (upto April 26, 2022)	
8 Mr. Jai Mavani - Non executive director (upto April 26, 2022)	
9 Mr.Pallon Shapoor Mistry - Non executive director (upto April 26, 2022)	
10 Mr.Vinod Rao - Non executive Independent director (w.e.f. April 26, 2022)	
11 Mrs.Gurveen Singh - Non executive Independent director (w.e.f. April 26, 2022)	
12 Mr.Shashank Samant - Non executive Independent director (w.e.f. October 10, 2022)	
13 Mr. Sahil Dalal - Non executive director (w.e.f. April 26, 2022)	
14 Mr. Shapoorji Mistry - Non executive director (upto April 26, 2022)	
15 Mr. Shankar Subramanian - Non executive director (upto April 26, 2022)	
F Enterprises under Common Control - (where there are transactions)	
Afcons Infrastructure Ltd. (upto April 25, 2022)	India
Jaykali Developers Pvt. Ltd (upto April 25, 2022)	India
SD Corporation Private Limited (upto April 25, 2022)	India

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(II) Transactions with Related Parties for the year ended 31 March 2023

Nature of Transaction	₹ in Lakhs									
	Forbes Aquatech Limited	Infinite Water Solutions Private Ltd	Forbes Lux FZE	Shapoorji Pallonji and Company Private Ltd	Afcons Infrastructure Ltd.	Jaykali Developers Pvt. Ltd	SD Corporation Private Limited	Eureka Forbes Limited Employees Provident Fund	Eureka Forbes Limited Managing Staff Superannuation Scheme	Eureka Forbes Limited Employees Gratuity Fund
Purchases										
Goods and Materials	287.88	5,164.18	-	-	-	-	-	-	-	-
Job work charges	155.82	-	-	-	-	-	-	-	-	-
	443.70	5,164.18	-	-	-	-	-	-	-	-
Sales / (Sales Return)										
Goods and Materials	40.24	0.78	285.72	0.05	0.17	-	-	-	-	-
Services Rendered	-	0.22	-	-	0.08	0.02	0.34	-	-	-
	40.24	1.00	285.72	0.05	0.25	0.02	0.34	-	-	-
Provision for Doubtful Debts	-	-	834.87	-	-	-	-	-	-	-
Expenses										
Contributions (Employer's) to Post Retirement Funds	-	-	-	-	-	-	1,387.34	205.41	-	463.77
Income										
Rent and other services	0.18	39.50	-	-	-	-	-	-	-	-
	0.18	39.50	-	-	-	-	-	-	-	-
Other Receipts										
Other Reimbursements	-	28.74	-	-	-	-	-	-	-	-
Outstanding										
Trade Payables	105.49	2,331.41	11.54	-	-	-	-	-	-	-
Trade Receivables	-	-	834.87	-	-	-	-	-	-	-
Other payables to the Trust	-	-	-	-	-	-	84.79	36.10	-	530.68
Other Deposits Payable	0.10	7.48	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

(III) Transactions with Related Parties for the year ended 31 March 2023

Parties in D : Key Managerial Personnel Remuneration

Managing Director & CEO

Particulars	₹ in Lakhs	
	Marzin R Shroff	Pratik R Pota
Short-term employee benefits	120.81	699.79
Post-employment benefits *	3.95	14.35
Long-term employee benefits	4.94	-
Total	129.70	714.14

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

Company has paid/provided for managerial remuneration which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 600.00 Lakhs as at March 31, 2023. The excess remuneration is subject to the approval of shareholders. Pending such approval, the remuneration already paid in excess of the limit is being held in the trust.

Directors Sitting Fees and Commission

Name	₹ in Lakhs	
	Amount	Outstanding Amount as at March 31, 2023
Mr.Anil Kamath	1.00	-
Mr.D. Sivanandhan	1.00	-
Dr.(Mrs.) Indu Shahani	1.50	-
Mr.Homi Katgara	28.90	24.75
Mr. Jai Mavani	0.20	-
Mr. Shankar Krishnan	0.20	-
Mr.Pallon Shapoor Mistry	0.20	-
Mr. Arvind Uppal	28.10	24.75
Mr.Vinod Rao	28.70	24.75
Mrs.Gurveen Singh	28.70	24.75
Mr.Shashank Samant	23.30	22.50
Total	141.80	121.50

Aggregate remuneration payable to non-whole time directors exceeds the limit prescribed under section 197 by ₹ 72.73 lakhs and is subject to shareholders approval. The Company has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2023.

Annexure 'C'

29 (XI) Leases:

The break-up of current and non-current lease liabilities as at March 31, 2023 is:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	993.99	698.91
Non-current lease liabilities	853.52	612.79
Total	1,847.51	1,311.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning	1,311.70	1.34
Addition on Account of Business Combination	-	1,385.31
Additions	1,947.82	95.96
Finance cost accrued during the year	177.12	22.48
Deletions	(337.89)	-
(Gain)/Loss on Modification/Disposal of Right of use assets	(26.23)	-
Payment of lease liabilities	(1,225.01)	(193.39)
Balance at the end	1,847.51	1,311.70

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Less than one year	1,123.37	782.20
One to five years	898.67	550.69
More than five years	31.28	38.97
Total	2,053.32	1,371.86

Rental expense recorded for short-term leases was ₹ 717.92 Lakhs for the year ended March 31,2023. (Previous Year: ₹ 148.66 Lakhs)

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts

Amounts recognised in profit and loss

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on right-of-use assets	1,091.26	166.32
Interest expense on lease liabilities	177.12	22.48
Expense relating to short-term leases	717.92	148.66

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

XIV Employee benefit plans

Annexure 'D'

(a) Provident Fund

The details of Eureka Forbes Limited Employees' Provident Fund and planed assets position as at 31.03.2023 is given below
₹ in Lakhs

Particulars	Valuation as at	
	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at year end	15,391.19	15,412.69
Planned Assets at the year end	17,885.23	17,469.33
Discounting Rate	7.50%	7.23%
Expected Guaranteed interest rate	8.15%	8.10%
Average Expected Future Service	14 years	13 years

(b) Gratuity Fund

The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ in Lakhs

Particulars	Valuation as at	
	As at March 31, 2023	As at March 31, 2022
Discount rate(s)	7.50%	7.23%
Expected rate(s) of salary increase	4.50%	4.00%
Mortality rates	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Amounts recognised in statement of profit and loss/ other comprehensive income in respect of these defined benefit plans are as follows.

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Service cost:	
Current service cost	142.50	24.91
Past service cost and (gain)/loss from settlements	-	2.79
Expected Returns on plan assets	-	-
Net interest expense	14.81	2.59
Components of defined benefit costs recognised in profit or loss	157.31	30.29
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	40.55	(44.46)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(0.88)
Actuarial (gains) / losses arising from changes in financial assumptions	35.64	(1.42)
Actuarial (gains) / losses arising from experience adjustments	555.60	57.22
Others	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	631.79	10.46
Total	789.10	40.75

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
	Present value of funded defined benefit obligation	(2,144.19)
Fair value of plan assets	1,624.27	1,864.43
Funded status	(519.92)	(194.15)
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation*	(519.92)	(194.15)

Movements in the present value of the defined benefit obligation are as follows.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
	Opening defined benefit obligation	2,058.57
Current service cost	142.50	24.91
Interest cost	148.10	23.91
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	(0.88)
Actuarial gains and losses arising from changes in financial assumptions	35.64	(1.42)
Actuarial gains and losses arising from experience adjustments	555.60	57.22
Past service cost, including losses/(gains) on curtailments	-	2.79
Liabilities Transferred In/Acquisition	0.46	2,035.96
Benefits paid	(796.68)	(91.81)
Others [benefits paid directly by employer]	-	(6.93)
Closing defined benefit obligation	2,144.19	2,058.57

Movements in the fair value of the plan assets are as follows.

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Opening fair value of plan assets	1,864.45
Interest income	133.28	21.32
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(40.55)	44.47
Contributions from the employer	463.77	20.00
Assets Transferred In/Acquisition	-	1,850.83
Benefits paid	(796.68)	(91.81)
Other	-	-
Closing fair value of plan assets	1,624.27	1,864.45

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

₹ in Lakhs

Particulars	Fair Value of plan asset as at	
	As at March 31, 2023	As at March 31, 2022
Government Of Indian Assets	561.32	744.20
State Government Securities	131.74	185.70
Special Deposit Scheme	41.03	41.03
Debt Instrument	516.58	542.69
Corporate Bond	297.50	276.54
Others	20.96	20.96
Mutual Funds	55.14	53.33
Asset managed by insurer (LIC)	-	-
Subtotal	1,624.27	1,864.45
Total	1,624.27	1,864.45

Maturity Analysis of the Benefits Payments from the Fund

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Projected Benefits payable in future years from the date of reporting		
1 st Following Year	184.63	260.52
2 nd Following Year	151.11	138.99
3 rd Following Year	177.76	173.39
4 th Following Year	236.15	332.84
5 th Following Year	314.41	183.91
Sum of years 6 to 10	930.01	829.10
Sum of years 11 and above	2,144.35	1,888.92

Sensitivity Analysis

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Presented benefit obligation on current assumptions	2,133.99	2,058.58
Discount rate (1% increase)	(138.49)	(127.07)
Discount rate (1% decrease)	157.52	145.05
Future salary growth (1% increase)	160.71	148.35
Future salary growth (1% decrease)	(143.50)	(131.95)
Attrition movement (1% increase)	33.84	35.62
Attrition movement (1% decrease)	(37.95)	(40.00)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

30 Acquisition of Health, Hygiene, Safety Products and Services Undertaking

Under the scheme approved by the NCLT as described in Note 29(VII), the basis of accounting used for the merger of the Health, Hygiene, Safety Products and Services Undertaking is "acquisition method" of accounting under Ind AS 103 (Business combination). Fair Value consideration amounting to ₹ 406,596.62 Lakhs has been allocated to the respective fair values of tangible, intangible assets and all liabilities and residual value has been recognised as goodwill.

(A) Details of net assets acquired:

The fair values of assets acquired and liabilities assumed as at the date of acquisition (1st February 2022) were:

₹ in Lakhs

Particulars	Amount
A Specified Tangible Asset	
Property Plant and Equipment	26,965.23
B Identified Intangible Asset	
Brand - Aquaguard	2,86,125.46
Brand - Forbes	4,993.80
Distribution network - Services	20,557.83
Distribution network - Products	3,966.24
Specified Intangible Asset	
Computer Software	118.07
Technical Know how	19.79
Other Assets	
Capital Advances	341.13
Right of Use Assets	1,629.45
Investments	8,655.28
Cash and Cash Equivalents	1,075.09
Other Bank balances	68.34
Inventories	29,735.82
Sundry Debtors	14,003.69
Loans and Advances	408.94
Income Tax Asset	2,314.27
Deferred tax Asset	620.89
Other Current Assets	6,717.96
Total Identifiable Assets (i)	4,08,317.28
C Specified Liabilities	
Long term debt	26,107.16
Lease Liabilities	1,385.30
Trade Payables	19,747.35
Provisions	3,337.54
Other current liabilities	73,554.45
Total Identifiable liabilities (ii)	1,24,131.80
Net assets acquired (i) - (ii)	2,84,185.48
Goodwill (before Deferred tax Adjustments)	1,22,411.14
Total Fair Value Consideration	4,06,596.62

(B) Impact of acquisition on the Financial Statements:

The acquired business contributed revenue of ₹ 37,013.67 Lakhs, Earning before Interest, tax depreciation and Amortisation (EBITDA) of ₹ 2,215.53 Lakhs and Earning Before interest and tax (EBIT) of ₹ 903.85 Lakhs for the period from the date of acquisition till 31st March, 2022. If the acquisition had taken place from 1st April, 2021 the acquired business would have contributed an additional turnover of ₹ 1,65,500.92 Lakhs. With this the total turnover of the Company for the year ended 31st March, 2022 would have been ₹ 2,03,601.05 Lakhs.

The acquired goodwill has been further adjusted to the effect of deferred tax liabilities recognised on acquisition in respect of recognising identified intangibles assets

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

31 Financial instruments

Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry, the Company, primarily, uses the gearing ratio to monitor and maintain the capital structure which is as follows:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Borrowings	12,080.26	23,956.53
Less: Cash and cash equivalents	1,236.00	1,341.79
Net debt	10,844.26	22,614.74
Total equity	4,07,932.98	406,697.69
Net debt to equity ratio	2.66%	5.56%

32. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) for the year attributable to equity share holders (₹ in Lakhs)	1,708.02	280.30
Face value per equity shares (₹)	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	19,34,79,240	3,62,69,259
Basic and diluted earnings per share (₹)	0.88	0.77

Basic Earnings per share

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

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to owners of the Company (₹ in Lakhs)	1,708.02	280.30
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in numbers)	19,34,79,240	3,62,69,259

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

33 Financial instruments – Fair values

Accounting classification and fair values

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL*	FVTOCI**	Amortised Cost	FVTPL*	FVTOCI**	Amortised Cost
Financial assets						
Cash and Bank Balances	–	–	1,357.90	–	–	1,441.04
Short-term loans and advances	–	–	6.52	–	–	7.92
Trade and other receivables	–	–	12,259.64	–	–	15,662.18
Current Investments	7,579.95	–	–	6,169.95	–	–
Non Current Investments #	–	0.71	2,524.15	–	0.71	2,524.15
Other Current financial Asset	–	–	93.82	–	–	127.35
Other Non Current financial Asset	–	–	1,153.79	–	–	1,636.62
Total Financial Asset	7,579.95	0.71	17,395.82	6,169.95	0.71	21,399.26
Financial liabilities						
Trade and other payables	–	–	22,847.74	–	–	24,388.79
Other Current financial liabilities	–	–	16,068.75	–	–	13,023.75
Other Non Current financial liabilities	–	–	853.52	–	–	612.79
Current Borrowings	–	–	9,613.78	–	–	19,020.97
Non Current Borrowings	–	–	2,466.48	–	–	4,935.56
Total Financial Liabilities	–	–	51,850.27	–	–	61,981.86

*Mandatorily measured at fair value in accordance with Ind AS 109

** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Company has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss Account.

Includes investment in equity instruments of ₹ 2,524.15/- Lakhs(previous year ₹ 2,524.15/- lakhs) carried at cost less impairment.

Fair value Hierarchy

This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2023 (Refer note Below)	₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investment at FVTPL				
Unquoted Investments in Mutual funds	7,579.95	–	–	7,579.95
Financial investment at FVTOCI				
Unquoted Investments	–	–	0.71	0.71
Total Financial Asset	7,579.95	–	0.71	7,580.66
Financial Liabilities				
Total Financial Liabilities	–	–	–	–

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 2022 (Refer note Below)	₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investment at FVTPL				
Unquoted Investments in Mutual funds	6,169.95	–	–	6,169.95
Financial investment at FVTOCI	–			
Unquoted Investments	–	–	0.71	0.71
Total Financial Asset	6,169.95	–	0.71	6,170.66
Financial Liabilities				
Total Financial Liabilities	–	–	–	–

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

33 Financial instruments – Fair values (Contd..)

Reconciliation of level 3 fair value measurement of financial Instruments

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Value of Fair Value	0.71	–
Fair value gain/(loss) recognised in statement of profit or Loss	–	–
Fair value gain/(loss) recognised in Other Comprehensive income	–	–
Acquired On account of Merger	–	0.71
Purchases made during the year	–	–
Sales made during the year	–	–
Closing balance of fair value	0.71	0.71

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable inputs	Relationship of unobservable inputs to fair value
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- The carrying amount of Trade receivables, Trade payables, cash and Cash Equivalents are considered to be the same as their Fair Values, due to their short term in nature.
- The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The Company uses its Judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

34 Financial instruments – Financial risk management

The Company's activities expose it to market risk , liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company , such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposure.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortised cost and fair value through profit and loss.	Aging analysis, Credit Rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowing and other liabilities	Rolling cash flow Forecast	Availability of committed credit lines and borrowing facilities
Market Risk- Foreign currency	Future commercial Transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow Forecasting Sensitivity analysis	Forward foreign currency Contracts Foreign currency option
Market Risk- Interest rate	Long-term borrowings at variable rate	Sensitivity analysis	Interest rate Swaps

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

The Company's risk management is carried out by a Finance committee and Treasury team under policies approved by the board of directors. Treasury team identifies, evaluates and hedges financial risks in close co-operation with subject matter experts . The Board of directors periodically monitors the risk assessment.

