



Table III: Statement showing shareholding pattern of public shareholders

Category & name of shareholders (i)	No. of share holders (ii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)			No. of Shares Underlying Outstanding convertible securities (including Warrants)(x)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)	Sub-categorization of shares (xv)				
							No of Voting Rights					Total as a % of (A+B+C)	No. a	As a % of total Shares held (b)	No. a			As a % of total Shares held (b)	Shareholding (No. of shares) under		
							Class eg: X	Class eg: Y	Total										Sub- category (i)	Sub- category (ii)	Sub- category (iii)
(1) Institutions (Domestic)																					
(a) Mutual Funds	1	568			568			568	0.00												
(b) Venture Capital Funds																					
(c) Alternate Investment Funds																					
(d) Banks	2	47028			47028	0.09		47028	0.09												
(e) Insurance Companies																					
(f) Provident / Pension Funds																					
(g) Asset Reconstruction Companies																					
(h) Sovereign Wealth Funds																					
(i) NBFCs registered with RBI																					
(j) Other Financial Institutions																					
(k) Any Other (specify)																					
Sub-Total (B1)	3	47596			47596	0.09		47596	0.09												
(2) Institutions (Foreign)																					
(a) Foreign Direct Investment																					
(b) Foreign Venture Capital Investors																					
(c) Sovereign Wealth Funds																					
(d) Foreign Portfolio Investors Category I	10	6041696			6041696	11.71		6041696	11.71												
(e) Foreign Portfolio Investors Category II																					
(f) Overseas Depositories (holding DRs) (balancing figure)																					
(g) Any Other (specify)																					
Sub-Total (B2)	10	6041696			6041696	11.71		6041696	11.71												
(3) Central Government / State Government(s)																					
(a) Central Government / President of India																					
(b) State Government / Governor	1	121452			121452	0.24		121452	0.24												
(c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter																					
Sub-Total (B3)	1	121452			121452	0.24		121452	0.24												
(4) Non-institutions																					
(a) Associate companies / Subsidiaries																					
(b) Directors and their relatives (excluding independent directors and nominee directors)	1	8128			8128	0.02		8128	0.02												
(c) Key Managerial Personnel	1	4			4			4													
(d) Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter & PGC)																					
(e) Trusts where any person belonging to Promoter & PGC is trustee, beneficiary or author of the trust																					
(f) Investor Education and Protection Fund (IEPF)	1	652612			652612	1.26		652612	1.26												
INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1	652612			652612	1.26		652612	1.26												
(g) Resident Individuals holding nominal share capital up to Rs. 2 lakhs	8973	3487908			3487908	6.76		3487908	6.76												
(h) Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	19	1222052			1222052	2.37		1222052	2.37												
(i) Non Resident Indians (NRIs)	162	127316			127316	0.25		127316	0.25												
(j) Foreign Nationals																					
(k) Foreign Companies																					
(l) Bodies Corporate	83	1634456			1634456	3.17		1634456	3.17												
(m) Any Other (specify)																					
(i) Clearing Member	3	2680			2680	0.01		2680	0.01												
(ii) Overseas corporate bodies																					
(n) Trust	1	2400			2400	0.00		2400	0.00												
(o) Foreign Portfolio Investor (Individual)																					
(p) Unclaimed or Suspense or Escrow Account	1	1520			1520	0.01		1520	0.01												
(q) Resident HUF	275	125456			125456	0.24		125456	0.24												
(r) Custodian																					
(s) Employees / Office Bearers																					
(t) Foreign Bank																					
(u) Qualified Institutional Buyer																					
(v) LLP	7	17944			17944	0.03		17944	0.03												
Sub-Total (B4)	10526	7280956			7280956	14.11		7280956	14.11												
Total Public Shareholding(B) = B(1) + B(2) + B(3) + B(4)	10540	13491700			13491700	26.15		13491700	26.15												

Table IV: Statement showing shareholding pattern of Non Promoter Non Public shareholder

Category & name of shareholders (i)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)			No. of Shares Underlying Outstanding convertible securities (including Warrants)(x)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)	Sub-categorization of shares (xv)				
								No of Voting Rights					Total as a % of (A+B+C)	No. a	As a % of total Shares held (b)	No. a			As a % of total Shares held (b)	Shareholding (No. of shares) under		
								Class eg: X	Class eg: Y	Total										Sub- category (i)	Sub- category (ii)	Sub- category (iii)
(1) Custodian/DR Holder																						
(a) Name of DR Holder (if available)																						
Sub-Total (C1)																						
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)																						
Sub-Total (C2)																						
Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2)																						

E. NAME OF TOP TEN LARGEST SHAREHOLDERS OF COMPANY:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Shapoorji Pallonji and Company Private Limited	3,74,37,172	72.56
2	India Discovery Fund Limited	45,93,020	8.90
3	Antara India Evergreen Fund Ltd	13,31,564	2.58
4	Forbes Campbell Finance Limited	6,65,592	1.29
5	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	6,52,612	1.26
6	Silver Complex Private Limited	3,61,296	0.70
7	Governor of Kerala	3,19,820	0.62
8	Mangal Bhanjali	3,01,600	0.58
9	Kalpna Pramod Shah	2,40,000	0.47
10	Aakash Manek Bhanjali	1,78,800	0.35
	<b>Total</b>	<b>4,60,81,576</b>	<b>89.31</b>

F. DETAILS OF PROMOTER OF THE COMPANY  
 The Promoter of our Company is Shapoorji Pallonji and Company Private Limited.  
**Shapoorji Pallonji and Company Private Limited ("SPCL")** was incorporated on January 23, 1943 under the provisions of the Indian Companies Act, 1913. The Corporate Identification Number of the SPCL is U45200MH1943PTC03812. The Registered Office of SPCL is situated at 70, Nagindas Master Road, Fort, Mumbai, Maharashtra - 400023. The Company is engaged in various activities, including, but not limited to, construction, engineering, and infrastructure services. The Company has a long history of providing high-quality services to its clients and has established a strong reputation in the industry. The Company's business is diversified and it has a wide range of products and services. The Company is a leading player in the Indian market and has a strong presence in various sectors. The Company's financial performance has been consistently strong and it has a solid track record of growth and profitability. The Company is committed to providing excellent customer service and to maintaining high standards of quality and integrity. The Company's success is a result of the hard work and dedication of its employees and the support of its shareholders. The Company is looking forward to continued growth and success in the future.