(a) Credit risk

Credit risk arises from cash and cash equivalents, investments and deposits with banks, as well as credit exposures to customers including outstanding receivables.

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

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	7,579.95	6,169.95
Trade receivables	12,259.64	15,662.18
Cash and cash equivalents	1,236.00	1,341.79
Other bank balances	121.90	99.25
Loans	6.52	7.92
Other financial assets	1,247.61	1,763.97

Trade Receivables

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
India	12,214.43	15,246.68
Other regions	45.21	415.50
Total	12,259.64	15,662.18

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

₹ in Lakhs

Ageing	As at March 31, 2023	As at March 31, 2022
0-1 Year	12,195.09	15,432.99
1-2 Year	64.55	75.44
2-3 Year	–	16.30
More Than 3 Yrs	–	137.45
Total	12,259.64	15,662.18

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	816.67	44.70
Amounts written off during the year as uncollectible	–	(43.16)
Acquired on account of business combination	–	851.43
Impairment loss recognised	1,129.24	(36.30)
Balance	1,945.91	816.67

The Company held cash and cash equivalents of ₹ 1,236.00 Lakhs at March 31, 2023 (March 31, 2022: ₹ 1,341.79 lakhs). The cash and cash equivalents are held with bank ₹ 1,182.02 Lakhs at March 31, 2023 (March 31, 2022: ₹ 1,180.3 Lakhs)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

(b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

₹ in Lakhs

Non-derivative financial liabilities	Contractual maturities of financial liabilities					Total
	Carrying amount	On Demand	0- 1 year	1-5 years	> 5 years	
As at March 31, 2023						
Banks - Long term loans	4,966.48	–	2,500.00	2,466.48	–	4,966.48
Loans from banks	7,113.78	7,113.78	–	–	–	7,113.78
Trade payables	22,847.74	–	22,847.74	–	–	22,847.74
Lease Liabilities	1,847.51	–	1,123.37	898.67	31.28	2,053.32
Other Payable	15,074.76	–	15,074.76	–	–	15,074.76
As at March 31, 2022						
Banks - Long term loans	7,435.56	–	2,500.00	4,935.56	–	7,435.56
Loans from banks	16,520.97	16,520.97	–	–	–	16,520.97
Trade payables	24,388.79	–	24,388.79	–	–	24,388.79
Lease Liabilities	1,311.70	–	782.20	550.69	38.97	1,371.86
Other Payable	12,324.84	–	12,324.84	–	–	12,324.84

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

Particulars	US\$ in Lakhs	EUR in Lakhs
	As at March 31, 2023	As at March 31, 2023
Financial assets		
Short-term loans and advances	10.00	–
Trade and other receivables	10.81	–
	20.81	–
Financial liabilities		
Trade and other payables	11.11	0.07
	11.11	0.07
Net Exposure	9.70	(0.07)

Particulars	US\$ in Lakhs	EUR in Lakhs
	As at March 31, 2022	As at March 31, 2022
Financial assets		
Short-term loans and advances	16.26	0.16
Trade and other receivables	7.02	–
	23.28	0.16
Financial liabilities		
Short term borrowings	0.03	–
Trade and other payables	18.09	5.24
	18.12	5.24
Net Exposure	5.16	(5.08)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

The following significant exchange rates have been applied .

Particulars	Year-end spot rate	
	As at March 31, 2023	As at March 31, 2023
US\$ / INR	82.16	75.52
EUR / INR	89.37	83.93

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

₹ in Lakhs

Effect in ₹	Profit or (loss)	
	Strengthening	Weakening
As at March 31, 2023		
US\$ 5% movement	(39.85)	39.85
EUR 5% movement	0.31	(0.31)
	(39.53)	39.53

₹ in Lakhs

Effect in ₹	Profit or (loss)	
	Strengthening	Weakening
As at March 31, 2022		
US\$ 5% movement	(19.48)	19.48
EUR 5% movement	21.32	(21.32)
	1.83	(1.83)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(c) (ii) Market Risk- Interest rate

The Exposure of the Company borrowing to interest rate changes at the end of the reporting period are as follow

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Variable Rate Borrowing	4,966.48	7,435.56

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's:

- profit for the year ended March 31, 2023 would decrease/increase by ₹ 25.43/- lakhs (2022: decrease/increase by ₹ 6.06/- lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings;

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

35 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ in Lakhs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Current			
Financial Assets			
Trade Receivable	6	12,259.64	15,662.18
Inventories	12	21,124.86	28,308.56
Total Current assets pledged as security		33,384.50	43,970.74
Non-current			
Land - Freehold	3(a)	6,405.00	6,405.00
Land - Leasehold	3(b)	338.85	344.15
Buildings	3(a)	14,299.80	14,639.21
Other Property, plant and equipment *	3(a)	6,320.18	6,295.51
Brand / Trade Mark	4(a)	-	2,86,125.46
Total Non Current assets pledged as security		27,363.83	3,13,809.33
Total assets pledged as security		60,748.33	3,57,780.07

* Property, plant and equipment as per note 3(a) includes moveable asset for employee benefits, which has not been pledged

No charges or satisfaction are pending to be registered with ROC beyond the statutory period.

36 Movement in deferred tax balances

₹ in Lakhs

Particulars	As at April 1, 2022	As at year 2022-23				For the year 2022-23	
		Recognised in profit or loss	Acquired through business combination	Recognised in Goodwill	Recognised in OCI	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	4,542.13	95.67	-	-	-	-	4,637.80
Provisions	(1,058.53)	(319.55)	-	-	-	(1,378.08)	-
Lease Liabilities	62.59	(4.31)	-	-	-	-	58.28
Merger expenses	(41.58)	13.60	-	-	-	(27.98)	-
Amortisation of Processing fees	16.22	(7.78)	-	-	-	-	8.44
Fair Valuation	79,338.22	(617.22)	-	-	-	-	78,721.00
Expenses allowed on Payment	(118.57)	(3.47)	-	-	-	(122.04)	-
Deferred Tax (Assets) /Liabilities	82,740.48	(843.06)	-	-	-	(1,528.09)	83,425.52

₹ in Lakhs

Particulars	As at April 1, 2022	As at March 31, 2022				For the year 2021-22	
		Recognised in profit or loss	Acquired through business combination	Recognised in Goodwill	Recognised in OCI	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	-	87.35	810.95	3,643.83	-	-	4,542.13
Provisions	-	200.39	(1,258.92)	-	-	(1,058.53)	-
Lease Liabilities	-	1.14	(24.14)	85.59	-	-	62.59
Merger expenses	-	(41.58)	-	-	-	(41.58)	-
Amortisation of Processing fees	-	(1.64)	17.86	-	-	-	16.22
Fair Valuation	-	(102.88)	-	79,441.11	-	-	79,338.23
Expenses allowed on Payment	-	48.06	(166.64)	-	-	(118.58)	-
Deferred Tax (Assets) /Liabilities	-	190.84	(620.89)	83,170.53	-	(1,218.69)	83,959.17

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

37 Income Tax expense

(a) Amounts recognised in profit and loss

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax	1,829.01	207.63
Earlier year tax	-	10.75
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(843.04)	190.84
Reduction in tax rate		
Deferred tax expense	(843.04)	190.84
Tax expense for the year	985.97	409.22

(b) Amounts recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(631.79)	159.01	(472.78)	(10.46)	2.63	(7.83)
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-
	(631.79)	159.01	(472.78)	(10.46)	2.63	(7.83)

(c) Reconciliation of effective tax rate

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	2,693.99	689.52
Tax using the Company's domestic tax rate : 25.168%	678.02	173.54
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	53.10	5.05
Adjustments for taxes of prior periods	-	10.75
Other tax adjustment (including re-assessment of deferred taxes post business combination)	254.85	219.88
	985.97	409.22

The tax rate used for the year 2022-23 and 2021-22 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

38 Key Financial Ratios:

Sr. No	Particulars	Numerator	Denominator	2022-23	2021-22	% Change
1	Current Ratio (times)	Current assets	Current liabilities	0.49	0.53	(7.20)
2	Debt equity ratio (times) (Refer Note(b))	Total debt	Equity	0.03	0.06	(45.05)
3	Debt service coverage ratio (times)	Earnings available for debt service	Total debt service	0.92	0.58	*
4	Return on equity (%)	Net profit after tax	Average shareholder equity	0.42%	0.07%	*
5	Inventory turnover ratio (times)	Cost of Goods sold	Average inventory	3.42	0.56	*
6	Trade receivables turnover ratio (times)	Net sales	Average accounts receivables	14.90	2.55	*
7	Trade payable turnover ratio (times)	Total purchases	Average trade payables	3.38	0.65	*
8	Net capital turnover ratio (times)	Sales	Current Assets minus Current Liabilities.	(4.20)	(0.77)	*
9	Net profit ratio (%)	Net profit after tax	Sales	0.82%	0.74%	*
10	Return on capital employed (%)	Earnings before interest and tax divided	Capital Employed (Refer note d)	(59.42%)	(18.11%)	*
11	Return on investment (%)	Return on Investment	Average total current investment	3.11%	0.60%	*

a The calculation for above ratios is in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

b The Company is trying to improve its Net debt position by driving operating efficiencies

c *The above ratios for the year ended 31st March, 2022 include the impact of the business combination (refer Note 30) and hence are not comparable with Current Financial year.

d Capital employed = Tangible Net Worth# + Total Debt + Deferred Tax Liability

#In order to derive to the tangible net worth, goodwill and other intangibles assets has been reduced from the total net worth.

Independent Auditor's Report

To The Members of

EUREKA FORBES LIMITED (Formerly Forbes Enviro Solutions Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **EUREKA FORBES LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
<p>Impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill impairment</p> <p>The Consolidated balance sheet of the Group as on March 31, 2023 comprises of ₹ 291,119.26 lakhs of intangible assets with indefinite life and ₹ 205,581.67 lakhs of goodwill, pertaining to acquisition of a business in the previous year, which in aggregate represents 82% of the total assets of the Group.</p> <p>The recoverable value of the intangible assets with indefinite life and goodwill which is based on the value in use model, has been derived using the discounted cash flow (DCF) method. This method requires the Group to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> We obtained understanding of the process followed by the Group in respect of the assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill. Evaluated Group's accounting policy in respect of impairment assessment of Intangibles with indefinite life and goodwill. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Group's process relating to the impairment analysis, key assumptions and review of the valuation methodology. Assessed the professional competence, objectivity and expertise of those involved in performing the valuation exercise for the Group. Obtained understanding of the cash flow projections and assumptions used in the DCF method.

Key Audit Matter	Auditor's Response
<p>Due to the materiality of above assets in the context of the standalone financial statements and judgements applied in determining the recoverable value, we have considered assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill to be a key audit matter.</p> <p>Refer Note 4(a)(i), 4(b) and 29 (XXIV) to the Ind AS financial statements.</p>	<ul style="list-style-type: none"> Tested the appropriateness of the input data considered for the purposes of valuation by reconciling the projected cash flows with the underlying business plan and related details. Involved the internal valuation professionals with specialized skills and knowledge to assist in evaluating the impairment model used, evaluating the mathematical accuracy and assumptions (including discount rate and growth rate applied by the Group) and applying additional sensitivities to assess the reasonableness of the above key assumptions. Performed a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively to the recoverable value. Evaluated the adequacy of the Group's disclosures in the consolidated financial statements in respect of its impairment testing.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's report including annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

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

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

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- We did not audit the financial statements / financial information of 4 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 4,967.46 lakhs as at March 31, 2023, total revenues of ₹ 6,377.49 lakhs and net cash inflows amounting to ₹ 184.49 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

- (b) The comparative financial information of the Group for the year ended March 31, 2022 included in these consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2022 expressed an unmodified opinion.

Our opinion on the consolidated financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the

purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid/ provided by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act except for a Parent which has paid/ provided the remuneration in excess of the limits laid down under section 197 of the Act. Details of the said remuneration paid in excess of the limit laid down under this section are as given below:

Financial year ended	Amount of excess remuneration (₹ in lakhs)	Remarks
March 31, 2023	600.00	Aggregate remuneration paid /payable to Mr. Pratik Pota (Managing Director & CEO w.e.f August 16, 2022) and Mr. Marzin R Shroff (Managing Director & CEO upto August 15, 2022) exceeds the limit prescribed under Section 197 of the Act by ₹ 600.00 lakhs (including provision for commission of ₹ 170.00 lakhs) and is subject to shareholders approval. The Parent has charged off the excess remuneration paid/payable in the Statement of Profit and loss account for the year ended March 31, 2023. Pending such approval, the remuneration already paid in excess of the limit is being held in trust.
March 31, 2023	72.73	Aggregate remuneration payable to non-whole time directors exceeds the limit prescribed under section 197 of the Act by ₹ 72.73 lakhs and is subject to shareholders approval. The Parent has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2023.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 29(I) to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 29(V) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 29(VI) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (d) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- v) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- 2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
Partner

Place: Mumbai
Date: May 29, 2023

Membership No. 49660
UDIN: 23049660BGYEEL1239

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Eureka Forbes Limited** (hereinafter referred to as “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Nilesh Shah

Partner

Place: Mumbai
Date: May 29, 2023

Membership No. 49660
UDIN: 23049660BGYEEL1239

Consolidated Balance Sheet

as at March 31, 2023

₹ in Lakhs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3(a)(i)	27,296.48	27,652.64
(b) Capital work-in-progress	3(a)(ii)	–	8.68
(c) (i) Goodwill	4(a)(i)	205,581.67	205,581.67
(ii) Goodwill on Consolidation	4(a)(ii)	299.46	299.46
(d) Other Intangible Assets	4(b)	312,787.91	315,332.90
(e) Intangible assets under development	4(c)	245.93	–
(f) Right of Use Assets	3(b)	2,120.99	1,590.31
(g) Financial assets			
(i) Investments	5(a)	1.43	1.43
(ii) Trade receivables	6	–	332.81
(iii) Other financial assets	8	1,171.62	1,665.22
(h) Tax assets			
(i) Deferred Tax Asset (net)	9	127.48	93.12
(ii) Income Tax asset (net)	10	2,429.67	2,373.98
(i) Other non-current assets	11	–	1,359.76
Total Non-current Assets		553,366.78	556,291.98
Current Assets			
(a) Inventories	12	22,003.10	29,031.13
(b) Financial assets			
(i) Investments	5(b)	7,579.95	6,169.95
(ii) Trade receivables	6	12,366.95	15,028.80
(iii) Cash and cash equivalents	13	1,854.54	1,775.79
(iv) Bank balances other than (iii) above	13	254.39	99.70
(v) Loans	7	6.52	7.92
(vi) Other financial assets	8	93.82	127.35
(c) Other current assets	11	5,529.72	4,215.65
Total Current Assets		49,688.99	56,456.29
TOTAL ASSETS		603,055.77	612,748.27
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	19,347.92	19,347.92
(b) Other Equity	15	390,416.52	388,259.07
Equity attributable to owners of the Company		409,764.44	407,606.99
(c) Non-controlling Interests		118.86	127.44
Total Equity		409,883.30	407,734.43
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,470.94	4,956.11
(ii) Lease Liabilities	29XII	857.15	3,328.09
(b) Provisions	19	245.48	180.14
(c) Deferred tax liabilities (net)	9	81,897.44	82,740.48
(d) Other non-current liabilities	20	12,197.94	13,519.74
Total Non-current Liabilities		97,668.95	102,009.26
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	9,631.40	19,323.89
(ii) Lease Liabilities	29XII	1,035.13	731.34
(iii) Trade payables	17	–	–
(a) Total outstanding dues of micro enterprises and small enterprises		6,774.72	6,192.34
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,090.85	15,904.13
(iv) Other financial liabilities	18	15,116.30	12,349.21
(b) Provisions	19	2,440.09	2,137.35
(c) Income tax liabilities (net)	10	1,886.90	528.01
(d) Other current liabilities	20	44,528.13	45,838.31
Total Current Liabilities		95,503.52	103,004.58
Total Liabilities		193,172.47	205,013.84
TOTAL EQUITY AND LIABILITIES		603,055.77	612,748.27

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai, India
Dated : May 29, 2023

For and behalf of the Board of Directors of Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany
Dated : May 29, 2023

Pragya Kaul
Company Secretary
Mumbai, India
Dated : May 29, 2023

Pratik R Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India
Dated : May 29, 2023

Gaurav Khandelwal
Chief Financial Officer
Mumbai, India
Dated : May 29, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Lakhs

Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I Income			
Revenue from Operations	21	208,450.51	38,175.01
Other income and other gains / (losses) - Net	22	1,023.33	232.65
Total Income		209,473.84	38,407.66
II Expenses			
Cost of Materials Consumed	23	63,344.18	10,221.62
Purchases of stock-in-trade	23	14,948.30	5,222.33
Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress	23	5,028.47	709.39
Employee benefits expense	24	30,314.03	4,912.00
Finance costs	25	2,025.93	442.04
Depreciation and amortisation expense	26	5,646.06	918.12
Other expenses	27	80,313.91	15,275.93
Total expenses		201,620.88	37,701.43
III Profit / (Loss) before exceptional items and tax (I - II)		7,852.96	706.23
(Less) : Exceptional items (Refer Note 29 (XXV))		(4,001.80)	–
IV Profit / (Loss) before tax		3,851.16	706.23
V Less: Tax expense			
Current tax	28	2,077.62	243.89
Earlier year tax	28	3.07	8.34
Deferred tax (credit) / charge	28	(876.75)	192.48
		1,203.94	444.71
VI Profit / (Loss) for the year (IV - V)		2,647.22	261.52
VII Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans Gain/(Loss)		(634.38)	(11.02)
Tax effect on above		159.67	2.77
		(474.71)	(8.25)
B Items that will be reclassified to profit or loss			
(a) Exchange Differences in translating the financial statements of foreign operations		(23.64)	(0.31)
VIII Total other comprehensive income (A+B)		(498.35)	(8.56)
IX Total comprehensive income/ (loss) for the year (VI+VIII)		2,148.87	252.96
Profit/ (Loss) for the year attributable to:			
– Owners of the Company		2,655.75	259.91
– Non-controlling interests		(8.53)	1.61
		2,647.22	261.52
Other comprehensive income for the year attributable to:			
– Owners of the Company		(498.31)	(8.56)
– Non-controlling interests		(0.04)	–
		(498.35)	(8.56)
Total comprehensive income / (loss) for the year attributable to:			
– Owners of the Company		2,157.44	251.35
– Non-controlling interests		(8.57)	1.61
		2,148.87	252.96
Earnings per equity share (Face Value of ₹ 10 each)			
(1) Basic (in ₹)	32	1.37	0.72
(2) Diluted (in ₹)	32	1.37	0.72

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai, India
Dated : May 29, 2023

For and behalf of the Board of Directors of Eureka Forbes Limited
(formerly Forbes Enviro Solutions Limited)

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany
Dated : May 29, 2023

Pragya Kaul
Company Secretary
Mumbai, India
Dated : May 29, 2023

Pratik R Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India
Dated : May 29, 2023

Gaurav Khandelwal
Chief Financial Officer
Mumbai, India
Dated : May 29, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Lakhs

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash flows from operating activities		
Profit/ (Loss) before tax	3,851.16	706.23
Adjustments for:		
Finance costs recognised in profit and loss	1,842.33	419.01
Interest on Lease Liabilities	183.60	23.03
(Gain)/ Loss on Investment recognised in profit and loss	(133.31)	-
Interest Income	(44.36)	(25.52)
(Gain)/ Loss on disposal of property, plant and equipment	(516.32)	(50.84)
Fair value of Investment at FVTPL	(80.33)	(37.14)
Provision/write-off of doubtful debts, advances and other current assets	808.94	27.36
Depreciation and amortisation expense	4,500.69	742.33
Depreciation and amortisation expenses on Right of use assets	1,145.37	175.79
Exceptional Items	4,001.80	-
(Gain) / Loss on Modification/Disposal of Right of use assets	(27.40)	-
Net foreign exchange (gain) / loss - Unrealised	(74.02)	27.64
Operating Profit / (Loss) before working capital changes	15,458.15	2,007.89
Movements in working capital:		
(Increase) / decrease in trade and other receivables	2,246.56	1,260.09
(Increase) / decrease in inventories	4,526.23	2,200.65
(Increase) / decrease in loans and advances	1.39	401.02
(Increase) / decrease in other assets	(1,213.30)	(398.25)
(Increase) / decrease in other financial assets	527.13	268.18
Increase / (decrease) in trade and other payables	(1,234.47)	734.49
Increase / (decrease) in provisions	(266.30)	(29.08)
Increase / (decrease) in other liabilities	(1,364.82)	3,222.42
Cash generated from operations	18,680.57	3,794.10
Less : Income taxes (paid) / refund received	(617.82)	(120.41)
Net cash generated from Operating activities	18,062.75	3,673.69
Cash flows from Investing activities		
Interest received	44.36	25.58
Payments for property, plant and equipment and intangible assets under development	(2,125.49)	(539.46)
Proceeds from disposal of property, plant and equipment	801.48	139.30
Payments for investment in Mutual Fund	(9,000.00)	-
Proceeds from sale of mutual funds	7,803.64	-
Movement in Bank Balance other than Cash & Cash equivalents	(154.69)	1.07
Net cash used in Investing activities	(2,630.70)	(373.51)
Cash flows from Financing activities		
Amount paid for increase in Authorised Share Capital	(50.28)	(185.25)
Repayment of Borrowings	(2,504.41)	(9.08)
Net Increase / (decrease) in working capital borrowings	(9,673.25)	(2,317.84)
Payment of lease liabilities	(1,282.93)	(204.80)
Interest paid	(1,842.43)	(422.64)
Net Cash used in Financing activities	(15,353.30)	(3,139.61)
Net Increase / (Decrease) in Cash and Cash equivalents	78.75	160.57

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Lakhs

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash and cash equivalents at the beginning of the year	1,775.79	19.81
Addition on account of Business Combination	-	1,595.41
Cash and cash equivalents at the end of the year	1,854.54	1,775.79
Net Increase / (Decrease) in cash and cash equivalents as disclosed above	78.75	160.57

Note :

The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash Flows.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and behalf of the Board of Directors of **Eureka Forbes Limited**
(formerly Forbes Enviro Solutions Limited)

Nilesh Shah
Partner

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany
Dated : May 29, 2023

Pratik R Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India
Dated : May 29, 2023

Mumbai, India
Dated : May 29, 2023

Pragya Kaul
Company Secretary
Mumbai, India
Dated : May 29, 2023

Gaurav Khandelwal
Chief Financial Officer
Mumbai, India
Dated : May 29, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

Particulars	Amount
(i) Current Reporting Period	₹ in Lakhs
Balance at April 01, 2022	19,347.92
Changes in equity share capital due to prior period error	-
Restated Balance at April 01, 2022	19,347.92
Add: Issued during the year	-
Balance at March 31, 2023	19,347.92

Particulars	Amount
(ii) Previous Reporting Period	₹ in Lakhs
Balance at April 01, 2021	482.73
Changes in equity share capital due to prior period error	-
Restated Balance at April 01, 2021	482.73
Less: Shares cancelled pursuant to scheme of arrangement	(482.73)
Add: Shares issued on account of business combination (Refer Note 30)	19,347.92
Balance at March 31, 2022	19,347.92

B. Other Equity

(i) Current Reporting Period

Particulars	Reserves and Surplus					Total Other Equity
	Retained earnings	Securities Premium	Capital reserve	Total	Forex Currency Translation Reserve	
Balance at April 01, 2022*	(217.20)	387,063.45	1,413.14	388,259.39	(0.31)	388,386.51
Profit / (Loss) for the year	2,655.75	-	-	2,655.75	-	2,647.22
Exchange difference on translation of non-integral foreign operations arisen during the year	-	-	-	-	(23.64)	(23.64)
Other comprehensive income for the year, net of income tax	(474.67)	-	-	(474.67)	-	(474.71)
Total comprehensive Income / (Loss) for the year	2,181.08	-	-	2,181.08	(23.64)	2,148.87
Balance at March 31, 2023	1,963.88	387,063.45	1,413.14	390,440.47	(23.95)	390,535.38

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

B. Other Equity (Contd.)

(ii) Previous Reporting Period

Particulars	Reserves and Surplus					Total Other Equity
	Retained earnings	Securities Premium	Capital reserve	Total	Forex Currency Translation Reserve	
Balance at April 01, 2021*	(468.86)	-	-	(468.86)	-	(468.86)
Profit / (Loss) for the year	259.91	-	-	259.91	-	261.52
Exchange difference on translation of non-integral foreign operations arisen during the year	-	-	-	-	(0.31)	(0.31)
Add: On account of Scheme of Arrangement	-	-	482.73	482.73	-	482.73
Add: On account of Consolidation of Subsidiaries	-	-	930.41	930.41	-	1,056.24
Issue of equity shares on account of business combination (Refer note 30)	-	387,248.70	-	387,248.70	-	387,248.70
Less: Cost for increase in Authorised Share Capital	-	(185.25)	-	(185.25)	-	(185.25)
Other comprehensive income for the year, net of income tax	(8.25)	-	-	(8.25)	-	(8.25)
Total comprehensive Income / (Loss) for the year	251.66	387,063.45	1,413.14	388,728.25	(0.31)	388,855.38
Balance at March 31, 2022	(217.20)	387,063.45	1,413.14	388,259.39	(0.31)	388,386.51

* There are no changes in other equity due to change in accounting policy or prior period errors

In terms of our report attached

For and behalf of the Board of Directors of **Eureka Forbes Limited**
(formerly Forbes Enviro Solutions Limited)

Chartered Accountants

Nilesh Shah
Partner

Arvind Uppal
Chairman
(DIN-00104992)
Reutlingen, Germany
Dated : May 29, 2023

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Pragya Kaul
Company Secretary
Mumbai, India
Dated : May 29, 2023

Gaurav Khandelwal
Chief Financial Officer
Mumbai, India
Dated : May 29, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Background

The consolidated financial statements comprise financial statements of Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) (the company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2023. Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) is a limited company incorporated and domiciled in India with its registered office situated at B1/B2, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, (West), Mumbai – 400 013. The shares of the Company are listed on BSE Limited from March 16, 2022.

The Group is engaged in manufacturing, selling, renting and servicing of Vacuum Cleaners, Water Filter cum purifiers, Water and Waste Water Treatment Plant; Trading in Electronic Air Cleaning Systems, Small Household Appliances, Digital Security System and Fire Extinguisher etc.

Note 1:

A. Basis of preparation of consolidated financial statements

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

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

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

(b) Historical Cost convention

The Consolidated financial statements have been prepared on a historical cost basis, on accrual basis of accounting except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value and the assets and liabilities of 2 subsidiaries whose financial statements have been prepared on realization basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Judgements

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

Note 2(g) and 3(a) (i) – Useful lives of Property, plant and equipment

Note 2(h) and 4(a) and 4(b) – Useful and indefinite lives of Intangible assets

Note 2(i) and 25– Employee Benefit Expense

Note 19 and 29(l)(a)– Provisions and Contingent liabilities

Note 19 – Estimation for provision of Warranty Claims

Note 6 – Impairment of Trade Receivables

Note 10, Note 28 and Note 2(n) – Income taxes

Note 9, Note 28 and Note 2(n)– Recognition of Deferred taxes

Note 2(m)– Refund Liabilities

Note 2(q) - Impairment of Goodwill on consolidation

Note 29 (XXIV) - Impairment testing of goodwill and intangible assets with indefinite useful life

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.

(i) Note 29(1)(a) and 29 (XI) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(ii) Note 29 (XXIV) - Impairment testing of goodwill and intangible assets with indefinite useful life

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(e) Measurement of fair values

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in measuring fair values is included in Note 33 – Financial instruments.

B. PRINCIPLES OF CONSOLIDATION

(a) The Consolidated Financial Statements relate to Eureka Forbes Limited (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute the "Group") which have been prepared in accordance with the Indian Accounting Standard on Consolidated Financial Statements (Ind AS) 110 and Investments in Associates and Joint Ventures (Ind AS) 28 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 (Ind AS) 28 specified under section 133 the Companies Act, 2013.

(b) 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 unrealized profits or losses.

(c) The excess of cost of investment in the subsidiary over the Group's portion of equity of the subsidiary, at the date on which investment is made, is recognized in the financial statements as Goodwill on Consolidation.

(d) The excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.

(e) The Goodwill / Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.

(f) Non-controlling Interests in the net assets of the subsidiaries consist of :

- (i) The amount of equity attributable to non-controlling interest at the date on which investment is made; and
- (ii) The non-controlling interest's share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the non-controlling interest in a consolidated subsidiary may exceed the non-controlling interest in the equity of subsidiary. The excess, and any further losses applicable to the non-controlling interest, are adjusted against the controlling interest except to the extent that the non-controlling interest has a binding obligation to, and is able to, make good the losses.

(g) Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

(h) Subsidiaries:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has :

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- has the ability to use its Power over the investee to affect its returns

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 to the Consolidated Financial Statements

for the year ended March 31, 2023

The list of subsidiary companies which are included in the consolidation and the Group's holdings therein are as under:

Name of the Subsidiary (with effect from 1 st February 2022)	Incorporated In	Percentage of Holding and Voting power (%) As at March 31, 2023
Forbes Aquatech Limited	India	88.49
Infinite Water Solutions Private Limited	India	100
Euro Forbes Limited *	UAE	100
Forbes Lux FZE *	UAE	100

* The management of these 2 subsidiaries have changed the basis of accounting from going concern basis to liquidation basis. This change of basis was adopted considering that management intends to cease operations of these companies and liquidate them.

(i) Jointly Controlled Entities and Associates:

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.

Entities are consolidated as Jointly controlled entities or 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 joint control or significant influence during the year, unless it can be clearly proven otherwise.

Interests in jointly controlled entities and associate companies are included in the consolidated financial statements of the Group from the point in time at which the joint control or significant influence 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 or significant influence ceases. Interests in joint ventures and associate entities are aggregated in the consolidated financial statements by using Equity Method specified in Indian Accounting standard (Ind AS) 28.

The Group's holdings in jointly controlled entities and associate companies are reported in the Consolidated Balance Sheet at an amount corresponding to the Group's share of the jointly controlled entities and 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 jointly controlled entity and associate company is eliminated in conjunction with

transactions between the Group and the jointly entities and 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 jointly controlled entities and associate companies.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) (i) Foreign currency transactions

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

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

(ii) Foreign Subsidiaries

The consolidated financial statements includes two subsidiaries (previous year: nil) 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 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.

(b) Financial Instruments

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial Assets

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

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

Effective interest method

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

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

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

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Parent Company are measured at their fair values.

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for the year ended March 31, 2023

(c) Derecognition

Financial Assets

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

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

Financial Liabilities

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

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

Offsetting

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

(d) Impairment

(i) Impairment of financial asset

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

(ii) Impairment of non-financial assets

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and are not considered as integral part of Group's cash management.