G. DETAILS OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

Sr. No.	Name, Designation, Father's Name, DOB, DIN, Address, occupation, Date of appointment, Term	Nationality	Age (Yrs.)	Directorships in other Companies
1.	<b>Mahesh Chelaram Tahilyani</b> Non-Executive Non-Independent Director S/o Sh. Chelaram Nihalchand Tahilyani DOB: 26/09/1964 DIN: 01423064 Address: 802, Tower 5, Rustomjee Ozone CHS Limited, Goregaon (Mid) Link Road, Behind Goregaon Telephone Exchange, Goregaon (West), Mumbai-400104. Occupation: Service Date of appointment: April 1, 2024 Term: Upto March 31, 2027	Indian	59	<b>Indian Companies</b> • Next Gen Publishing Private Limited • Forval International Services Limited • Forbes & Company Limited • Forbes Bumi Armada Limited • Shapoorji Pallonji Infrastructure Capital Company Private Limited <b>LLP</b> • Superbon Advisors LLP
2.	<b>Jai Laxmikant Mavani</b> Non-Executive Non-Independent Director S/o Sh. Laxmikant Manilal Mavani DOB: 04/09/1971 DIN: 02560191 Address: 1702, Building No 5, Raheja Classic, New Link Road, Next to Infiniti Mall, Andheri West, Mumbai - 400053 Occupation: Service Date of appointment: March 30, 2024 Term: Upto ensuing Annual General Meeting and liable to retire by rotation.	Indian	52	<b>Indian Companies</b> • Gopelpur Forts Limited • Forbes Technosys Limited • Simar Port Private Limited • Shapoorji Pallonji And Company Private Limited • Superbon Hospitality Ventures Private Limited • Shapoorji Pallonji Infrastructure Capital Company Private Limited • Dhanamtar Infrastructure Private Limited • Shapoorji Pallonji Energy Private Limited • SIP Port Maintenance Private Limited • Forbes & Company Limited <b>LLP</b> • Superbon Advisors LLP
3.	<b>Marzin Roomi Shroff</b> Non-Executive Non-Independent Director S/o Sh. Roomi Shroff DOB: 23/09/1965 DIN: 00642613 Address: 201, GAI Building, 647 B, Khareghat Road, Dastur (East), Mumbai - 400 014 Occupation: Professional Date of appointment: March 30, 2024 Term: Upto ensuing Annual General Meeting and liable to retire by rotation.	Indian	59	<b>Indian Companies</b> • Nil <b>LLP</b> • Nil
4.	<b>Sivanandhan Dhanushkodi</b> Non-Executive Independent Director S/o Sh. Parumathy Dhanushkodi DOB: 03/02/1951 DIN: 03607203 Address: B/1803, Ashok Towers, Dr. Babasaheb Ambedkar Road, Panel, Mumbai, 400012 Occupation: Professional	Indian	73	<b>Indian Companies</b> • AGS Transact Technologies Limited • Kirloskar Industries Limited • S D Fine-Chem Limited • Arka Finicap Limited • Arka Financial Holdings Private Limited • Ashok Leyland Defence Systems Limited • Indrade Capital Limited • Securus First Digital Services Private Limited

Date of appointment: March 30, 2024  
 Term: Upto March 29, 2027

5. **Rani Jadhav Ajit**  
 Non-Executive Independent Director  
 D/o Sh. Kartar Singh  
 DOB: 02/06/1948  
 DIN: 07070938  
 Address: 408, Shalika, Maharashtra Karve Marg, Opp. Coopers Football Ground, Coopers, Mumbai, Nariman Point, Mumbai-400021  
 Occupation: Professional  
 Date of appointment: March 30, 2024  
 Term: Upto March 29, 2027

6. **Nikhil Jaysinh Bhatia**  
 Non-Executive Independent Director  
 S/o Sh. Jaysinh Dwarikadas Bhatia  
 DOB: 07/04/1958  
 DIN: 00414281  
 Address: 5/B, Keval Mahal, 64, Marine Drive, Near Wankhede Stadium, Mumbai - 400020  
 Occupation: Professional  
 Date of appointment: March 30, 2024  
 Term: Upto March 29, 2027

Key Managerial Personnel (KMP) of the Company  
 Apart from the Managing Director following are the KMP of our Company:

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining	Previous Employment
Vikram Nagar	Chief Financial Officer	50	ICWAI	23	April 1, 2024	Forbes & Company Limited
Rupa Khanna	Company Secretary & Compliance Officer	36	B.Com, M.Com, ACS, LLB	10	April 1, 2024	Forbes & Company Limited

H. BUSINESS MODEL AND STRATEGY  
 Forbes Precision Tools and Machine Parts Limited ("FPTL") was incorporated on August 30, 2022, under the provisions of Companies Act 2013 with the Register of Companies, Maharashtra Mumbai. The CIN of the Company is U29256MH2022PLC389648. There has been no change in the name of our Company since its incorporation. FPTL mainly caters to manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities. Metal cutting tools business is a scalable and profitable business, especially considering the demand from various industries such as automotive, aerospace, defense power & energy, die & mould & electronics. Totem caters to the demand of entire manufacturing space with solution for different material in different tools materials like High Speed Steel, carbide & High Carbon steel tools. Totem has established relationships with reliable suppliers to ensure a steady supply of high-quality input materials at competitive prices. India is growing economy & TOTEM has & continue to build product portfolio for Automotive Defense, Aerospace, Fasteners industries through product design & development. Totem is increasing its geographic penetration through appointing distribution & deploying engineers on new location. Focused international sales countries are identified to grow the international market growth. Totem is focusing on developing futuristic growth products such as medical & electronics through design & development to create value proposition in new products offerings. Totem is building its growth story with new products such as HSS drills & Hand Tools. Sales Channel development is integral part of Totem growth story. Our focus, to strengthen SCM function to create customer experience by improving time delivery in full for as product categories. Employee development through training & development is key to success of our Company.

I. SCHEME OF ARRANGEMENT:  
 The Scheme was presented under Section 230 to 232 read with section 66 of the Act, and other relevant provisions of the Companies Act 2013, as applicable from time to time, for transfer and vesting of "Demerged Undertaking" of Forbes & Company Limited ("Demerged Company") to Forbes Precision Tools and Machine Parts Limited ("Resulting Company") with effect from the Appointed Date and upon effectiveness of the Scheme on the Effective Date. In addition, the Scheme also provides for various other matters consequential and/or

material accounting policies and other explanatory information (hereinafter collectively referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed Under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2024, its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

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

**Emphasis of Matter**

We draw attention to Note 38 of the Standalone Financial Statements, which describes the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, which inter alia, provides for amalgamation and vesting of Assets & liabilities of demerged undertaking of Forbes & Company Limited (FCL) with and into company on a going concern basis approved by NCLT. The requisite certified order of the National Company Law Tribunal (NCLT) has been filed with the Registrar of Companies on March 1, 2024. Consequently, the demerged undertaking of FCL is merged into the company with effect from the appointed date of April 1, 2023.

Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's & Board of Directors' for the Standalone Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the 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 or to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to our auditor's report date. 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 the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) evaluating the effect of any identified misstatements in the Standalone Financial Statements.

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

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

**Report on Other Legal and Regulatory Requirements**

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act and 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 Changes in Equity and the Statement of Cash Flows statement dealt with by this report are in agreement with the 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
  - 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, according to the explanation given to us, the remuneration has not been paid by the Company to its directors during the year, accordingly the provisions of section 197 of the Act are not applicable to the company.
  - With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations as at March 31, 2024, on its financial position in its Standalone Financial Statements - Refer note 33 (a) to the Standalone Financial Statements.
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to the 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;
  - During the year Company has not declared/paid any dividend hence reporting under rule 11 (f) is not applicable to that extent and
  - Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 31) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

by the hand of  
Sd/-  
Parthiv S Desai  
Partner

Membership No.: (F) 042624  
UDIN-24042624BKFRSG1911

Mumbai, May 06, 2024

**Annexure A to the independent auditor's report on the standalone financial statements of Forbes Precision Tools and Machine Parts Company Limited for the year ended 31<sup>st</sup> March 2024**  
(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

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

Description of property	Gross carrying value (Rs. in Lakhs)	Title deeds held in the name of	Whether the title deed holder is a promoter, director or their relative or employee	Period held - indicate the range, where appropriate (years)	Reason for not being held in the name of the Company
Plot B-13, Waluj Industrial Area Waluj, Aurangabad-431 133	9.96	Forbes & Company Limited	No	Less than 1 Year	The Property is transferred under the composite scheme of arrangement. The company is in the process to transfer of title deeds.
Factory Building 1, Factory Building 2, Office Building and Canteen	3,428.87				

- We report that the company has not made any revaluation of PPE (including Right of use assets) or intangible assets or both during the year. Accordingly, reporting on paragraphs 3 Clause (i) (d) of the Order is not applicable to the Company.
- We report that there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraphs 3 Clause (i) (e) of the Order is not applicable to the Company.