(f) Inventories

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

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

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

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

Raw Materials and other supplies held for use in the production of finished products are not written down below

cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

(g) Property plant and equipment

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

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

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

Depreciation methods, estimated useful lives and residual value

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

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

In the case of Indian Entities

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

In the case of Foreign Entities

Type of Assets	Period
Vehicles	5 years
Furniture and Office Equipment	2-5 years

(h) Goodwill and other Intangible assets

Goodwill and other Intangible assets Goodwill and other Intangible assets Goodwill and other Intangible assets Goodwill and other Intangible assets Goodwill and other Intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less

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for the year ended March 31, 2023

accumulated amortization and any accumulated impairment losses.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use;
- (ii) the intention to complete the intangible asset and use;
- (iii) the ability to use the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Amortization

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite or indefinite. Finite-life intangible asset are amortised on a Straight line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite life intangible assets are as follow:

Type of Assets	Period
Technical Knowhow	5 years
Computer Software	5 years
Distributor network-Service	10 years
Distributor network-Product	10 years

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

Indefinite - life intangible assets comprises of Brand Name / Trademarks for which there is no foreseeable Limit to the period over which they are expected to generate net cash

inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support.

For Indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for Business combination and is tested for impairment annually.

(i) Employee Benefits

(i) Short Term employee benefits

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

(ii) Defined Contribution Plans

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

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

(iii) Defined Benefit Plans

Gratuity Scheme

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

In the case of certain Indian Subsidiaries

In case of certain Indian Subsidiaries, the gratuity liability is unfunded. The group accounts for gratuity benefits payable in future based on the calculation performed annually by a qualified actuary using the projected unit credit method at the end of the year. Actuarial Gains and Losses are recognized in OCI.

Other long term employee benefits

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

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 as the same is considered to be immaterial.

(j) Research and Development

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

(k) Lease Accounting

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

(i) The Group as a lessee

The Group's lease asset classes primarily consist of leases for Premises. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a

period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

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

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

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

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

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

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

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

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

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

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

other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

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

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

(ii) The Group as a lessor

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(l) Government Grant

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

(m) Revenue Recognition

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

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

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

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience.

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

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

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

(n) Taxation

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

Current Tax

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Also refer note no. 29 (l) for Uncertain Tax Position.

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

Deferred Tax

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

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

Uncertain Tax position

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

(o) Earnings Per Share

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

(p) Provisions and Contingencies

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

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

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

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

(q) Goodwill On Consolidation

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash

generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

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

(r) Borrowing Cost

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

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

(s) Derivatives

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

(t) Assets Classified as held for sale

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These assets are measured at lower of their carrying amount and fair value less costs to sell. Non current assets (or disposal group) are presented separately from the other assets in the balance sheet. The liabilities of disposal group, if any, are presented separately from the other liabilities in the balance sheet.

(u) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed

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for the year ended March 31, 2023

are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed in the statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Board of Directors of the respective group companies assess the financial performance and position of the Group and makes strategic decisions. The Board of Directors, which have been identified as being the Chief Operating Decision Maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Refer note 29 (III) for segment information presented.

(w) Recent Pronouncements

Standards issued and effective from April 01, 2022:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

Reference to the Conceptual Framework – Amendments to Ind AS 103

- The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards."

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

There were certain amendments to standards and interpretations which are applicable for the first time for the year ended March 31, 2023, but either the same are not relevant or do not have an impact on the consolidated financial statements of the Group.

Standards issued but not yet effective:

On March 31, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

1 Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

2 Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments

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for the year ended March 31, 2023

narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

3 Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has

been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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for the year ended March 31, 2023

3(a) Property, plant and equipment

Gross Block #	Land - Freehold	Buildings **	Plant and Machinery \$	Assets-on lease***	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
As at April 01, 2021	-	-	-	-	8.54	-	11.96	30.98	-	11.65	63.13
Additions	-	137.07	431.22	-	15.83	18.94	8.21	9.73	77.56	33.76	732.32
Additions through business combination (Refer Note :30) and on account of Consolidation of Subsidiaries	6,405.00	14,573.46	4,180.95	-	206.68	94.36	65.66	202.20	866.34	692.58	27,287.22
Deletions	-	-	(43.81)	-	(11.11)	-	(2.00)	(12.93)	(39.12)	(8.59)	(117.56)
As at March 31, 2022	6,405.00	14,710.53	4,568.36	-	219.94	113.30	83.83	229.98	904.78	729.40	27,965.11
Additions	-	102.72	939.50	7.19	61.57	16.31	18.08	43.31	592.99	103.01	1,884.68
Deletions	-	-	(237.13)	-	(15.07)	(3.54)	(8.45)	(22.06)	(359.77)	(24.62)	(670.64)
Forex difference	-	-	-	-	-	-	0.03	-	-	-	0.03
As at March 31, 2023	6,405.00	14,813.25	5,270.73	7.19	266.44	126.07	93.49	251.23	1,138.00	807.79	29,179.18

₹ in Lakhs

Accumulated Depreciation	Land - Freehold	Buildings	Plant and Machinery	Assets-on lease	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
As at April 01, 2021	-	-	-	-	7.07	-	9.57	20.61	-	11.06	48.31
Charge for the year	-	71.32	86.21	-	6.33	3.52	4.42	8.44	63.38	49.88	293.50
Deletions	-	-	(0.51)	-	(7.55)	-	(1.70)	(9.87)	(1.54)	(8.17)	(29.34)
Forex difference	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	71.32	85.70	-	5.85	3.52	12.29	19.18	61.84	52.77	312.47
Charge for the year	-	442.13	765.99	0.90	36.61	23.55	23.34	35.94	356.81	270.44	1,955.71
Deletions	-	-	(228.69)	-	(1.83)	(0.79)	(1.93)	(2.74)	(141.34)	(8.16)	(385.48)
Forex difference	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	513.45	623.00	0.90	40.63	26.28	33.70	52.38	277.31	315.05	1,882.70
Net Block	6,405.00	14,639.21	4,482.66	-	214.10	109.78	71.54	210.80	842.94	676.62	27,652.64
As at March 31, 2022	6,405.00	14,299.80	4,647.73	6.29	225.81	99.79	59.79	198.85	860.69	492.73	27,296.48

₹ in Lakhs

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

\$ Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.

*** Assets given on Lease has a useful life of 6 years and depreciated accordingly.

Refer note 35 for assets pledged as security.

The Title Deeds in respect of Freehold Land and Buildings which has been acquired in business combination (refer Note 30), are held in the name of erstwhile Eureka Forbes Limited. The company is in the process of transferring the above Freehold Land and Buildings in its own name.

3(a)(iii) Capital work-in-progress: Consist of project in process amounting to ₹ nil lakhs (Previous Year ₹ 8.68 lakhs).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

3 (b) Right of Use Assets

₹ in Lakhs			
Gross Block	Land - Leasehold #	Buildings	Total
As at April 01, 2021	-	18.70	18.70
Additions through business combination (Refer Note:30) and on account of Consolidation of Subsidiaries	345.01	1,323.86	1,668.87
Additions	-	95.96	95.96
Deletions	-	-	-
As at March 31, 2022	345.01	1,438.52	1,783.53
Additions	-	2,013.94	2,013.94
Deletions	-	(513.27)	(513.27)
As at March 31, 2023	345.01	2,939.19	3,284.20

₹ in Lakhs			
Depreciation	Land - Leasehold	Buildings	Total
As at April 01, 2021	-	17.43	17.43
Charge for the year	0.86	174.93	175.79
Deletions	-	-	-
As at March 31, 2022	0.86	192.36	193.22
Charge for the year	5.30	1,140.07	1,145.37
Deletions	-	(175.38)	(175.38)
As at March 31, 2023	6.16	1,157.05	1,163.21

₹ in Lakhs			
Net Block			
As at March 31, 2022	344.15	1,246.16	1,590.31
As at March 31, 2023	338.85	1,782.14	2,120.99

Refer note 35 for assets pledged as security

4(a)(i) Goodwill

₹ in Lakhs		
Gross Block	Goodwill on business Combination	Total
As at April 01, 2021	-	-
Additions through business combination (Refer Note:30)	205,581.67	205,581.67
Additions	-	-
Deletion	-	-
As at March 31, 2022	205,581.67	205,581.67
Additions	-	-
Deletion	-	-
As at March 31, 2023	205,581.67	205,581.67

₹ in Lakhs		
Impairment		
As at April 01, 2021	-	-
Charge for the year	-	-
As at March 31, 2022	-	-
Charge for the year	-	-
As at March 31, 2023	-	-

₹ in Lakhs		
Net Block		
As at March 31, 2022	205,581.67	205,581.67
As at March 31, 2023	205,581.67	205,581.67

Refer Note 29 (XXIV) for Impairment testing of goodwill and intangible assets with indefinite useful life

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

4(a)(ii) Goodwill on Consolidation

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
Cost (or deemed cost)	299.46	299.46
Accumulated impairment losses	-	-
Total	299.46	299.46

₹ in Lakhs		
Cost or Deemed Cost	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	299.46	-
Additions on account of Consolidation of Subsidiaries	-	299.46
Balance at end of year	299.46	299.46

₹ in Lakhs		
Impairment	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	-	-
Impairment losses recognised during the year	-	-
Balance at end of year	-	-

4(b) Other Intangible Assets

₹ in Lakhs						
Gross Block	Computer Software	Distributor network - Service	Distributor network - Product	Technical Knowhow	Brand Name / Trademarks	Total
As at April 01, 2021	13.56	-	-	-	-	13.56
Additions	-	-	-	-	-	-
Additions through business combination (Refer Note:30) and on account of Consolidation of Subsidiaries	118.08	20,557.83	3,966.24	19.79	291,119.26	315,781.20
Deletions	(4.90)	-	-	-	-	(4.90)
As at March 31, 2022	126.74	20,557.83	3,966.24	19.79	291,119.26	315,789.86
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2023	126.74	20,557.83	3,966.24	19.79	291,119.26	315,789.86

₹ in Lakhs						
Amortisation	Computer Software	Distributor network - Service	Distributor network - Product	Technical Knowhow	Brand Name / Trademarks	Total
As at April 01, 2021	12.79	-	-	-	-	12.79
Charge for the year	20.31	342.63	66.10	19.79	-	448.83
Deletions	(4.66)	-	-	-	-	(4.66)
As at March 31, 2022	28.44	342.63	66.10	19.79	-	456.96
Charge for the year	92.59	2,055.78	396.62	-	-	2,544.99
Deletions	-	-	-	-	-	-
As at March 31, 2023	121.03	2,398.41	462.72	19.79	-	3,001.95

₹ in Lakhs						
Net Block						
As at March 31, 2022	98.30	20,215.20	3,900.14	-	291,119.26 #	315,332.90
As at March 31, 2023	5.71	18,159.42	3,503.52	-	291,119.26	312,787.91

Refer note 35 for assets pledged as security

Refer Note 29 (XXIV) for Impairment testing of goodwill and intangible assets with indefinite useful life

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

4(c) Intangible assets under development ageing schedule:

₹ in Lakhs

Amount of intangible assets under development for a period of	As at March 31, 2023		As at March 31, 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	245.93	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	245.93	-	-	-

Note: The Group does not have any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets completion schedule is not applicable.

FINANCIAL ASSETS

5 (a) Non Current Investments

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other investments		
Unquoted Investments (all fully paid)		
Investments in Equity Instruments - Other Company at FVOCI		
14,286 (Previous Year 14,286) equity shares of ₹ 10/- fully paid up in Water Quality Association (Refer Note 1 below)	1.43	1.43
Less : Aggregate amount of impairment in value of investments	-	-
Unquoted Investment at cost	1.43	1.43
Total Non Current Investments	1.43	1.43

Note 1: The Group has invested in 14,286 shares of face value ₹ 10 /- each in a non profit making organisation hence the fair value has been considered same as the carrying value

5(b) Current Investments

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted Investments in Mutual Funds (at FVTPL)		
Nippon India - Growth Plan Growth Option - 55,815.85 units (Previous Year 357.86 units)	3,043.76	2.93
Tata Liquid Fund - Regular Plan - Growth - 1,28,929.77 units (Previous Year - 1,23,049.19 units)	4,536.19	4,101.31
HDFC Liquid Fund - Growth - Nil units (Previous Year - 49,754.72 units)	-	2,065.71
Total Current Investments	7,579.95	6,169.95
Aggregate amount of unquoted investments and market value thereof	7,579.95	6,169.95
	7,579.95	6,169.95

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

6 Trade receivables

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
Unsecured, considered good	-	332.81	12,366.95	15,028.80
Unsecured, credit impaired	361.75	28.94	3,582.15	3,289.48
Less: Allowance for doubtful debts	(361.75)	(28.94)	(3,582.15)	(3,289.48)
Total	-	332.81	12,366.95	15,028.80

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2023

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed Trade Receivables - Considered good	Undisputed Trade Receivables - Credit impaired	Disputed Trade Receivables - Considered good	Disputed Trade Receivables - Credit impaired
Not due	6,006.50	-	-	-
Less than 6 months	5,607.49	20.28	-	-
6 months - 1 year	688.41	426.30	-	-
1-2 years	64.55	917.88	-	-
2-3 years	-	1,163.04	-	-
More than 3 years	-	1,416.40	-	-
Total (A)	12,366.95	3,943.90	-	-
Less: Allowance for expected credit loss - (B)	-	3,943.90	-	-
TOTAL [(A) - (B)]	12,366.95	-	-	-

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2022

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed Trade Receivables - Considered good	Undisputed Trade Receivables - Credit impaired	Disputed Trade Receivables - Considered good	Disputed Trade Receivables - Credit impaired
Not due	2,942.96	-	-	-
Less than 6 months	12,067.19	640.36	-	-
6 months - 1 year	122.26	232.29	-	-
1-2 years	75.45	996.92	-	-
2-3 years	16.30	977.53	-	-
More than 3 years	137.45	471.32	-	-
Total (A)	15,361.61	3,318.42	-	-
Less: Allowance for expected credit loss- (B)	-	3,318.42	-	-
TOTAL [(A) - (B)]	15,361.61	-	-	-

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

Trade Receivable include ₹ Nil (Previous Year ₹ 13.93 Lakhs) due from a Private Company Shapoorji Pallonji and Company Pvt Limited, in which a Director of the Company is a Director.

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

(iii) The Group uses simplified approach for trade receivable for calculating expected credit loss. Accordingly the Group does not track changes in credit risk of individual trade receivable.

(iv) Refer note 35 for receivables pledged as security against borrowing.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

7. Loans

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Loans to Employees				
-Unsecured, considered good	-	-	6.52	7.92
Total	-	-	6.52	7.92

8. Other financial assets

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Bank deposits with more than 12 months maturity	4.35	26.49	-	-
Deposit with Banks held as Margin Money	804.10	966.56	-	-
Security deposits - unsecured considered good	363.17	672.17	93.82	127.35
Total	1,171.62	1,665.22	93.82	127.35

9. Deferred tax balances

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

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	127.48	93.12
Deferred tax liabilities	(81,897.44)	(82,740.48)
	(81,769.96)	(82,647.36)

Refer note 36 for detailed components of Deferred taxes

10 Income tax assets and liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Income Tax assets (Net)				
Advance income-tax (Net of provision of taxation)	2,429.67	2,373.98	-	-
Total	2,429.67	2,373.98	-	-
Income Tax Liabilities (Net)				
Provision for Taxation (Net of Advance Tax)	-	-	1,886.90	528.01
Total	-	-	1,886.90	528.01

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

11. Other Assets

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured considered good, unless stated otherwise				
Capital Advances	145.96	151.10	-	-
Advances to related parties	-	-	-	-
Prepaid expenses	107.13	86.61	1,226.83	1,122.56
Right to Recover Returned Goods (Refer Note 1 below)	-	-	96.75	90.00
Balance with statutory/ government authorities	1,051.05	1,122.05	3,591.50	2,256.24
Accrued Interest on Fixed Deposit	-	-	-	-
Advances to employees	-	-	-	-
Advances recoverable in cash or kind	-	-	614.64	746.85
Advances recoverable in cash or kind - Considered Doubtful	-	-	3,610.01	3,521.42
	-	-	4,224.65	4,268.27
Less: Provision for doubtful advances	-	-	(3,610.01)	(3,521.42)
	-	-	614.64	746.85
Total	1,304.14	1,359.76	5,529.72	4,215.65

Refer note 35 for assets pledged as security against borrowing

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

12. Inventories

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories (lower of cost and net realisable value)		
Raw Materials, Components and Packing Material [Includes in transit ₹1,236.64/- Lakhs (Previous Year ₹ 528.09/- Lakhs)]	5,127.47	5,422.03
Finished Goods [includes in transit: ₹ 355.62/- Lakhs (Previous year: ₹7.76/- Lakhs)]	5,141.73	7,172.24
Stock in Trade [includes in transit ₹216.31/- Lakhs (Previous year: ₹1,112.4/-Lakhs)]	5,797.55	9,629.57
Spares & Accessories [includes in transit ₹157.99/- Lakhs - (Previous year: ₹22.07/- Lakhs)]	5,889.90	6,782.34
Work-In-Progress	46.46	24.95
	22,003.11	29,031.13

Refer note 35 for inventories pledged as security against borrowing.