- In our opinion and according to the information and explanations given to us:
  - the physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. Inventory lying with the third parties has been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more and have been appropriately dealt with in the books of accounts.
  - During the year the company has not been sanctioned a working capital facility. Accordingly, reporting on paragraph 3 Clause (ii) (b) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties during the year. Accordingly, paragraph 3 Clause (iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.
- During the year the Company has not given loans and advances or made investments in or provided guarantees or security to parties covered by sections 185 and 186 of the Act. Accordingly, reporting on paragraph 3 Clause (iv) of the Order is not applicable to the Company.
- During the year there is no public deposit as such in the company and no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraphs 3 Clause (v) of the Order is not applicable to the Company.
- The Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that prima facie, the prescribed cost accounts and records have been prepared and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us, in respect of statutory dues:
  - in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess, and other material statutory dues, as applicable, with the appropriate authorities as per the records of the company examined by us. Also, refer to note 33 (a) to the standalone financial statements regarding management's assessment of certain matters relating to the provident fund.
  - There are no statutory dues referred to in sub-clause (a) as at March 31, 2024, which have not been deposited on account of a dispute, except as mentioned below:

Name of the Statute	Nature of dues	The period to which the amount relates	Forum where the dispute is pending	Amount involved (Rs. in Lakhs)
Employees Provident Fund and Misc. Provisions Act, 1952	Damages	1996-2014	The Central Government Industrial Tribunal at Mumbai	16.81

- There are no such transactions that are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting on paragraph 3 Clause (vii) of the Order is not applicable to the Company.
- According to the information and explanations given to us and the records examined by us:
  - The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - The company has not been declared a willful defaulter by banks or financial institutions or other lenders. Accordingly, reporting on paragraph 3 Clause (ix) (b) of the Order is not applicable to the Company.
  - In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
  - According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on a short-term basis have been used for long-term purposes by the company.
  - The company does not have subsidiaries, associates or joint ventures. Accordingly, reporting on paragraph 3 clause (ix) (e) of the Order is not applicable to the Company.
  - The company does not have subsidiaries, associates or joint ventures. Accordingly, reporting on paragraph 3 clause (ix) (f) of the Order is not applicable to the Company.

- According to the information and explanations given to us and the records examined by us,
  - The Company being the non-listed public limited company, has not raised money by way of an initial public offer or further public offer (including debt instruments). Accordingly reporting on paragraph 3 clause (x) (a) of the Order is not applicable to the Company.
  - During the year the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, reporting on paragraph 3 clause (x) (b) of the Order is not applicable to the Company.

- According to the information and explanations given to us and during the course of our examination of the books and records of the company,
  - we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of any such case by the management.
  - No report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was required to be filed with the Central Government. Accordingly, the reporting under paragraph 3 clause (xii)(b) of the Order is not applicable to the company.
  - no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(x)(c) of the Order is not applicable to the company.

- The Company is not a Nidhi Company and hence reporting under paragraph 3 clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- The company is not required to appoint an Internal Auditor. Accordingly, reporting under paragraph 3 Clause (xiv) (a) and (b) of the order is not applicable to the company.
- During the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence reporting on compliance with the provisions of section 192 of the Companies Act, 2013 under paragraph 3 Clause (v) of the order is not applicable to the company.
- According to the information and explanations given to us and the records examined by us,
  - The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 Clause (xvii)(a) of the order is not applicable to the company.
  - The Company has not conducted non-banking financial housing finance activities during the year. Accordingly, reporting on paragraph 3 Clause (xvii)(b) of the order is not applicable to the company.
  - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on paragraph 3 Clause (xvii)(c) of the order is not applicable to the company.
  - The group has five unregistered Core Investment Companies (CICs) as part of the Group as detailed in note 42 (ii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the current year, however, the company has incurred cash losses of Rs. 1.18 Lakhs in the immediately preceding financial year.
- There has been no resignation of the statutory auditors during the year and accordingly, reporting on paragraph 3 Clause (xviii) of the order is not applicable to the company.
- According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- Section 135 of the Companies Act does not apply to the company, accordingly, reporting on Paragraph 3 Clause (ix) (a) & (b) of the order are not applicable to the company.
- The company does not have any subsidiaries, associates and joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting under paragraph 3 Clause (xix) of the Order is not applicable.

**SHARP & TANNAN ASSOCIATES**

Chartered Accountants  
Firm's Registration No.: 0109983W

by the hand of  
Sd/-  
Parthiv S Desai  
Partner

Membership No.: (F) 042624  
UDIN-24042624BKFRSG1911

Mumbai, May 06, 2024

**Annexure B to the independent auditor's report on the standalone financial statements of Forbes Precision Tools and Machine Parts Limited for the year ended 31<sup>st</sup> March, 2024**  
(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

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

We have audited the internal financial controls over financial reporting of Forbes Precision Tools and Machine Parts Limited (hereinafter referred to as "the Company") as of March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's & Board of Directors' Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

**For Sharp & Tannan Associates**

Chartered Accountants  
Firm's Registration No.: 0109983W

Sd/-  
Parthiv S Desai  
Partner

Membership No.: (F) 042624  
UDIN-24042624BKFRSG1911

Mumbai, May 06, 2024

**FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2024**

Particulars	Note No.	₹ in Lakhs As at March 31, 2024	₹ in Lakhs As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	3	6,527.72	-
b Right-of-use assets	31	343.09	-
c Capital work-in-progress	3A	468.67	-
d Other Intangible assets	3B	61.30	-
e Financial Assets:			
i Other financial assets	6A	34.53	-
f Income tax assets (net)	19	851.41	-
g Other non-current assets	9A	296.69	-
<b>Total Non-current assets</b>		<b>10,643.41</b>	<b>-</b>
<b>2 Current assets</b>			
a Inventories	7	3,846.87	-
b Financial Assets:			
i Trade receivables	4	2,944.40	-
ii Cash and cash equivalents	8	1,535.63	5.00
iii Loans & Advances	5	3.26	-
iv Other financial assets	6B	1,137.83	-
c Other current assets	9B	88.25	0.07
<b>Total Current assets</b>		<b>9,616.24</b>	<b>5.07</b>
<b>Total Assets</b>		<b>20,259.65</b>	<b>5.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity share capital	10	5,159.45	5.00
b Other equity	11	8,615.88	(1.18)
<b>Total Equity</b>		<b>13,775.33</b>	<b>3.82</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a Financial liabilities:			
i Borrowings	12	294.15	-
ii Lease Liabilities	31	216.00	-
iii Other financial liabilities	13A	85.15	-
b Provisions	14A	557.56	-
c Deferred tax liabilities (net)	15	236.77	-
<b>Total Non-current liabilities</b>		<b>1,399.63</b>	<b>-</b>
<b>2 Current liabilities</b>			
a Financial liabilities:			
i Borrowings	17	248.25	-
ii Lease Liabilities	31	125.25	-
iii Trade payables:			
a) total outstanding dues of micro enterprises and small enterprises; and	18	782.35	0.43
b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,387.07	0.07
iv Other financial liabilities	13B	538.22	-
b Other current liabilities	16	882.61	-
c Provisions	14B	129.23	0.75
d Current tax liabilities (net)	19	1,011.71	-
<b>Total Current Liabilities</b>		<b>5,084.69</b>	<b>1.25</b>
<b>Total Liabilities</b>		<b>6,484.32</b>	<b>1.25</b>
<b>Total Equity and Liabilities</b>			

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED			
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024			
Particulars	₹ in Lakhs For the year ended March 31, 2024	₹ in Lakhs For the year ended March 31, 2023	
<b>Cash flows from operating activities</b>			
Profit before tax	3,983.03	(1.18)	
<b>Adjustments for -</b>			
Depreciation, amortisation and impairment expense	1,144.59	-	
Interest income earned on financial assets that are not designated as at fair value through profit or loss:			
i) Bank deposits	(7.81)	-	
Finance costs	115.86	-	
(Gain)/Loss on disposal of property, plant and equipment	(3.56)	-	
Credit balances / excess provision written back	(15.36)	-	
Provision for doubtful loans and advances	(0.57)	-	
Trade receivables written off	(39.35)	-	
Net unrealised exchange Gain	(31.27)	-	
	1,162.53	-	
<b>Operating profit before working capital changes</b>	<b>5,145.56</b>	<b>(1.18)</b>	
<b>Changes in working capital:</b>			
Increase in trade and other receivables (₹ (2,236.80) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	(4,093.67)	(0.07)	
(Increase)/Decrease in inventories (₹ (3,115.25) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	(3,846.87)	-	
(Increase)/Decrease in other assets	(364.87)	-	
(Increase)/(Decrease) in trade and other payables (₹ (1,833.20) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	2,179.79	0.50	
Increase/(Decrease) in provisions	686.04	-	
Increase/(Decrease) in other liabilities	862.61	0.75	
	(4,586.97)	1.18	
<b>Cash generated from operations</b>	<b>548.59</b>	-	
Income taxes paid/ refunds received (net)	397.07	-	
<b>(a) Net cash flow generated from operating activities</b>	<b>945.66</b>	-	
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment (including investment properties, intangible assets and advances) (₹ (8,731.38) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	(9,726.46)	-	
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	3.76	-	
Other Loans & Advances	(2.89)	-	
Interest received	7.81	-	
<b>(b) Net cash flow generated from/(used in) investing activities</b>	<b>(9,717.58)</b>	-	
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings	1,256.20	-	
Repayment of long-term borrowings	(713.80)	-	
Finance costs paid	67.36	-	
Proceeds from Equity issue of scheme of demerger (₹ (10,794.10) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	9,786.48	5.00	
Payment of Lease Liabilities	(35.69)	-	
<b>(c) Net cash flow generated from/(used in) financing activities</b>	<b>10,362.55</b>	<b>5.00</b>	
<b>(d) Net increase in cash and cash equivalents (a + b + c)</b>	<b>1,590.63</b>	<b>5.00</b>	
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>5.00</b>	<b>-</b>	
<b>(f) Cash and cash equivalents as at the end of the year (d + e)</b>	<b>1,595.63</b>	<b>5.00</b>	
<b>Cash and cash equivalents as per above comprise of the following</b>			
	<b>March 31, 2024</b>	<b>March 31, 2023</b>	
Balances with bank	-	-	
- In current accounts	1,595.63	5.00	
<b>Balances as per statement of cash flows</b>	<b>1,595.63</b>	<b>5.00</b>	

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 on Statement of Cash Flows.
- The cash flow statement shown above has been adjusted to reflect the impact of the Scheme of Arrangement (Refer Note 38). This adjustment ensures that the net cash flow arising from the operating, investing, and financing activities is accurately accounted for.

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED			
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024			
a. Equity share capital			
Particulars	March 31, 2024		
	₹ in Lakhs		
Balance as at the beginning of the year	5.00		
Cancellation of Shares as per composite scheme of arrangement (Ref. Note 38)	(5.00)		
Paid up share Capital as per composite scheme of arrangement, subject to allotment of shares (Ref. Note 38)	5,159.45		
<b>Balance as at end of the period</b>	<b>5,159.45</b>		
b. Other equity			
Particulars	₹ in Lakhs		
	Reserves and surplus	Other Comprehensive Income	Total
	Capital Reserves on Demerger	Retained Earnings	
Balance as at the beginning of the year	-	(1.18)	(1.18)
Balance as at the beginning of the year	(3,864.58)	9,744.35	(5.67)
Deferred Tax liability (Ref Note 38)	(234.44)	(234.44)	-
Profit / (loss) for the year	-	2,971.11	2,971.11
Other comprehensive income / (loss) for the year, net of income tax	-	-	6.29
<b>Total comprehensive income / (loss) for the year</b>	-	2,971.11	6.29
<b>Balance as at end of the year</b>	<b>(3,864.58)</b>	<b>12,479.84</b>	<b>8,615.88</b>
Material Accounting Policies	1 & 2		
The accompanying notes form an integral part of the financial statements 3 to 46			

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED			
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024			
a. Equity share capital			
Particulars	March 31, 2024		
	₹ in Lakhs		
Balance as at the beginning of the year	5.00		
Cancellation of Shares as per composite scheme of arrangement (Ref. Note 38)	(5.00)		
Paid up share Capital as per composite scheme of arrangement, subject to allotment of shares (Ref. Note 38)	5,159.45		
<b>Balance as at end of the period</b>	<b>5,159.45</b>		
b. Other equity			
Particulars	₹ in Lakhs		
	Reserves and surplus	Other Comprehensive Income	Total
	Capital Reserves on Demerger	Retained Earnings	
Balance as at the beginning of the year	-	(1.18)	(1.18)
Balance as at the beginning of the year	(3,864.58)	9,744.35	(5.67)
Deferred Tax liability (Ref Note 38)	(234.44)	(234.44)	-
Profit / (loss) for the year	-	2,971.11	2,971.11
Other comprehensive income / (loss) for the year, net of income tax	-	-	6.29
<b>Total comprehensive income / (loss) for the year</b>	-	2,971.11	6.29
<b>Balance as at end of the year</b>	<b>(3,864.58)</b>	<b>12,479.84</b>	<b>8,615.88</b>
Material Accounting Policies	1 & 2		
The accompanying notes form an integral part of the financial statements 3 to 46			

**1. GENERAL INFORMATION**

Forbes Precision Tools And Machine Parts Limited was incorporated on August 30, 2022 in India having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400001. Its parent company is Shapoorji Pallonji & Company Private Limited. The Company is mainly engaged in the business of manufacturing, trading & servicing of engineering and related products and Machine & Machine parts.

**2. MATERIAL ACCOUNTING POLICIES**

**i) Statement of Compliance with Ind AS**

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

**ii) Basis of Preparation and Presentation**

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

- Certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- defined benefit plans - plan asset measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating

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

These financial statements are presented in Indian Rupees which is the Company's functional currency. All amounts are rounded off to the nearest lakhs (including two decimals), unless otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year. During the year, the Company engaged in a Scheme of Arrangement known as the "Scheme" that resulted in the demerger of the Precision Tools business of Forbes & Company Limited (the "Demerged Company") into a Forbes Precision Tools and Machine Parts Limited (the "Resulting Company"). This demerger was approved by the National Company Law Tribunal (NCLT), Mumbai Bench on 9th February 2024, and the certified copy of the order was received on 20th February 2024. The effective date of the merger is 1st March 2024.

**ii) Property, Plant and Equipment**

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

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

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

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

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

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

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

Sr. No.	Class of assets	Estimated useful life
a	Building - Factory & Office Buildings	30 - 60 years
b	Plant and Equipment	03 - 20 years
c	Furniture and Fixtures	03 - 10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
- Owned	Office equipments 5 years and Data processing equipments 3 to 6 years.	
- Leased	Lower of lease term and useful life as stated above	
f	Buildings on leasehold land	Lower of the useful life in the range of 30 - 60 years and the lease term building useful life is based on technical certification
g	Temporary structures (included in building)	5 years
h	Solar Power Plant	25 years

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

**iv) Capital work-in-progress**

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

**v) Intangible Assets**

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

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

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

Research costs are charged to the Statement of Profit and Loss as they are incurred. Cost of software is amortised over a period of 3-5 years being the estimated useful life.