13 Cash and cash equivalents and other bank balances

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

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash & cash equivalents		
Balances with Banks in current accounts	1,450.49	1,613.27
Cheques, drafts on hand	23.02	74.38
Deposits with original maturity of less than 3 months	356.44	9.37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

13 Cash and cash equivalents and other bank balances (Contd.)

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	24.59	78.77
Total Cash & Cash Equivalents	1,854.54	1,775.79
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months *	62.20	4.80
Deposits with original maturity of more than 3 months but less than 12 months *	192.19	94.90
Total Bank Balances other than Cash & Cash Equivalents	254.39	99.70
Cash and cash equivalents as per cash flow statement	1,854.54	1,775.79

* Deposits lodged as security with Government authorities

14. Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Equity share capital	19,347.92	19,347.92
Total	19,347.92	19,347.92

Authorised Share capital :	Number of shares	Share capital ₹ in Lakhs
As at April 01, 2021	5,000,000	500
Increase during the year	195,000,000	19,500
As at April 01, 2022	200,000,000	20,000
Increase during the year	50,000,000	5,000
Balance at March 31, 2023	250,000,000	25,000

₹ in Lakhs

Issued and subscribed capital comprises:	As at March 31, 2023	As at March 31, 2022
19,34,79,240 fully paid equity shares of ₹10 each (as at March 31, 2022: 19,34,79,240)	19,347.92	19,347.92
	19,347.92	19,347.92

Movement in equity share capital

Particulars	Number of shares	Share capital ₹ in Lakhs
Balance at April 01, 2021	4,827,263	482.73
Add: Shares issued on account of business combination (Refer Note 30)	193,479,240	19,347.92
Less: Shares cancelled pursuant to scheme of arrangement	(4,827,263)	(482.73)
Balance at March 31, 2022	193,479,240	19,347.92
Add: Issued during the year	-	-
Balance at March 31, 2023	193,479,240	19,347.92

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

14. Equity Share Capital (Contd.)

II. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates.

Particulars	Fully paid ordinary shares	
	As at March 31, 2023	As at March 31, 2022
Shapoorji Pallonji and Company Private Limited, India (Holding Company)	-	140,389,395
Lunolux Limited, Cyprus (Holding Company)	140,389,654	-
Total as at the end of the year	140,389,654	140,389,395

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid equity shares				
Shapoorji Pallonji And Company Private Limited	-	-	140,389,395	72.56%
Lunolux Limited	140,389,654	72.56%	-	-
India Discovery Fund Limited	16,062,569	8.30%	17,223,825	8.90%
Total	156,452,223	80.86%	157,613,220	81.46%

IV. Details of shareholdings by the Promoters of the Company

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Lunolux Limited	140,389,654	72.56%	-	-	100.00%
Shapoorji Pallonji And Company Private Limited	-	-	140,389,395	72.56%	(100.00%)

Note i : Prior to approval of Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal on January 25, 2022 (Refer Note 29(VII)) for detailed description of the Scheme, Shapoorji Pallonji and Company Private Limited were holding 100% of the shares of the company through erstwhile Eureka Forbes Limited.

Note ii : Pursuant to the Share Purchase Agreement dated September 19, 2021 ("SPA") executed between inter alia erstwhile Forbes Enviro Solutions Limited and now renamed Eureka Forbes Limited, Lunolux Limited ("Acquirer"), Shapoorji Pallonji and Company Private Limited ("Seller"), Forbes Campbell Finance Limited ("FCFL"), Forbes & Company Limited and erstwhile Eureka Forbes Limited for the acquisition by the Acquirer of a majority stake in the Health, Hygiene, Safety products and services represented by up to 72.56% of the total issued and paid-up share capital of the Company from the Seller, the Acquirer has acquired 12,35,55,843 equity shares representing 63.86% of the total issued and paid-up share capital of the Company on April 25, 2022 and 1,68,33,552 equity shares representing 8.70% of total issued and paid-up share capital of the Company on July 12, 2022.

Consequent to such transfer, the Acquirer has become the promoter of the Company with effect from April 25, 2022. In furtherance of the SPA, as a result of the acquisition of the equity shares by the Acquirer, changes in the Board of Directors of the Company has taken place.

V For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:
19,34,79,240 Equity shares of ₹10 each allotted as fully paid-up pursuant to Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal on January 25, 2022 (Refer Note 29(VII)) for detailed description of the Scheme without payment being received in cash.
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares: Nil
- Aggregate number and class of shares bought back: Nil

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

15. Other equity

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
(i) RETAINED EARNINGS		
Balance at beginning of year	(217.20)	(468.86)
On Account of business combination	-	-
Add / (Less): Profit/ (loss) for the year	2,655.75	259.91
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	(474.67)	(8.25)
Balance at end of the year	1,963.88	(217.20)
(ii) CAPITAL RESERVE		
Balance at beginning of year	1,413.14	-
Add: On account of Scheme of Arrangement	-	482.73
Add: On account of Consolidation of Subsidiaries	-	930.41
Balance at end of the year	1,413.14	1,413.14
(iii) SECURITIES PREMIUM		
Balance at beginning of the year	387,063.45	-
Add: Addition during the year on account of Business combination	-	387,248.70
Less: Cost for increase in Authorised Share Capital	-	(185.25)
Balance at end of the year	387,063.45	387,063.45
(iv) FOREX CURRENCY TRANSLATION RESERVE		
Balance at beginning of year	(0.31)	-
Add: Exchange difference on translation of non integral foreign operations arisen during the year	(23.64)	(0.31)
Balance at end of the year	(23.95)	(0.31)
Total	390,416.52	388,259.07

Description of nature and purpose of reserves

1 Foreign Exchange Translation Reserve

Exchange differences relating to the translation of the results and net assets of Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gain and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of foreign operations.

2 Capital Reserve

The Capital reserve has been created on cancellation of shares held by then existing shareholders of the company as per the composite scheme of arrangement approved by the national company Law tribunal on January 25, 2022. Further, the excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is included as Capital Reserve on Consolidation.

3 Retained Earnings

This reserve represents the cumulative profits of the group and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

4 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

16. Borrowings

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured – at amortised cost				
Term loans from				
Banks - Rupee Term loan (Refer Note (a), (b) and (c) below)	2,470.94	4,956.11	2,517.62	2,519.23
Loans repayable on demand				
-from banks (Cash credit/ Buyers credit) (Refer Note (e) and (f) below)	-	-	7,113.78	15,314.97
Unsecured - at amortised cost				
Loans repayable on demand				
- from banks (Refer Note (d) below)	-	-	-	1,489.69
Total Borrowings	2,470.94	4,956.11	9,631.40	19,323.88

Summary of borrowing arrangements

Note a. Rupee Term loan (RTL) from ICICI Bank amounting to ₹ 10,000.00 Lakhs (Outstanding as on March 31, 2023

₹ 5,000.00 Lakhs (Previous Year ₹ 7,500.00 Lakhs) carries interest rate of 1 year MCLR and secured against pari pasu charge on tangible assets (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The outstanding amount is payable 8 equal quarterly instalment starting from June 18, 2023.*

Note b. Working Capital Term loan includes Covid 19 Emergency Credit Line (CECL) sanctioned and disbursed on May 06, 2020 under Government of India Emergency Credit Line Scheme by State Bank of India SME Branch, Dehradun (original amount of loan - ₹ 30.00 lakhs and Outstanding as on 31st March 2023 is ₹ nil) and carries an interest at 7.40% per annum. Total tenure of the loan is 24 months with moratorium of 6 months, wherein interest is payable for full tenure of 24 months (at monthly frequency on closing balance) while principal is repayable in 18 monthly instalments of ₹ 166,667/- from November 2020 onwards. The Loan is secured by hypothecation of the entire stock of inventories and receivables and is collaterally charged by movable property, plant and equipment of Company's Subsidiary ('IWSL').

Note c. Working Capital Term loan includes Guaranteed Emergency Credit Line (GECL) sanctioned and disbursed on December 11, 2020 under Government of India Emergency Credit Line Scheme by State Bank of India SME Branch, Dehradun (original amount of loan - ₹ 53.00 lakhs and Outstanding as on March 31, 2023 is ₹ 22.08 Lakhs) and carries an interest at 7.40% per annum. Total tenure of the loan is 48 months with moratorium of 12 months, wherein interest is payable for full tenure of 48 months (at monthly frequency on closing balance) while principal is repayable in 36 monthly instalments of ₹ 147,223/- from December 2021 onwards. The Loan is secured by hypothecation of the entire stock of inventories and receivables and is collaterally charged by movable property, plant and equipment of Company's Subsidiary ('IWSL').

Note d. Unsecured short term borrowing from banks carries interest @ 8.95 % p.a.

Note e. Secured Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade & book debts and carries interest @ 7.70 % to 10.60 % p.a.

Note f. Short term borrowing from bank also includes loan taken by Company's Subsidiary ('IWSL'). This is primarily secured by hypothecation of the Company's Subsidiary ('IWSL') entire stock of inventories and receivables and is collaterally charged by movable property, plant and equipment. It carries a rate of interest of EBLR + 1.55%.

Note g. No amount are pending to be utilised from the borrowings outstanding as on March 31, 2023.

Note h. The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

17. Trade payables

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade and other payables				
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	14,090.85	15,904.13
Total outstanding dues of micro enterprises and small enterprises	-	-	6,774.72	6,192.34
Total	-	-	20,865.57	22,096.47

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed dues		Disputed dues	
	- MSME	- Others	- MSME	- Others
Not due	6,771.98	8,688.34	-	-
Less than 1 year	2.74	5,124.95	-	-
1-2 years	233.87	-	-	-
2-3 years	-	2.01	-	-
More than 3 years	-	35.77	-	5.91
Total	6,774.72	14,084.94	-	5.91

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2022

₹ in Lakhs

Outstanding for following periods from due date of payment	Undisputed dues		Disputed dues	
	- MSME	- Others	- MSME	- Others
Not due	6,169.78	11,599.65	-	-
Less than 1 year	16.89	4,272.42	-	-
1-2 years	-	6.58	-	-
2-3 years	5.67	0.11	-	-
More than 3 years	-	19.46	-	5.91
Total	6,192.34	15,898.22	-	5.91

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under Chapter on Delayed Payments to Micro and Small Enterprises.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as on year end	6,769.84	6,171.81
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	4.88	20.53
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	4.88	20.53
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	4.88	20.53

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

18. Other financial liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued but not due on borrowings:				
- From banks	-	-	0.17	0.27
(b) Interest free trade deposits	-	-	4,580.01	4,601.89
(c) Other deposits	-	-	0.30	0.30
(d) Others :-				
- Dues to employees	-	-	5,356.85	4,758.11
- Dues on account of customer rebate schemes and other contractual liabilities	-	-	5,178.96	2,988.63
Other Payables	-	-	0.01	0.01
Total	-	-	15,116.30	12,349.21

19. Provisions

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Gratuity payable	14.74	22.31	573.29	206.28
Employee benefits - Compensated absences	230.74	157.83	28.27	88.37
Other provisions (Refer Note 29 (XI))				
Warranties	-	-	1,787.28	1,786.61
Others	-	-	51.25	56.09
Provision for Litigation	-	-	-	-
Total	245.48	180.14	2,440.09	2,137.35

20. Other Liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Contract Liabilities - Income received in advance (Refer Note 29(XIII))	11,728.79	12,867.49	39,099.28	40,405.01
Others - Deductions from employees for company's assets	469.15	652.25	836.64	1,195.93
Advances from Customers	-	-	1,297.45	682.97
Contract Liabilities - Others (Refer Note (a) below)	-	-	29.63	137.04
Refund Liabilities (Refer Note (b) below)	-	-	2,092.84	1,722.40
Statutory liabilities (Contributions to PF, Pension, ESIC, withholding Taxes, VAT, GST etc.)	-	-	1,172.29	1,694.69
Others	-	-	-	0.27
Total	12,197.94	13,519.74	7444,528.13	45,838.31

Note a: Contract liability pertains to deferred revenue arising as a separate performance obligation.

Note b: The Group recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

21. Revenue from operations

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	145,122.08	27,757.59
Sale of Services	62,835.25	10,324.17
Other operating revenues		
Scrap sales	282.53	50.29
Other	210.65	42.96
Total	208,450.51	38,175.01

22. Other Income and other gains/ (losses)

Other Income	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	41.56	25.44
Interest income on financial assets at amortised cost	0.39	0.08
Interest others	2.41	0.04
Others	203.19	89.15
Rental Income from Operating Lease	-	0.77
Credit balances / excess provision written back	4.55	-
Total (A)	252.10	115.48

Other gains/(losses) -Net	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain/(loss) on disposal of property, plant and equipment	516.32	50.84
Gain/(loss) on disposal of Investments at FVTPL	133.31	-
Net foreign exchange gains/(losses)	13.88	29.19
Gain/(Loss) on Modification/Disposal of Right of use assets	27.40	-
Net gain/(loss) arising on financial assets measured at FVTPL	80.33	37.14
Total (B)	771.24	117.17
Total (A+B)	1,023.34	232.65

23. Cost of Goods Sold

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Materials, Components and Packing Materials -		
Inventory at the beginning of the year	5,422.03	147.42
Add : Inventory on Acquisition	-	5,943.29
Less: Disclosed under exceptional item	(796.79)	-
Add: Purchases	63,846.41	9,552.94
	68,471.65	15,643.65
Less : Inventory at the end of the year	(5,127.47)	(5,422.03)
Cost of Raw Materials, Components and Packing Materials consumed	63,344.18	10,221.62
Total	63,344.18	10,221.62
Purchases of stock-in-trade	16,653.30	5,222.33
Less: Disclosed under exceptional item	(1,705.01)	-
Changes in inventories of finished goods, spares, work-in-progress and stock-in-trade.	5,028.47	709.39
Total	19,976.76	5,931.72

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

24. Employee benefits expense

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	28,479.11	4,586.49
Contribution to provident and other funds	1,431.71	255.77
Staff Welfare Expenses	403.21	69.74
Total	30,314.03	4,912.00

25. Finance costs

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on bank overdrafts and loans	1,796.81	408.83
Other interest expense	7.11	2.19
Other borrowing costs	38.40	7.52
Interest on lease liabilities	183.60	23.03
Interest on Taxes	-	0.47
Total	2,025.92	442.04

26. Depreciation and amortisation expense

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	1,955.69	293.50
Amortisation of intangible assets	2,545.00	448.83
Depreciation of right of use assets	1,145.37	175.79
Total	5,646.06	918.12