**vi) Impairment of Assets**

The Company assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount (cash generating unit). The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non-financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

**vii) Financial Instruments**

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

**Financial assets**

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

**Classification:**

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding
- All other financial assets are subsequently measured at fair value.

**Effective interest method**

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

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

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

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

**Impairment of financial assets**

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

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

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

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

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

**Derecognition of financial assets**

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

**Foreign exchange gains and losses**

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

**Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by 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 its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

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

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

**Derecognition of financial liabilities**

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

**Offsetting financial instruments**

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

**Financial guarantee contracts**

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

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

**viii) Inventories**

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis. Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, consumables spares and traded goods comprises cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

**ix) Earnings per share**

Basic Earnings per share are calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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

**x) Employee Benefits**

**a) Short-term employee benefits**

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

**b) Other long-term employee benefits**

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

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

**c) Post-employment obligations**

The Company operates the following post-employment schemes:

- Defined Contribution plans such as employee state insurance scheme.
- Defined Benefit plans such as gratuity.

**Defined Contribution Plans**

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

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

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

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

**xi) Provisions and Contingent Liabilities**

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

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

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

**Onerous Contracts**

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

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

**xii) Revenue recognition**

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

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

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

**1 Sale of goods:**

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

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

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

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

- a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component
  - b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred
  - c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.
- A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

**2 Sale of Services:**

Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

**3 Interest and Dividend Income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

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

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

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

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

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

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

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

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

Right-of-use assets are measured at cost comprising the following:  
- the amount of initial measurement of lease liability  
- any lease payments made at or before the commencement date less any lease incentives received  
- any initial direct costs, and  
- restoration costs

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

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

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

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

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

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

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

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

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity. In which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be able to pay normal income tax during the specified period.

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

**xvii) Non-current assets held for sale**  
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.  
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.  
Non-current assets are not depreciated or amortised while they are classified as held for sale.

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

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

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

**2B. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**  
In the application of the material accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.  
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

**(b) Key sources of estimation uncertainty**

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

**ii) Useful life and residual value of Property, Plant and Equipment :**  
As described in Note 2A(ii), the Company reviews the estimated useful life and residual values of property, plant and equipment at each reporting date.

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

**iv) Impairment of Trade Receivables**  
The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**v) Impairment/ Obsolescence of Inventory**  
The impairment/obsolescence provisions of inventory are based on assumptions of its consumption/ usage in near future whether short term or long term. The Company uses its judgement in making these assumptions and selecting the inputs based on the past historical data, present and future market condition estimated at the end of each reporting period.

**vi) Defined Benefit Obligations**  
The present value of defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period that have terms approximating to the terms of the related obligation.

**vii) Deferred Tax Asset**  
Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be able to pay normal income tax during the specified period.

**Movement in the allowance for doubtful debts** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Impairment losses recognised on receivables	21.60	-
Impairment losses included as part of composite scheme of arrangement	258.80	-
Amounts written off during the year as uncollectible	(39.58)	-
Amounts recovered during the year	(33.35)	-
<b>Balance at end of the year</b>	<b>207.47</b>	<b>-</b>

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.  
Trade receivables of ₹ 207.47 Lakhs were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations.

**5. Loans - Current** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Loans and advances to employees</b>		
- Unsecured, considered good	3.26	-
<b>Total</b>	<b>3.26</b>	<b>-</b>

Note: The above loans are carried at amortised cost.

**6. Other financial assets**

**6A. Non current** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Security deposits</b>		
- Unsecured, considered good	94.53	-
<b>Total</b>	<b>94.53</b>	<b>-</b>

**6B. Current** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Contractually reimbursable expenses from related parties (Ref Note 29)</b>		
- Receivable due to Scheme of Arrangement (Ref Note 39)	861.93	-
- Receivable from Related Parties	255.90	-
<b>Total</b>	<b>1,117.83</b>	<b>-</b>

**7. Inventories** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials including packing materials	920.50	-
Work-in-progress	1,130.71	-
Finished goods	1,608.90	-
Stores and spares	186.76	-
<b>Total</b>	<b>3,846.87</b>	<b>-</b>

**8. Cash and cash equivalents** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
a) In Current Accounts	1,595.63	5.00
<b>Total</b>	<b>1,595.63</b>	<b>5.00</b>

**9. Other assets**

**9A. Non Current** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Capital Advances	278.56	-
b) Prepaid expenses	18.13	-
c) Balances with Government authorities		
- Doubtful	39.29	-
Less : Allowance for doubtful balances	39.29	-
<b>Total</b>	<b>296.69</b>	<b>-</b>

**9B. Current** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Advances for supply of goods and services		
- Unsecured, considered good	24.59	-
- Doubtful	0.33	-
Less : Allowance for doubtful advances	0.33	-
	24.59	-
b) Prepaid expenses	40.05	-
c) Balances with government authorities	0.00	0.07
d) Export incentives receivables	23.60	-
<b>Total</b>	<b>88.25</b>	<b>0.07</b>

**10. Equity share capital** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised Share capital :</b>		
7,80,00,000 fully paid equity shares of ₹ 10 each (Previous year 50,000 fully shares of ₹ 10 each)	7,800.00	5.00
<b>Issued, subscribed and paid-up share capital:</b>		
5,15,94,464 fully paid equity shares of ₹ 10 each (Previous year 50,000 fully shares of ₹ 10 each) (Ref. Note 38)	5,159.45	5.00

Rights, preferences and restrictions attached to equity shares  
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**1. Details of shares held by the holding company, its subsidiaries and associates**

Particulars	Fully paid Equity shares	
	As at March 31, 2024	As at March 31, 2023
Shapoorji Pallonji and Company Private Limited, the holding company	3,74,37,172	-
Forbes & Company Limited (Cancellation of Shares as per composite scheme of arrangement (Ref. Note 38))	-	50,000
<b>Total</b>	<b>3,74,37,172</b>	<b>50,000</b>

**2. Details of shares held by each shareholder holding more than 5% shares**

Particulars	Fully paid Equity shares			
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<b>Fully paid equity shares</b>				
Shapoorji Pallonji and Company Private Limited	3,74,37,172	72.56	-	-
India Discovery Fund Limited	45,93,020	8.90	-	-
Forbes & Company Limited	-	-	50,000	100.00
<b>Total</b>	<b>4,20,30,192</b>	<b>81.46</b>	<b>50,000</b>	<b>100.00</b>

**3. Details of shareholding of promoters**

Particulars	Fully paid Equity shares	
	As at March 31, 2024	As at March 31, 2024
	Number of shares held	Number of shares held
Shapoorji Pallonji and Company Private Limited	3,74,37,172	-
Forbes Campbell Finance Limited	6,65,592	-
Forbes & Company Limited	-	50,000
<b>Total</b>	<b>3,81,02,764</b>	<b>50,000</b>

**11. Other equity** ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Reserves and surplus</b>		
<b>Retained earnings</b>		
Balance at beginning of the year	(1.18)	-
Impact due to Scheme of arrangement (Ref. Note 38)	9,744.35	(1.18)
Deferred Tax liability (Ref Note 38)	(234.44)	-
Profit for the year	2,971.11	-
<b>Balance at end of the year</b>	<b>12,479.84</b>	<b>(1.18)</b>
<b>Capital Reserve on account of the Scheme of arrangement</b>		
Balance at beginning of the year	-	-
Impact due to Scheme of arrangement (Ref. Note 38)	(3,864.58)	-
<b>Balance at end of the year</b>	<b>(3,864.58)</b>	<b>-</b>
<b>b) Other Comprehensive Income</b>		
Balance at beginning of year	-	-
Impact due to Scheme of arrangement (Ref. Note 38)	(5.67)	-
Add: Current year OCI	6.29	-
<b>Balance at end of the year</b>	<b>0.62</b>	<b>-</b>
<b>Total</b>	<b>8,615.88</b>	<b>(1.18)</b>

**Description of Reserves**  
**Retained earnings** - Retained earnings represent the amount of accumulated earnings of the Company  
**Other Comprehensive Income**: Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind AS.  
**Capital Reserve on account of the Scheme of arrangement**: The difference between Paid up share capital of FCL and Paid up share capital issued by PPTL in terms of scheme of arrangement is considered as negative capital reserve.

**FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**3 Property, plant and equipment**

Particulars	₹ in Lakhs						
	Building and structures	Vehicles	Data processing equipments (Computer Hardware)	Office equipments	Furniture and fixtures	Plant and machinery	Data processing equipments Lease
<b>Cost or Deemed cost</b>							
<b>Balance at April 1, 2023</b>							
Transferred through Scheme of arrangement (Ref. Note 38)	4,439.14	41.96	220.94	64.39	108.68	16,497.40	5.48
Additions	29.17	54.17	8.32	8.89	20.57	1,095.32	-
Disposal	-	-	0.99	3.97	-	18.87	-
<b>Balance at 31st Mar, 2024</b>	<b>4,468.31</b>	<b>96.13</b>	<b>228.17</b>	<b>69.31</b>	<b>129.25</b>	<b>17,573.85</b>	<b>5.48</b>
<b>Accumulated depreciation and impairment</b>							
<b>Balance at April 1, 2023</b>							
Transferred through Scheme of arrangement (Ref. Note 38)	885.68	38.91	85.89	60.40	81.64	11,823.23	5.48
Eliminated on disposals of assets	-	-	0.80	3.97	-	18.87	-
Depreciation expense	153.76	3.45	37.38	2.75	5.92	881.92	-
<b>Balance at 31st Mar, 2024</b>	<b>1,039.44</b>	<b>42.37</b>	<b>122.47</b>	<b>59.18</b>	<b>87.56</b>	<b>12,696.28</b>	<b>5.48</b>
<b>Carrying Amount</b>							
<b>Balance at April 1, 2023</b>							
<b>Balance at 31st Mar, 2024</b>	<b>3,428.87</b>	<b>53.77</b>	<b>105.70</b>	<b>10.13</b>	<b>41.68</b>	<b>4,887.57</b>	<b>8,527.72</b>

**3A Capital work-in-progress**

Particulars	₹ in Lakhs				
	As at 1st Apr., 2023	Additions	Amounts Capitalised	As at March 31, 2024	As at March 31, 2023
Capital work in progress (Ref. Note 38)	-	1,305.34	836.68	468.67	-
<b>Previous year</b>					
Capital work in progress (Ref. Note 38)	-	-	-	-	-
<b>Capital work-in-progress- Ageing</b>					
<b>Current Year</b>					
Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	468.67	-	-	-	468.67
Projects temporarily suspended	-	-	-	-	-
<b>Previous year</b>					
Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

There are no material Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan significantly.

**Title deeds of immovable properties not held in the name of company**

Description of Property	Gross Carrying Value (₹ in Lakhs)	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range where appropriate (years)	Reason for not holding in the name of the Company	Relevant line item in the Balance Sheet
Plot B-13, Waluj Industrial Area Waluj, Aurangabad-431 133	9.97	No	Less than 1 Year	The Property is transferred under composite scheme of arrangement. The company applied to superintendent of Stamp for adjudication on 2nd April 2024. The Payment of duty will happen after the confirmation of value.	Property, plant and equipment
Factory Building 1, Factory Building 2, Office Building and Canteen	3,428.87	No	Less than 1 Year	The Property is transferred under composite scheme of arrangement. The company applied to superintendent of Stamp for adjudication on 2nd April 2024. The Payment of duty will happen after the confirmation of value.	Property, plant and equipment

**4. Trade receivables**

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
a) Trade receivables from contract with customers	2,821.49	-
b) Trade receivables from contract with customers - Related parties (Ref Note 29)	330.38	-
c) Less: Loss allowance	207.47	-
<b>Total</b>	<b>2,944.40</b>	<b>-</b>
<b>Break-up of security details</b>		
a) Secured, considered good	72.03	-
b) Unsecured, considered good	2,872.37	-
c) Doubtful	207.47	-
	3,151.86	-
Less: Allowance for doubtful debts (expected credit loss allowance)	207.47	-
<b>Total</b>	<b>2,944.40</b>	<b>-</b>

For Trade receivable from Related parties (Refer Note 29)  
The average credit period on sales is approximately 56 days. There were two customers namely TTI Partners SPC acting for whose outstanding is ₹ 798.77 Lakhs & Universal Machinery Stores whose outstanding was ₹ 202.71 Lakhs (both other than intercompany balances) who represent more than 5% of the total balance of trade receivables.

**Ageing of Trade receivables for the year ended 31st March, 2024** ₹ in Lakhs

Particulars	Not due	Outstanding for the following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 year	
<b>Undisputed trade receivables</b>							
Considered good	2,531.46	412.94	-	-	-	-	2,944.40
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	12.14	8.80	5.78	9.49	171.26	207.47
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,531.46</b>	<b>425.08</b>	<b>8.80</b>	<b>5.78</b>	<b>9.49</b>	<b>171.26</b>	<b>3,151.86</b>
Less: Allowance							

12. Non-current Borrowings

Particulars	₹ in Lakhs			
	Non-current		Current maturities	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
<b>(a) Term loans</b>				
<b>From banks</b>				
<b>i) DCB Bank Limited Term Loan</b> - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waki, MIDC, Aurangabad. [Repayable in 48 equated monthly installments, after moratorium of 12 months. First instalment is due on 4th April, 2022 and last instalment is due on 4th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan Pursuant to Scheme of arrangement the said Term Loan is transferred to the company. (Ref Note 38)	294.15	248.25	-	-
Less: Amount disclosed under "Current Borrowings"	-	(248.25)	-	-
<b>Total</b>	<b>294.15</b>	<b>-</b>	<b>-</b>	<b>-</b>

13. Other financial liabilities

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
Security deposits	95.15	-
<b>Total</b>	<b>95.15</b>	<b>-</b>

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
a) Interest accrued but not due on borrowings	3.56	-
b) Others:-		
- Payables on purchase of fixed assets	452.79	-
- Security deposits	28.49	-
- Other Payables to Related parties (Ref Note 29)	53.38	-
<b>Total</b>	<b>538.22</b>	<b>-</b>

14. Provisions

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
<b>a) Employee benefits</b>		
Compensated absences	122.52	-
Gratuity (Ref Note 30)	435.04	-
<b>Total</b>	<b>557.56</b>	<b>-</b>

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
<b>Employee benefits</b>		
Compensated absences	56.28	-
Gratuity (Ref Note 30)	72.95	-
Other Provisions	-	0.75
<b>Total</b>	<b>129.23</b>	<b>0.75</b>

15. Deferred tax balances

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

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
Deferred tax liabilities	236.77	-
<b>Net</b>	<b>236.77</b>	<b>-</b>

Particulars	Opening balance	Transferred pursuant to Scheme of Arrangement (Ref Note 38)	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
a) Property, plant and equipment	-	(378.89)	10.15	-	(368.75)
b) Right of Use Assets	-	(9.33)	(77.02)	-	(86.35)
c) Lease Liability	-	7.75	78.13	-	85.89
d) Allowances for doubtful debts and advances	-	75.25	(13.06)	-	62.19
e) Defined benefit obligation	-	-	-	-	-
f) Provisions and liabilities to be allowed on payment basis	-	70.78	(17.07)	(2.12)	51.59
g) Stamp duty/ROC fees	-	-	15.16	-	15.16
h) Disallowance u/s 40(a)(ia)	-	-	3.50	-	3.50
<b>Total</b>	<b>-</b>	<b>(234.44)</b>	<b>(0.21)</b>	<b>(2.12)</b>	<b>(206.77)</b>