27. Other expenses

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Wages to Contractual Workers	1,188.31	213.35
Electricity	291.70	37.68
Rent	727.05	138.32
Repairs and Maintenance -		
Building	79.88	12.61
Machinery	45.46	34.27
Others	552.08	111.22
Insurance	584.49	81.11
Advertisement	7,602.72	288.77
Selling and Sales Promotion	11,397.17	3,083.30
Freight, Forwarding and Delivery	5,563.82	1,216.58
Payment to Auditors (Refer details below)	127.30	75.51
Printing and Stationery	113.22	22.36
Communication cost	1,185.05	194.93
Travelling and Conveyance	1,517.17	274.38
Legal and Professional Fees	4,822.79	1,343.74
Vehicle Running Expenses	856.89	24.82
Rates and taxes, excluding taxes on income	361.03	59.97
Conference Expenses	1,934.52	55.54

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

27. Other expenses (Contd..)

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service Charges	29,599.42	6,150.23
Information Technology Expenses	5,306.31	871.83
Logistics Expenses	2,003.97	395.47
Corporate Social Responsibility Expenses (Refer note 29 (XV))	21.00	16.29
Other Establishment Expenses	3,311.22	457.69
Directors' Sitting Fees	20.90	7.60
Bad Debts/Advances Written-Off	13.79	92.68
Less: Adjusted against provision	–	13.79
Provision for Doubtful Debts / Advances	795.15	(29.02)
Commission to Directors	291.50	81.00
Total	80,313.91	15,275.93

₹ in Lakhs

Payment to auditors (including payments made to erstwhile auditors)	For the year ended March 31, 2023	For the year ended March 31, 2022
As Statutory Auditor		
For Audit fee (includes limited review fees)	105.00	65.74
For Taxation matters	0.60	0.60
For other services	9.69	5.04
For reimbursement of expenses	1.76	(0.52)
As Tax Auditor	4.50	–
As Cost Auditor	5.75	4.65
Total	127.30	75.51

28 Income taxes

Income tax recognised in consolidated statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of the current year	2,077.62	243.89
In respect of prior years	3.07	8.34
	2,080.69	252.23
Deferred tax (Credit) /Charge		
In respect of the current year	(876.75)	192.48
	(876.75)	192.48
Total income tax expense recognised	1,203.94	444.71

29 Additional information to the consolidated financial statements

I Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

- Disputed Income Tax demands - ₹2,303.15/- lakhs (previous year ₹ 2,039.76/ Lakhs)
- Disputed Central Excise demands - ₹1,551.09/- lakhs(previous year ₹1,551.09/- lakhs)
- Disputed Sales Tax demands - ₹3,397.65/- lakhs (previous year ₹3,766.61/- lakhs)
- Disputed Service Tax demands - ₹1,945.68/- lakhs (previous year ₹1,945.68/- lakhs)
- Disputed civil suit - ₹33.73/- lakhs (previous year - ₹33.73/- lakhs)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29 Additional information to the consolidated financial statements (Contd..)

- Disputed claims against the Group not acknowledged as debt ₹42.85/- lakhs (Previous Year ₹42.85/- lakhs)
- Disputed Goods and Services Tax Demand - ₹877.39/- Lakhs (previous year ₹486.33/- lakhs)
- Disputed claims against the company for certain Labor Laws & related matters estimated at ₹ 42.50 Lakhs (previous year Nil).
 - * In calculating the tax expense for the current year, the Group has considered taxability of certain income and allowability of certain expenditure for tax purpose based on the orders/judgments passed in further appeals in its own assessment of earlier years. Based on the same, no additional provision is envisaged necessary as on March 31, 2023 in respect of earlier years and current year.

(b) Commitments:

- Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹172.81 Lakhs (previous year ₹168.06 lakhs)
- Towards product performance ₹272.69 lakhs (previous year ₹359.65 lakhs)
- Towards service performance ₹145.09 lakhs (previous year ₹373.30 lakhs)

In respect of all items mentioned in (a) above, till the matter are finally decided, the timing of outflow of economic benefit cannot be ascertained.

II a) The Group has given certain office / factory premises and moulds on operating lease basis. Details of which are as follows -

₹ in Lakhs

Particulars	Building		Plant and Machinery (Moulds)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Gross Amount	481.49	481.49	35.66	35.66
Accumulated Depreciation	159.56	139.92	29.80	28.10
Depreciation for the year	19.64	3.17	1.70	0.27

- The Group has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the year is ₹ nil Lakhs (Previous Year ₹0.77/- Lakhs) for Premises.

III The Group is primarily engaged in the business of Health, Hygiene, Safety Products and Services. Information reported to and evaluated regularly by Chief Operating Decision Maker for the purpose of resource allocation and assessing performance focuses on the business as a whole. Accordingly there is no other separate segment as per Indian Accounting Standard 108 dealing with "Operating Segment". The geographical segmentation is insignificant as the export turnover is less than 10% of the total turnover and also Group's Non Current assets (other than Financial Instrument, deferred tax, post employment benefits and rights arising under insurance contracts) are located in India.

Revenue from transactions with a single external customer did not amount to 10 % or more of the Groups revenue from external customers for current and previous year. The Group's main revenue is from sale of water purifiers, spares and servicing.

Revenue from External Customers :

₹ in Lakhs

	Year ended March 31, 2023	Year ended March 31, 2022
India	207,664.47	37,936.50
Outside India	786.04	238.51
Total Revenue	208,450.51	38,175.01

IV The Group did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current year and previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

V The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

VI The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

VII The Board of Directors of Eureka Forbes Limited (Formerly known as Forbes Enviro Solutions Ltd) ("the Company") and erstwhile Eureka Forbes Ltd at their Board Meeting held on September 08, 2020, had inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. The Scheme, inter alia, provided for amalgamation and vesting of erstwhile Aquaignis Technologies Private Limited ("ATPL"), erstwhile Eureka Forbes Limited and erstwhile Euro Forbes Financial Services Limited ("EFFSL") with and into erstwhile Eureka Forbes Limited. Further, upon the above part of the scheme becoming effective, amalgamation and vesting of Erstwhile Eureka Forbes Limited with and into Forbes and Company Limited (FCL). Further, upon the above part of the scheme becoming effective, demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into the Company on a going concern basis.

The Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated January 25, 2022 approved/sanctioned the aforesaid Composite Scheme of Arrangement. Upon receipt of the certified copy of the order, the scheme was made effective by filing Form INC 28 with the Registrar of Companies on February 01, 2022. Further, the name of the company has been changed to Eureka Forbes Ltd, vide Fresh Certificate of Incorporation dated February 11, 2022.

Pursuant to the Share Purchase Agreement dated September 19, 2021 ("SPA") executed between inter alia the Company Lunolux Limited ("Acquirer"), Shapoorji Pallonji and Company Private Limited ("Seller"), Forbes Campbell Finance Limited ("FCFL"), Forbes & Company Limited and erstwhile Eureka Forbes Limited for the acquisition by the Acquirer of a majority stake in the health and safety solutions business represented by up to 72.56% of the total issued and paid-up share capital of the company from the Seller, the Acquirer has acquired 12,35,55,843 equity shares representing 63.86% of the total issued and paid-up share capital of the Company on April 25, 2022 and 1,68,33,552 equity shares representing 8.70% of total issued and paid-up share capital of the Company on July 12, 2022.

Consequent to such transfer, the Acquirer has become the promoter of the Company with effect from April 25, 2022. In furtherance of the SPA, as a result of the acquisition of the equity shares by the Acquirer, changes in the Board of Directors of the Company has taken place.

VIII As required under Indian Accounting Standard 24 on "Related Party Disclosures" the list of related parties and their transactions is attached. (Annexure 'A' and 'B').

IX ₹ 955.34 Lakhs (Previous year ₹ 300.98 lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

X There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

XI Disclosures required by Indian Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" :

₹ in Lakhs

A) Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Excise Duty	Sales Tax	Excise Duty	Sales Tax
At the beginning of the year	49.96	1.29	-	-
Add: On Business Combination	-	-	49.96	1.29
At the end of the year	49.96	1.29	49.96	1.29

B) Warranty provisions

The Group gives warranty on certain products, towards satisfactory performance of products during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The table given below gives information about movement in warranty provisions:

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	1,786.61	0.43
Add: On Business combination	-	1,618.68
Add: Additions during the year*	1,787.28	1,786.61
Less: Utilization during the year	(1,786.61)	(1,214.01)
Less: Unused amount reversed / (additional utilisation) during the year	-	(405.10)
At the end of the year	1,787.28	1,786.61

* Included in Service Charges under Other expenses

XII Disclosures required under Indian Accounting Standard 116 on "Leases". Refer Annexure 'C'.

XIII Remaining performance obligation towards rendering of maintenance contracts as at the year end is recognized as "Income received in advance" and presented in "Other liabilities". This obligation pertains to maintenance services that would be carried out over the contract period for which company has received the advance. The service period ranges from 1 year to 4 years. Management believes that 77% pertaining to remaining obligation as of the year ended March 31, 2023 will be recognised as revenue during the next financial year, 20% will be recognized as revenue in FY 24-25 and 3% will be recognised in FY 25-26.

Reconciliation of Revenue Recognised with contract price:

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price*	206,250.71	40,770.75
Adjustment for		
Less:		
Refund Liabilities - Sales Return estimate	215.00	200.00
Performance Liabilities	29.63	137.04
Unperformed performance obligation at the end the year	50,828.07	53,272.50
Unperformed On Acquisition	-	(51,008.81)
Unperformed performance obligation at the beginning of the year	(53,272.50)	(4.99)
Revenue from continuing operations	208,450.51	38,175.01

* Net of Taxes

XIV The disclosures required under Indian Accounting Standard 19 "Employee Benefits" the details of post employment benefit is attached. Refer Annexure D.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

XV Corporate social responsibility expenditure:-

Section 138 relating to Corporate social responsibility was not applicable to the Group in the previous financial year, however the below Corporate social responsibility liability of erstwhile Eureka Forbes Limited was taken over on business combination and the Company has discharged the liability for Previous year.

₹ in Lakhs

Particulars	For the year ended 31 March 2023		
a)Gross amount required to be spent by the company	₹ 20.96 Lakhs		
b) Amount spent during the year on			
Particulars	Paid in cash	Yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) Purposes other than (i) above	21.00	-	21.00

₹ in Lakhs

Particulars	For the year ended 31 March 2022		
a)Gross amount required to be spent by the company	₹ 130.21 Lakhs		
b) Amount spent during the year on			
Particulars	Paid in cash	Yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) Purposes other than (i) above	130.21	-	130.21

XVI The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year or previous financial year.

XVII The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

XVIII The Group does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.

XIX The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

XX The Group is not covered under Section 8, thus related disclosure is not applicable.

XXI The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

XXII The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

XXIII The comparative financial information of the Group for the year ended March 31, 2022 included in these consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2022 expressed an unmodified opinion.

XXIV Impairment testing of goodwill and intangible assets with indefinite useful life

The Group has identified its business of Health, Hygiene, Safety Products and Services as a single Cash Generating Unit (CGU).

The recoverable amount of the CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. Market related information and estimates are used to determine the recoverable amount.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

The key assumptions used in the estimation of the recoverable amount are set out below.

₹ in Lakhs

Particulars	March 31, 2023
Discount rate	11.64%
Terminal value growth rate	6.00%
Budgeted EBITDA to revenue (average of next five years)	13.37%

The discount rate was derived basis the weighted-average cost of capital of debt and equity.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the longterm EBITDA growth rate, consistent with the assumptions that a market participant would make. Budgeted EBITDA was estimated taking into account past experience, adjusted for future expectations.

The Group has performed a sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

XXV Exceptional items for the year ended March 31, 2023 amounting to ₹ 4,001.80 lakhs pertains to the following:

- An amount of ₹ 2,501.80 lakhs for the year ended March 31, 2023, which is charged to Statement of Profit & Loss, on account of phasing out of certain non-moving models and product including its raw material and components, due to change in economic conditions and technological obsolescence.
- An amount of ₹ 1,500.00 lakhs for the year ended March 31, 2023 which represents stamp duty paid / payable for transfer of title of immovable property in the name of the Company pursuant to the Scheme of Arrangement for merger of Aqaignis Technologies Private Limited and Euro Forbes Financial Services Limited into erstwhile Eureka Forbes Limited, followed by the merger of erstwhile Eureka Forbes Limited into Forbes & Company Limited and demerger of demerged undertaking (as defined in the scheme) of Forbes & Company Limited into the Company.

XXVI Figures for the previous year are re-arranged/regrouped, wherever necessary, to correspond with the current year disclosure. Further on account of the acquisition of the Health, Hygiene, Safety Products and Services (Refer Note 30), the figures for the previous year are not comparable.

XXVII The Financial Statements for the year ended March 31, 2023 were approved for issue by Company's Board of Directors on May 29, 2023.

29(VIII) Additional information to the financial statements

Annexure 'A'

Related Party Disclosures

Particulars	Country
A Holding Company	
1 Lunolux Limited (Ultimately controlled and 100% owned by funds managed by Advent International Corporation ("AIC")) (w.e.f April 25, 2022)	Cyprus
B Entities with joint control or significant influence over the entity	
1 Shapoorji Pallonji and Company Private Ltd (upto April 25, 2022)	India
2 Lunolux Limited (upto April 25, 2022)	Cyprus
C Subsidiaries	
1 Forbes Aquatech Limited	India
2 Infinite Water Solutions Limited	India
3 Forbes Lux FZE - Dubai	Dubai
4 Euro Forbes Limited - Dubai	Dubai
D Name of Post employment benefit plans with whom transactions were carried out during the year:	
1 Eureka Forbes Limited Employees Provident Fund	India
2 Eureka Forbes Limited Managing Staff Superannuation Scheme	India
3 Eureka Forbes Limited Employees Gratuity Fund	India

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd.)

Particulars	Country
E Key Managerial Personnel	
1 Mr. Arvind Uppal - Non executive director (w.e.f. April 26, 2022)	
2 Mr. Pratik R Pota- Managing director & CEO (w.e.f August 16, 2022)	
3 Mr. Marzin R. Shroff - Managing director & CEO (upto August 15, 2022)	
4 Mr. Homi Katgara - Non executive Independent director	
5 Mr. Anil Kamath - Non executive Independent director (upto April 26, 2022)	
6 Mr. D. Sivanandhan - Non executive Independent director (upto April 26, 2022)	
7 Dr. Indu Shahani - Non executive Independent director (upto April 26, 2022)	
8 Mr. Jai Mavani - Non executive director (upto April 26, 2022)	
9 Mr. Pallon Shapoor Mistry - Non executive director (upto April 26, 2022)	
10 Mr. Vinod Rao - Non executive Independent director (w.e.f. April 26, 2022)	
11 Mrs. Gurveen Singh - Non executive Independent director (w.e.f. April 26, 2022)	
12 Mr. Shashank Samant - Non executive Independent director (w.e.f. October 10, 2022)	
13 Mr. Sahil Dalal - Non executive director (w.e.f. April 26, 2022)	
14 Mr. Shapoorji Mistry - Non executive director (upto April 26, 2022)	
15 Mr. Shankar Subramanian - Non executive director (upto April 26, 2022)	
F Enterprises under Common Control - (where there are transactions)	
1 Afcons Infrastructure Ltd. (upto April 25, 2022)	India
2 Jaykali Developers Pvt. Ltd (upto April 25, 2022)	India
3 SD Corporation Private Limited (upto April 25, 2022)	India

Transactions with Related Parties for the year ended March 31, 2023

Nature of Transaction	₹ in Lakhs						
	Shapoorji Pallonji and Company Private Ltd	Afcons Infrastructure Ltd.	Jaykali Developers Pvt. Ltd	SD Corporation Private Limited	Eureka Forbes Limited Employees Provident Fund	Eureka Forbes Limited Managing Staff Superannuation Scheme	Eureka Forbes Limited Employees Gratuity Fund
Sales / (Sales Return)							
Goods and Materials	0.05	0.17	-	-	-	-	-
Services Rendered	-	0.08	0.02	0.34	-	-	-
	0.05	0.25	0.02	0.34	-	-	-
Expenses							
Contributions (Employer's) to Post Retirement Funds Outstanding	-	-	-	-	1,387.34	205.41	463.77
Other payables to the Trust	-	-	-	-	84.79	36.10	530.68

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd.)

(III) Transactions with Related Parties for the year ended March 31, 2023

Parties in C : Key Managerial Personnel Remuneration

Managing Director & CEO

Particulars	₹ in Lakhs	
	Marzin R Shroff	Pratik R. Pota
Short-term employee benefits	120.81	699.79
Post-employment benefits *	3.95	14.35
Long-term employee benefits	4.94	-
Total	129.70	714.14

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

Company has paid/provided for managerial remuneration which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹600.00 Lakhs as at March 31, 2023. The excess remuneration is subject to the approval of shareholders. Pending such approval, the remuneration already paid in excess of the limit is being held in the trust.

Name	₹ in Lakhs	
	Amount	Outstanding Amount as at March 31, 2023
Mr. Anil Kamath	1.00	-
Mr. D. Sivanandhan	1.00	-
Dr. (Mrs.) Indu Shahani	1.50	-
Mr. Homi Katgara	28.90	24.75
Mr. Jai Mavani	0.20	-
Mr. Shankar Krishnan	0.20	-
Mr. Pallon Shapoor Mistry	0.20	-
Mr. Arvind Uppal	28.10	24.75
Mr. Vinod Rao	28.70	24.75
Mrs. Gurveen Singh	28.70	24.75
Mr. Shashank Samant	23.30	22.50
Total	141.80	121.50

Aggregate remuneration payable to non-whole time directors exceeds the limit prescribed under section 197 by ₹ 72.73 lakhs and is subject to shareholders approval. The company has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2023.

29(VII) Additional information to the financial statements

Annexure 'B'

Particulars	Country
A Holding Companies	
Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company (upto November 22, 2021)	India
Forbes & Company Limited - Intermediate Holding Company (upto November 22, 2021)	India
* Erstwhile Eureka Forbes Limited - Holding Company (upto November 22, 2021)	India
*Merged with Forbes & Company Limited w.e.f February 01, 2022	
B Entities with joint control of, or significant influence over, the entity	
Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company (w.e.f. November 23, 2021)	India
Forbes & Company Limited - Intermediate Holding Company (w.e.f. November 23, 2021)	India
Erstwhile Eureka Forbes Limited - Holding Company (w.e.f. 23 rd November 2021 upto January 31, 2022)	India
Lunolux Limited (w.e.f. November 23, 2021)	Cyprus

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

Particulars	Country
C Subsidiaries	
Forbes Aquatech Limited (w.e.f. February 01, 2022)	India
Infinite Water Solutions Limited (w.e.f. February 01, 2022)	India
Forbes Lux FZCO - Dubai (w.e.f. February 01, 2022)	Dubai
Euro Forbes Limited - Dubai (w.e.f. February 01, 2022)	Dubai
D Key Managerial Personnel	
1 Mr. Homi Katgara - Non - Executive Chairman	
2 Mr. Marzin R. Shroff - Managing Director & CEO	
3 Mr. Shapoor P Mistry Non executive director	
4 Mr. Pallon Shapoor Mistry - Non executive director	
5 Dr. Indu Shahani - Non executive Independent director	
6 Mr. Jai Mavani - Non executive director	
7 Mr. Shankar Krishnan - Non executive director	
8 Mr. D Sivanandhan - Non executive Independent director	
9 Mr. Anil Kamath - Non executive Independent director	
E Other related parties (under the control of, or significant influence by the parties in A to D above) with whom there were transaction	
1 Forbes Facility Services Pvt Limited	India
2 Lux International AG	Switzerland
3 Afcons Infrastructure Limited	India
4 Relationship Properties Pvt. Limited	India
5 SD Corporation Private Limited	India
6 Shapoorji Pallonji Oil & Gas co Pvt Limited	India
7 Sterling & Wilson Pvt. Limited	India
8 Eureka Forbes Institute of Environment (Trust)	India

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)
Transactions with Related Parties for the year ended March 31, 2022

Nature of Transaction	Annexure 'B' (i) ₹ in Lakhs										
	Forbes & Company Ltd.	Shapoorji Pallonji and Company Private Ltd	Erstwhile Eureka Forbes Limited	Forbes Facility Services Pvt Ltd.	Lux International AG	Afcons Infrastructure Ltd.	Relationship Properties Pvt. Ltd.	SD Corporation Private Limited	Shapoorji Pallonji Oil & Gas co Pvt Ltd	Sterling & Wilson Pvt. Ltd.	Eureka Forbes Institute of Environment (Trust)
Purchases											
Goods and Materials	-	-	89.58	-	-	-	-	-	-	-	-
			89.58								
Sales / (Sales Return)											
Goods and Materials	0.34	11.07	849.48	32.00	39.68	1.15	-	-	0.12	57.57	-
Services Rendered	0.19	1.04	-	-	-	0.69	-	1.97	0.06	28.63	-
	0.53	12.11	849.48	32.00	39.68	1.84	-	1.97	0.06	0.12	86.20
Expenses											
Rent	-	-	8.76	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	54.60	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	14.84	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	0.64	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	145.06	-	-	-	-	-	-	-	-	-
	-	145.06	24.24	54.60	-	-	-	-	-	-	-
Income											
Miscellaneous Income	-	0.25	-	-	-	-	-	-	-	-	-
	-	0.25	-	-	-	-	-	-	-	-	-
Outstanding											
Trade Payables	-	67.61	-	18.47	-	-	-	-	-	-	-
Trade Receivables	0.52	13.93	-	-	9.64	0.66	0.90	0.13	0.08	0.23	105.99

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

29(VII) Notes to the consolidated financial statements for the year ended March 31, 2023

Annexure 'B (ii)'

Parties in C : Key Managerial Personnel Remuneration

Managing Director & CEO

Particulars	₹ in Lakhs	
	March 31, 2022	
Short-term employee benefits	51.60	
Post-employment benefits *	1.60	
Long-term employee benefits	1.99	
Total	55.19	

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level. Bonus is disclosed on payment basis.

Company (Parent Company) has provided for managerial remuneration which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹13.64 Lakhs as at March 31, 2022. The excess remuneration is subject to the approval of shareholders.

Directors Sitting Fees and Commission

Name	₹ in Lakhs	
	31 st March, 2022	
Mr. Shapoor P Mistry	7.00	
Dr. Indu Shahani	9.00	
Mr. Jai Mavani	7.40	
Mr. Shankar Krishnan	7.20	
Mr. Homi Katgara	8.50	
Mr. D Sivanandhan	9.00	
Mr. Anil Kamath	8.50	
Mr. Pallon Mistry	7.00	

Company (Parent Company) has provided for remuneration payable to Non whole time directors which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 48.01 Lakhs as at March 31, 2022. The excess remuneration is subject to the approval of shareholders.

29XII Leases:

Annexure 'C'

The break-up of current and non-current lease liabilities is:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	1,035.13	731.34
Non-current lease liabilities	857.15	612.79
Total	1,892.28	1,344.13

The following is the movement in lease liabilities during the year-

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	1,344.13	1.34
Additions due to business combination	-	1,428.60
Additions	2,013.94	95.96
Finance cost accrued during the period	183.60	23.03
Deletions	(337.89)	-
(Gain)/Loss on Modification/Disposal of Right of use assets	(28.57)	-
Payment of lease liabilities	(1,282.93)	(204.80)
Balance at the end	1,892.28	1,344.13

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Less than one year	1,164.52	815.97
One to five years	902.30	550.69
More than five years	31.28	38.97
Total	2,098.10	1,405.63

Rental expense recorded for short-term leases was ₹ 727.05 Lakhs /- (previous year ₹ 138.32 Lakhs) for the year ended March 31, 2023.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Amounts recognised in profit and loss

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on right-of-use assets	1,145.37	175.79
Interest expense on lease liabilities	183.60	23.03
Expense relating to short-term leases	727.05	138.32

XIV Employee benefit plans

Annexure 'D'

(a) Provident Fund

The details of Eureka Forbes Limited Employees' Provident Fund and planed assets position as at 31.03.2023 is given below:

Particulars	₹ in Lakhs	
	Valuation as at	
	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at period end	15,391.19	15,412.69
Planned Assets at the period end	17,885.23	17,469.33
Discounting Rate	7.50%	7.23%
Expected Guaranteed interest rate	8.15%	8.10%
Average expected future service	14 years	13 years

Defined contribution plan

The Group's subsidiaries also have certain defined contribution plans. Contributions are made to Provident Fund and Employee State Insurance Scheme for employees at the specified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the subsidiaries is limited to the amount contributed and it has neither further contractual nor any constructive obligation. The expense recognised during the year towards Defined Contribution Plan is ₹ 8.64 lakhs (31 March 2022: ₹ 9.07 lakhs).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

(b) Gratuity -

The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ in Lakhs

Particulars	Valuation as at	
	As at	As at
	March 31, 2023	March 31, 2022
Discount rate(s)	7.34% - 7.50%	7.15% - 7.31%
Expected rate(s) of salary increase	4.50% - 5.50%	4.00% - 5.50%
Mortality rates	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Amounts recognised in statement of consolidated profit and loss / other comprehensive income in respect of these defined benefit plans are as follows.

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non Funded)	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Service cost:				
Current service cost	142.50	24.91	1.33	0.43
Expected return on plan assets	-	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	40.55	(44.46)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(0.88)	-	(0.01)
Actuarial (gains) / losses arising from changes in financial assumptions	35.64	(1.42)	(0.31)	0.05
Actuarial (gains) / losses arising from experience adjustments	555.60	57.22	2.90	0.52
Total	789.10	40.75	4.97	2.19

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of consolidated profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	(2,144.19)	(2,058.58)	15.19	14.48
Fair value of plan assets	1,624.27	1,864.43	-	-
Funded status	(519.92)	(194.15)	15.19	14.48
Restrictions on asset recognised	-	-	-	-
Others	-	-	-	-
Net (liability)/asset arising from defined benefit obligation	(519.92)	(194.15)	15.19	14.48

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

Movements in the present value of the defined benefit obligation are as follows.

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening defined benefit obligation	2,058.57	14.82	14.48	-
Current service cost	142.50	24.91	1.33	0.43
Interest cost	148.10	23.91	1.05	1.20
Remeasurement (gains)/losses:				
Actuarial gains and losses arising from changes in demographic assumptions	-	(0.88)	-	-
Actuarial gains and losses arising from changes in financial assumptions	35.64	(1.42)	(0.31)	0.05
Actuarial gains and losses arising from experience adjustments	555.60	57.22	2.90	0.52
Others	-	(6.93)	-	(0.93)
Past service cost, including losses/(gains) on curtailments	-	2.79	-	-
Liabilities Transferred In/Acquisition	0.46	2,035.96	-	13.63
Benefits paid (including benefits paid directly)	(796.68)	(91.81)	(4.26)	(0.42)
Closing defined benefit obligation	2,144.19	2,058.57	15.19	14.48

Movements in the fair value of the plan assets are as follows.

₹ in Lakhs

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	1,864.45	19.64
Interest income	133.28	21.32
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(40.55)	44.47
Contributions from the employer	463.77	20.00
Assets Transferred In/Acquisition	-	1,850.83
Benefits paid	(796.68)	(91.81)
Other	-	-
Closing fair value of plan assets	1,624.27	1,864.45

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

₹ in Lakhs

Particulars	Fair Value of plan asset	
	As at	As at
	March 31, 2023	March 31, 2022
Government Of Indian Assets	561.32	744.20
State Government Securities	131.74	185.70
Special Deposit Scheme	41.03	41.03
Debt Instrument	516.58	542.69
Corporate Bond	297.50	276.54
Others	20.96	20.96
Mutual Funds	55.14	53.33
Total	1,624.27	1,864.45

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

29. Additional information to the financial statements (Contd..)

Maturity Analysis of the Benefits Payments from the Fund / Employer

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Projected Benefits Payable in Future years from the date of reporting		
1 st Following Year	184.63	260.52
2 nd Following Year	151.11	138.99
3 rd Following Year	177.76	173.39
4 th Following Year	236.15	332.84
5 th Following Year	314.41	183.91
Sum of years 6 to 10	930.01	829.10
Sum of years 11 and above	2,144.35	1,888.92

Sensitivity Analysis

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Presented benefit obligation on current assumptions	2,159.38	2,073.04
Discount rate (1% increase)	(140.03)	(128.67)
Discount rate (1% decrease)	159.31	146.92
Future salary growth (1% increase)	162.54	150.24
Future salary growth (1% decrease)	(145.09)	(133.59)
Attrition movement (1% increase)	34.44	35.99
Attrition movement (1% decrease)	(38.61)	(40.43)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

In respect of foreign subsidiaries of the group, retirement benefits are governed and accrued as per local statutes and there are no defined benefit plans. The amount contributed to the defined contribution plan is charged to the Consolidated Statement of Profit & Loss on accrual basis. Hence the above table includes the details of Company's incorporated in India only.

30 Acquisition of Health, Hygiene, Safety Products and Services Undertaking

Under the scheme approved by the NCLT as described in Note 29 (VII), the basis of accounting used for the merger of the Health, Hygiene, Safety Products and Services Undertaking is "acquisition method" of accounting under Ind AS 103 (Business combination). Fair Value consideration amounting to ₹ 406,596.62 Lakhs has been allocated to the respective fair values of tangible, intangible assets and all liabilities and residual value has been recognised as goodwill.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

30 Acquisition of Health, Hygiene, Safety Products and Services Undertaking (Contd..)

(A) Details of assets acquired:

The fair values of assets acquired and liabilities assumed as at the date of acquisition (February 01, 2022) were:

₹ in Lakhs

Particulars	Amount
A Specified Tangible Asset	
Property Plant and Equipment	26,965.23
B Identified Intangible Asset	
Brand - Aquaguard	286,125.46
Brand - Forbes	4,993.80
Distribution network - Services	20,557.83
Distribution network - Products	3,966.24
Specified Intangible Asset	
Computer Software	118.07
Technical Know how	19.79
Other Assets	
Capital Advances	341.13
Right of Use Assets	1,629.45
Investments	8,655.28
Cash and Cash Equivalents	1,075.09
Other Bank balances	68.34
Inventories	29,735.82
Sundry Debtors	14,003.69
Loans and Advances	408.94
Income Tax Asset	2,314.27
Deferred tax Asset	620.89
Other Current Assets	6,717.96
Total Identifiable Assets (i)	408,317.28
C Specified Liabilities	
Long term debt	26,107.16
Lease Liabilities	1,385.30
Trade Payables	19,747.35
Provisions	3,337.54
Other current liabilities	73,554.45
Total Identifiable liabilities (ii)	124,131.80
Net assets acquired (i) - (ii)	284,185.48
Goodwill (before Deferred tax Adjustments)	122,411.14
Total Fair Value Consideration	406,596.62

(B) Impact of acquisition on the Financial Statements:

The acquired business contributed revenue of ₹ 37,013.67 Lakhs, Earning before Interest, tax depreciation and Amortisation (EBITDA) of ₹2,215.53 Lakhs and Earning Before interest and tax (EBIT) of ₹903.85 Lakhs for the period from the date of acquisition till March 31, 2022. If the acquisition had taken place from April 01, 2021 the acquired business would have contributed an additional turnover of ₹ 1,65,500.92 Lakhs. With this the total turnover of the company for the year ended March 31, 2022 would have been ₹ 2,03,601.05 Lakhs.