16. Other liabilities

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
a) Advances from customers	30.42	-
b) Statutory remittances	133.56	-
c) Others		
- Payable to Employees	696.35	-
- Others	2.29	-
<b>Total</b>	<b>862.61</b>	<b>-</b>

17. Borrowings

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
Current maturities of long term borrowings	248.25	-
<b>Total</b>	<b>248.25</b>	<b>-</b>

18. Trade payables

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
Micro and small enterprises	782.35	0.43
Others (includes due to related parties as per Note 29)	1,387.07	0.07
<b>Total</b>	<b>2,169.43</b>	<b>0.50</b>

Particulars	Not due	Outstanding for the following periods from the due date				Total
		6 months - 1 year	1-2 years	2-3 years	more than 3 year	
<b>Undisputed trade payables</b>						
Micro enterprises and small enterprises	782.35	-	-	-	-	782.35
Others	1,329.13	57.94	-	-	-	1,387.07
<b>Disputed trade receivables</b>						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>2,111.49</b>	<b>57.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,169.43</b>

Particulars	Not due	Outstanding for the following periods from the due date				Total
		6 months - 1 year	1-2 years	2-3 years	more than 3 year	
<b>Undisputed trade payables</b>						
Micro enterprises and small enterprises	0.43	-	-	-	-	0.43
Others	0.07	-	-	-	-	0.07
<b>Disputed trade receivables</b>						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	675.70	0.43
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	(87.89)	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	25.31	-
Further interest remaining due and payable for earlier years	169.03	-

19. Income tax assets and liabilities

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024
<b>Tax assets</b>		
Taxes paid (including tax deducted at source / self assessment tax)	851.41	-
<b>Tax liabilities</b>		
Income tax payable (net)	1,011.71	-
<b>Net Asset</b>	<b>(160.30)</b>	<b>-</b>
<b>Movement during the year</b>		
Balance at the beginning of the year	-	-
Add: Taxes paid (including tax deducted at source / self assessment tax)	851.41	-
Less: Current tax payable for the year	(1,011.71)	-
Balance at the year end	<b>(160.30)</b>	<b>-</b>

20. Revenue from operations

The following is an analysis of the Company's revenue for the year from continuing operations.

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Sales</b>		
<b>Sale of products</b>		
i) Finished Goods	22,351.66	-
ii) Traded Good	231.15	-
<b>Sale of services</b>		
i) Service income	78.66	-
<b>b) Other operating revenues</b>		
i) Export incentives	105.75	-
ii) Others (mainly includes scrap sales)	82.45	-
<b>Total (a+b)</b>	<b>22,849.66</b>	<b>-</b>

21. Other Income

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Interest Income</b>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	7.81	-
ii) Customers and others	9.16	-
<b>Total (a)</b>	<b>16.97</b>	<b>-</b>
<b>b) Other Non-Operating Income</b>		
i) Credit balances / excess provision written back	15.36	-
ii) Gain on termination of lease (Ref Note 31)	3.78	-
iii) Miscellaneous income (mainly includes recoveries from group companies)	66.28	-
<b>Total (b)</b>	<b>85.41</b>	<b>-</b>
<b>c) Other gains and losses</b>		
i) Gain on disposal of property, plant and equipment	3.56	-
<b>Total (c)</b>	<b>3.56</b>	<b>-</b>
<b>Total (a + b + c)</b>	<b>105.94</b>	<b>-</b>

22. A. Cost of materials consumed (raw and packing materials)

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of raw materials including packing materials		
Raw materials including packing materials through scheme of arrangement (Ref. Note 38)	470.57	-
Purchases	8,499.98	-
	8,970.55	-
Less: Closing stock of raw materials including packing materials	820.50	-
	8,050.05	-

Consumption is arrived at on the basis of Acquisition through scheme of arrangement plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count. (Ref. Note 38)

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Inventories at the end of the year:</b>		
i) Finished goods	1,608.90	-
ii) Work-in-progress	1,130.71	-
	2,739.61	-
<b>b) Inventories Acquisition through scheme of arrangement (Ref. Note 38)</b>		
i) Finished goods	1,137.19	-
ii) Work-in-progress	1,028.67	-
iii) Stock-in-trade	353.70	-
	2,519.57	-
<b>Net increase (b)-(a)</b>	<b>(220.04)</b>	<b>-</b>

23. Employee benefits expense

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Salaries and Wages	3,594.49	-
ii) Contribution to provident and other funds (Refer Note 30)	241.38	-
iii) Staff Welfare Expenses	270.64	-
<b>Total</b>	<b>4,106.51</b>	<b>-</b>

24. Finance costs

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Interest costs :-</b>		
i) Interest on bank overdrafts and loans	76.93	-
ii) Interest on loans from related parties	1.08	-
iii) Interest expenses on lease liabilities	10.63	-
iv) Delayed payment of taxes	0.59	-
v) Other interest expense	25.31	-
	114.55	-
<b>(b) Other borrowing costs</b>	<b>1.32</b>	<b>-</b>
<b>Total</b>	<b>115.86</b>	<b>-</b>

25. Depreciation and amortisation expense

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Depreciation on property, plant and equipment (Refer Note 3)	1,085.19	-
ii) Depreciation-Right-of-use assets (Ref Note 31)	23.21	-
iii) Amortisation of intangible assets (Refer Note 3)	36.19	-
<b>Total</b>	<b>1,144.59</b>	<b>-</b>

26. Other expenses

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	810.36	-
Processing charges	1,418.33	-
Power and fuel	555.94	-
Service charges	567.58	-
Rent and hire charges	2.66	-
<b>Repairs and maintenance to :</b>		
i) Buildings	45.35	-
ii) Plant and machinery	371.82	-
iii) Others	228.76	-
	643.93	-
Insurance	44.27	-
Rates and taxes	46.68	0.03
Selling expenses, commission and brokerage	35.02	-
Freight and outward charges	352.70	-
Advertisement and sales promotion	195.49	-
Printing and Stationery	39.58	-
Communication	32.77	-
Legal and professional charges	327.05	0.40
Travelling and conveyance	240.50	-
Trade receivables written off	39.35	-
Less: Provision held	(39.35)	-
	-	-
Provision for doubtful loans and advances	(0.57)	-
Corporate social responsibility expenditure (Refer Note 1 below)	-	-
Net loss on Foreign currency transactions and translations	6.79	-
Security Expenses	59.41	-
Miscellaneous expenses	249.36	-
Auditors remuneration		
To Statutory Auditors		
i) For audit	10.00	0.75
ii) For other services & Certifications	5.00	-
	15.00	0.75
To Cost auditors	4.01	-
	19.01	0.75
<b>Total</b>	<b>5,646.88</b>	<b>1.18</b>

Note 1: Details of Corporate social responsibility expenditure:

As per Section 135 of the Act, a Company does not meet the applicability threshold, thus Corporate social responsibility expenditure is not applicable for the FY ended 31st March 2024 & FY ended 31st March 2023.