The acquired goodwill has been further adjusted to the effect of deferred tax liabilities recognised on acquisition in respect of recognising identified intangibles assets

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

31 Financial instruments

Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry, the Group, primarily, uses the gearing ratio to monitor and maintain the capital structure which is as follows:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Borrowings	12,102.34	24,280.01
Less: Cash and cash equivalents	1,854.54	1,775.80
Net Debt	10,247.80	22,504.20
Total equity	409,883.30	407,734.42
Net Debt to Equity ratio	2.50%	5.52%

32 Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year attributable to equity share holders (₹ In Lakhs)	2,655.76	259.91
Face value per equity share	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	193,479,240	36,269,259
Basic and diluted earnings per share (₹)	1.37	0.72

Basic Earnings per share

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

Particulars	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year attributable to owners of the Company	2,655.76	259.91
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in numbers)	193,479,240	36,269,259

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

33 Financial instruments – Fair values

A. Accounting classification and fair values

Particulars	March 31, 2023			March 31, 2022		
	FVTPL*	FVTOCI**	Amortised Cost	FVTPL*	FVTOCI**	Amortised Cost
Financial assets						
Cash and Bank Balances	–	–	2,108.93	–	–	1,875.50
Short-term loans and advances	–	–	6.52	–	–	7.92
Trade and other receivables	–	–	12,366.95	–	–	15,361.61
Current Investments	7,579.95	–	–	6,169.95	–	–
Non Current Investments	–	1.43	–	–	1.43	–
Other Current financial Asset	–	–	93.82	–	–	127.35
Other Non Current financial Asset	–	–	1,171.62	–	–	1,665.22
Total Financial Asset	7,579.95	1.43	15,747.84	6,169.95	1.43	19,037.60
Financial liabilities						
Trade and other payables	–	–	20,865.57	–	–	22,096.47
Other Current financial liabilities	–	–	16,151.43	–	–	13,080.55
Other Non-current financial liabilities	–	–	857.15	–	–	612.79
Current Borrowings	–	–	9,631.40	–	–	19,323.89
Non Current Borrowings	–	–	2,470.94	–	–	4,956.11
Total Financial Liabilities	–	–	49,976.49	–	–	60,069.81

*Mandatorily measured at fair value in accordance with Ind AS 109.

** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109.

These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Group has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss account.

Fair value Hierarchy

This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value:

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2023 (Refer note Below)	₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investment at FVTPL				
Unquoted Investments in Mutual funds	7,579.95	–	–	7,579.95
Financial investment at FVTOCI				
Unquoted Investments	–	–	1.43	1.43
Total Financial Asset	7,579.95	–	1.43	7,581.38
Financial Liabilities				
Total Financial Liabilities	–	–	–	–

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2022 (Refer note Below)	₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investment at FVTPL				
Unquoted Investments in Mutual funds	6,169.95	–	–	6,169.95
Financial investment at FVTOCI				
Unquoted Investments	–	–	1.43	1.43
Total Financial Asset	6,169.95	–	1.43	6,171.38
Financial Liabilities				
Total Financial Liabilities	–	–	–	–

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

33 Financial instruments – Fair values (Contd..)

Reconciliation of level 3 fair value measurement of financial Instruments

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Value of Fair Value	1.43	–
Fair value gain/(loss) recognised in profit or Loss	–	–
Fair value gain/(loss) recognised in Other Comprehensive income	–	–
Acquired in Business Combination	–	1.43
Purchases made during the year	–	–
Sales made during the year	–	–
Closing balance of fair value	1.43	1.43

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable Inputs	Relationship of unobservable Inputs to fair value
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries.	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value.
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries.	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value.
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- The carrying amount of Trade receivables, Trade payables, cash and Cash Equivalents are considered to be the same as their Fair Values, due to their short term in nature.
- The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The company uses its Judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

34 Financial instruments – Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposure.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortised cost and fair value through profit or loss	Aging analysis, Credit Rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowing and other liabilities	Rolling cash flow Forecast	Availability of committed credit lines and borrowing facilities

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

Risk	Exposure Arising from	Measurement	Management
Market Risk- Foreign currency	Future commercial Transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow Forecasting Sensitivity analysis	Forward foreign currency Contracts Foreign currency option
Market Risk- Interest rate	Long-term borrowings at variable rate	Sensitivity analysis	Interest rate Swaps
Market Risk- Security prices	Investment in equity securities	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by the Finance Committee and Treasury team under policies approved by the board of directors. Treasury team identifies, evaluates and hedges financial risks in close co-operation with subject matter experts. The Board of directors periodically monitors the risk assessment.

(a) Credit risk

Credit risk arises from cash and cash equivalents, investments and deposits with banks, as well as credit exposures to customers including outstanding receivables.

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

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	7,579.95	6,169.95
Trade receivables	12,366.95	15,361.61
Cash and cash equivalents	1,854.54	1,775.79
Other bank balances	254.39	99.70
Loans	6.52	7.92
Other financial assets	1,265.44	1,792.57

Trade Receivables

The maximum exposure to credit risk for trade receivables by geographic region was as follows.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
India	12,273.17	15,208.53
Other regions	93.78	153.08
Total	12,366.95	15,361.61

The ageing of trade receivables that were not impaired was as follows.

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
0-1 Year	12,302.40	15,132.41
1-2 Year	64.55	75.45
2-3 Year	–	16.30
More Than 3 Yrs	–	137.45
Total	12,366.95	15,361.61

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	3,318.42	44.70
Amounts written off during the year as uncollectible	–	(43.16)
Acquired on account of business combination	–	3,353.18
Impairment loss recognised	625.48	(36.30)
Closing Balance	3,943.90	3,318.42

The group held cash and cash equivalents of ₹ 1,854.54 Lakhs at March 31, 2023 (March 31, 2022: ₹ 1,775.79 lakhs). The cash and cash equivalents are held with banks ₹ 1,450.49 Lakhs at March 31, 2023 (March 31, 2022: ₹ 1,613.27 Lakhs).

(b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

₹ in Lakhs

Non-derivative financial liabilities	Carrying amount	Contractual maturities of financial liabilities				Total
		On Demand	0- 1 year	1-5 years	> 5 years	
March 31, 2023						
Banks - Long term loans	4,988.56	–	2,517.62	2,470.94	–	4,988.56
Loans from banks	7,113.78	7,113.78	–	–	–	7,113.78
Trade payables	20,865.57	–	20,865.57	–	–	20,865.57
Lease Liabilities	1,892.28	–	1,164.52	902.30	31.28	2,098.10
Other payable	15,116.30	–	15,116.30	–	–	15,116.30

₹ in Lakhs

Non-derivative financial liabilities	Carrying amount	March 31, 2022				Total
		On Demand	0- 1 year	1-5 years	> 5 years	
March 31, 2022						
Banks - Long term loans	7,475.34	–	2,519.23	4,956.11	–	7,475.34
Loans from banks	16,804.66	16,804.66	–	–	–	16,804.66
Trade payables	22,096.47	–	22,096.47	–	–	22,096.47
Lease Liabilities	1,344.13	–	815.97	550.69	38.97	1,405.63
Other payable	12,349.21	–	12,349.21	–	–	12,349.21

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

US\$ in Lakhs EUR in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2023
Financial assets		
Long-term loans and advances	–	–
Short-term loans and advances	10.00	–
Trade and other receivables	10.81	–
Other Non-Current financial assets	–	–
Total	20.81	–

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

US\$ in Lakhs EUR in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2023
Financial liabilities		
Short term borrowings	–	–
Trade and other payables	14.37	0.07
Other Current financial liabilities	–	–
Total	14.37	0.07
Net Exposure	6.44	(0.07)

US\$ in Lakhs EUR in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2022
Financial assets		
Long-term loans and advances	–	–
Short-term loans and advances	16.26	0.16
Trade and other receivables	7.02	–
Other Non-Current financial assets	–	–
Total	23.28	0.16
Financial liabilities		
Short term borrowings	0.03	–
Trade and other payables	18.64	5.24
Other Current financial liabilities	–	–
Total	18.67	5.24
Net Exposure	4.60	(5.08)

The following significant exchange rates have been applied.

Particulars	Year-end spot rate	
	As at March 31, 2023	As at March 31, 2023
US\$ /INR	82.16	75.52
EUR/INR	89.37	83.93

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in Lakhs

Effect in ₹	Profit or (loss)	
	Strengthening	Weakening
March 31, 2023		
US\$ 5% movement	(26.47)	26.47
EUR 5% movement	0.30	(0.30)
	(26.17)	26.17

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

34 Financial instruments – Financial risk management (Contd..)

₹ in Lakhs

Effect in ₹	Profit or (loss)	
	Strengthening	Weakening
As at March 31, 2022		
US\$ 5% movement	(17.36)	17.36
EUR 5% movement	21.31	(21.31)
	3.95	(3.95)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(c) (ii) Market Risk- Interest rate

The Exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Variable Rate Borrowing	4,988.56	7,475.34

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the group's:

Profit for the year ended March 31, 2023 would decrease / increase by ₹ 25.54 Lakhs (Previous Year: decrease / increase by ₹ 6.09 Lakhs). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

35 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ in Lakhs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Current			
Trade Receivable	6	14,648.50	17,650.24
Inventories	12	21,913.37	28,881.36
Other Assets	11	65.74	54.41
Total Current assets pledged as security		36,627.61	46,586.01
Non-current			
Land - Freehold	3(a)(i)	6,405.00	6,405.00
Land - Leasehold	3(b)	338.85	344.16
Buildings	3(a)(i)	14,299.80	14,639.20
Other Property, plant and equipment *	3(a)(i)	6,444.42	6,449.04
Brand / Trade Mark	4(b)	-	286,125.46
Total Non Current assets pledged as security		27,488.07	313,962.86
Total assets pledged as security		64,115.68	360,548.87

*Property, plant and equipment as per note 3 (a) (i) includes moveable asset for employee benefits, which has not been pledged

No charges or satisfaction are pending to be registered with ROC beyond the statutory period.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

36 Movement in deferred tax balances

₹ in Lakhs

Particulars	As at April 1, 2022		For the year 2022-23			As at March 31, 2022	
	Deferred tax asset	Deferred tax liability	Recognised in profit or loss	Recognised in Goodwill	Recognised in OCI	Deferred tax asset	Deferred tax liability
Deferred Tax Assets /(Liabilities)							
Property, plant and equipment	(17.85)	4,542.14	88.45	-	-	(10.63)	4,637.80
Provisions	2.64	(1,058.55)	(321.51)	-	0.51	5.11	(1,378.10)
Lease Liabilities	3.53	62.58	(5.13)	-	4.35	58.27	
Merger expenses	-	(41.58)	13.60	-	-	-	(27.97)
Amortisation of Processing fees	-	16.22	(7.78)	-	-	-	8.44
Fair Valuation	-	79,338.23	(617.22)	-	-	-	78,721.02
Expenses allowed on Payment	1.95	(118.56)	(3.35)	-	0.15	1.99	(122.02)
Tax - Loss carry forwards	-	-	(23.81)	-	-	23.81	-
Others (Including MAT Credit)	102.85	-	-	-	-	102.85	-
Deferred Tax Assets /(Liabilities)	93.12	82,740.48	(876.75)	-	0.66	127.48	81,897.44

Particulars	As at April 1, 2021	For the year 2021-22			As at April 1, 2022		
		Acquired through business combination	Recognised in profit or loss	Recognised in Goodwill	Recognised in OCI	Deferred tax asset	Deferred tax liability
Deferred Tax Assets /(Liabilities)							
Property, plant and equipment	-	792.05	88.41	3,643.83	-	(17.85)	4,542.14
Provisions	-	(1,256.10)	200.20	-	-	2.64	(1,058.55)
Lease Liabilities	-	(20.53)	0.90	0.16	3.53	62.58	
Merger expenses	-	-	(41.58)	-	-	-	(41.58)
Amortisation of Processing fees	-	17.86	(1.64)	-	-	-	16.22
Fair Valuation	-	-	(102.88)	79,441.11	-	-	79,338.23
Expenses allowed on Payment	-	(164.24)	47.61	-	-	1.95	(118.56)
Tax - Loss carry forwards	-	1.84	(1.84)	-	-	-	-
Others (Including MAT Credit)	-	102.85	-	-	-	102.85	-
Deferred Tax Assets /(Liabilities)	-	(526.27)	189.18	83,084.94	0.16	93.12	82,740.48

37 Income Tax expense

(a) Amounts recognised in profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax	2,077.62	243.89
Earlier year tax	3.07	8.34
Deferred tax expense	(876.75)	192.48
Tax expense for the year	1,203.94	444.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

36 Movement in deferred tax balances (Contd.)

(b) Amounts recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(634.38)	159.67	(474.71)	(11.02)	2.77	(8.25)
	(634.38)	159.67	(474.71)	(11.02)	2.77	(8.25)

(c) Reconciliation of effective tax rate

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) before tax	3,851.16	706.23
Tax using the Group's domestic tax rate 25.168%	969.26	177.90
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	53.43	9.54
Other tax adjustment (including re-assessment of deferred taxes post business combination)	254.85	219.88
Effect of Income that is exempted from Tax	157.36	0.85
Tax Exempt Zone	-	-
Adjustments for taxes of prior periods	3.07	8.34
Effect of difference in tax rates in companies (net of impact of elimination and adjustments on consolidation)	(234.03)	28.20
	1,203.94	444.71

The tax rate used for the year 2022-23 and 2021-22 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the Consolidated Financial Statements

Additional Information as required under Schedule III to the Companies Act 2013, of enterprise consolidated as Subsidiary:

for the year ended March 31, 2023

Annexure E

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated total comprehensive income	₹ in Lakhs
Parent								
Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) Subsidiaries	99.52%	407,932.98	64.52%	1,708.02	94.87%	(472.78)	57.48%	1,235.24
Indian								
Forbes Aquatech Limited	0.25%	1,039.57	-2.48%	(65.61)	0.08%	(0.38)	-3.07%	(65.99)
Infinite Water Solutions Pvt Limited	0.72%	2,956.64	26.50%	701.51	0.30%	(1.51)	32.58%	700.00
Foreign								
Euro Forbes Limited, Dubai	0.00%	2.96	-0.28%	(7.38)	-0.17%	0.86	-0.30%	(6.52)
Forbes Lux FZCO	-0.15%	(618.30)	-23.34%	(617.84)	2.40%	(11.95)	-29.31%	(629.79)
Adjustment/ elimination on consolidation	-0.38%	(1,549.41)	35.40%	937.05	2.52%	(12.55)	43.02%	924.50
Non-controlling interest in all subsidiaries	0.03%	118.86	-0.32%	(8.53)	0.01%	(0.04)	-0.40%	(8.57)
Total	100.00%	409,883.30	100.00%	2,647.22	100.00%	(498.35)	100.00%	2,148.87

₹ in Lakhs

Notes to the Consolidated Financial Statements

2021-22

for the year ended March 31, 2023

₹ in Lakhs

Name of the Company	Particulars							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated total comprehensive income	₹ in Lakhs
Parent								
Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)	99.75%	406,697.69	107.18%	280.29	91.47%	(7.83)	107.71%	272.46
Subsidiaries								
Indian								
Forbes Aquatech Limited	0.27%	1,105.55	4.72%	12.34	-0.47%	0.04	4.89%	12.37
Infinite Water Solutions Pvt Limited	0.55%	2,256.65	31.52%	82.42	5.37%	(0.46)	32.40%	8196
Foreign								
Euro Forbes Limited, Dubai	0.00%	9.49	-0.93%	(2.42)	0.12%	(0.01)	-0.96%	(2.42)
Forbes Lux FZCO	0.00%	11.48	-0.24%	(0.63)	6.54%	(0.56)	-0.47%	(1.19)
Adjustment/ elimination on consolidation	-0.61%	(2,473.87)	-42.86%	(112.09)	-3.04%	0.26	-44.21%	(111.83)
Non-controlling interest in all subsidiaries	0.03%	127.44	0.62%	1.61	0.00%	-	0.64%	1.61
Total	100.00%	407,734.43	100.00%	261.52	100.00%	(8.56)	100.00%	252.96



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