27. Income taxes

Particulars	₹ in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income tax recognised in profit or loss</b>		
<b>For Continuing operations</b>		
<b>Current tax</b>		
In respect of the current year	1,011.71	-
<b>Deferred tax</b>		
In respect of the current year	2.33	-
<b>Deferred Tax</b>	<b>2.33</b>	<b>-</b>
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>1,014.04</b>	<b>-</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax from total operations</b>	<b>3,983.03</b>	<b>(1.18)</b>
<b>Income tax expense calculated at 25.168% (2022-23: 25.168%)</b>	<b>1,002.45</b>	<b>-</b>
Effect of expense that is non deductible in determining taxable profit	6.37	-
Effect of tax incentives and concession	2.08	-
Others	1.01	-
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>1,011.92</b>	<b>-</b>
<b>Income tax recognised in other comprehensive income</b>		
<b>Others</b>		
Re-measurement of defined benefit obligation	2.12	-
<b>Total income tax expense recognised in other comprehensive income</b>	<b>2.12</b>	<b>-</b>
<b>Deferred Tax</b>		
Deferred tax Expenses	0.21	-

28. The calculation of profit attributable to equity shareholders and weighted average number of equity shares

29. Related party disclosures (contd.)

Sr. No.	Particulars	₹ in Lakhs							
		A		B		B		Total	
		Shapoorji Pallonji and Company Private Ltd.	Parties in A above	Forbes & Company Limited	Forbes Campbell Finance Ltd.	Campbell Properties & Hospitality Services Ltd.	Forvo International Services Ltd.		Parties in B above
<b>Balances</b>									
1	Trade Payables and Capital Creditors	-	-	477.48	0.82	0.06	0.64	478.80	478.80
2	Trade Receivable	-	-	330.38	-	-	-	330.38	330.38
3	Receivable pursuant to the Scheme of arrangement	-	-	881.93	-	-	-	881.93	881.93
4	<b>Purchases / Services</b>								
	Fixed Assets/ Goods & Materials	-	-	437.59	-	-	-	437.59	437.59
5	<b>Expenses</b>								
	Rent	-	-	9.99	0.69	-	-	10.68	10.68
6	Travelling and conveyance expenses	-	-	-	-	0.05	1.37	1.42	1.42
7	Interest Paid	-	-	1.08	-	-	-	1.08	1.08
8	<b>Other Receipts / Payments</b>								
	Other Reimbursements (Receipt)	-	-	1,719.00	-	-	-	1,719.00	1,719.00
9	Other Reimbursements (Payment)	-	-	63.17	-	-	-	63.17	63.17
10	<b>Finance</b>								
	ICD taken	-	-	75.00	-	-	-	75.00	75.00
11	ICD Repayment	-	-	75.00	-	-	-	75.00	75.00

Terms and conditions:-  
a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.  
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.  
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

Sr. No.	Particulars	₹ in Lakhs							
		A		B		B		Total	
		Shapoorji Pallonji and Company Private Ltd.	Parties in A above	Forbes & Company Limited	Forbes Campbell Finance Ltd.	Campbell Properties & Hospitality Services Ltd.	Forvo International Services Ltd.		Parties in B above
<b>Balances</b>									
1	Trade Payables and Capital Creditors	22.98	22.98	-	1.08	2.59	2.90	2.60	9.17
2	Interest accrued on investment / loan	-	-	0.66	-	-	-	-	0.66
3	Advance for Supply of Goods and Services and Prepaid Exps.	7.66	7.66	-	-	-	-	-	7.66
4	Receivable pursuant to the Scheme of arrangement	-	-	2,725.58	-	-	-	-	2,725.58
5	Deposits/ICD Payable	-	-	75.00	-	-	-	-	75.00
6	<b>Expenses</b>								
	Rent	-	-	-	6.60	-	-	-	6.60
7	Travelling and conveyance expenses	-	-	-	-	4.22	55.04	-	59.26
8	Legal and professional charges	84.27	84.27	-	-	-	-	-	84.27
9	Repairs and Maintenance	115.48	115.48	-	-	-	4.37	-	119.85
10	Selling expenses, commission and brokerage	-	-	-	-	-	91.86	-	91.86
11	Interest Paid	-	-	0.66	-	-	-	-	0.66
12	<b>Income</b>								
	Rent and amenities	-	-	-	-	-	-	41.35	41.35
13	<b>Other Receipts / Payments</b>								
	Other Reimbursements (Receipt)	-	-	-	-	-	-	8.91	8.91
14	<b>Finance</b>								
	ICD taken	-	-	75.00	-	-	-	-	75.00

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.  
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.  
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.  
d) The Balances and Transaction shown above are carried forward due to the Composite Scheme of arrangement. (Ref. Note 38)

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

30. Employee Benefits :-

**Brief description of the Plans:**  
The Company has various schemes for long term employees benefits such as Provident Fund, Gratuity, Employees State Insurance Fund (ESIC) and Employees' Pension Scheme and Compensated absences. The Company's defined contribution plans are Employees State Insurance Fund, Provident Fund, and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Gratuity.

**Gratuity**

The Company provides for gratuity payable to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The gratuity plan is a funded plan. The company having a plan to retail gratuity fund separately in future. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

**Provident Fund**

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

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

I. Charge to the Statement of Profit and Loss based on contributions:

Particulars	₹ in Lakhs	
	Year Ended As at March 31, 2024	As at March 31, 2023
Employer's contribution to Regional Provident Fund Office	65.90	-
Employer's contribution to Superannuation Fund	31.15	-
Employer's contribution to Employees' State Insurance Corporation and other funds	38.99	-
Included in Contribution to Provident and Other Funds (Refer Note 23)	-	-

II. Disclosures for defined benefit plans based on actuarial valuation reports :-

A. Change in Defined Benefit Obligation

Particulars	₹ in Lakhs			
	Gratuity (Non funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation as at beginning of the year	-	-	-	-
Current Service Cost	4.63	-	-	-
Liability Transferred In for employees joined	513.34	-	-	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>517.98</b>	<b>-</b>	<b>-</b>	<b>-</b>

B. Changes in the Fair Value of Assets

Particulars	₹ in Lakhs			
	Gratuity (Non funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Fair Value of Plan Assets as at beginning of the year	-	-	-	-
Contributions from employer	10.00	-	-	-
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>10.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

32.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios (Ref Note 38)	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Reason for Variance*
Current Ratio	Current assets	Current liabilities	1.89	4.05	
Debt-Equity Ratio	Total debt	Total equity	6%	0%	For FY 22-23, there was no Debt, thus debt equity ratio couldn't be calculated.*
Debt Service Coverage Ratio	Earning for debt	Debt service	6.06	0.00	For FY 22-23, there was no Debt, thus debt service coverage ratio couldn't be calculated.*
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	43%	-31%	For FY 22-23, there was no sales and few expenses incurred. Hence return on equity was negative.*
Inventory turnover ratio (times)	COGS	Average inventory	4.14	0.00	For FY 22-23, there was no Closing inventory, thus Inventory turnover ratio could not be calculated.*
Trade Receivables turnover ratio (times)	Credit sales	Average trade receivable	15.52	0.00	For FY 22-23, there was no sales as well as debtors, thus Trade Receivable turnover ratio could not be calculated.*
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	8.58	0.00	For FY 22-23, there was no purchases thus Trade payable turnover ratio could not be calculated.*
Net capital turnover ratio (times)	Credit sales	working capital	5.04	0.00	For FY 22-23, there was no sales, thus Net capital turnover ratio could not be calculated.*
Net profit ratio	Net profit after tax	Revenue from operations	13%	0%	For FY 22-23, there was no sales thus Net profit ratio couldn't be calculated.*
Return on Capital employed	Earnings before interest and tax	capital employed	30%	-31%	For FY 22-23, there was no sales and few expenses incurred. Hence return on Capital employed was negative.*
Return on investment	Earnings before interest and tax	Closing total assets	20%	-23%	For FY 22-23, there was no sales and few expenses incurred. Hence return on investment was negative.*

\*Reasons for Variances are only provided for the change in ratios by more than 25% as compared to the ratios of Previous year. Pursuant to scheme of arrangement, there were no business operations in FY 2022-23, therefore ratios couldn't be calculated. (Ref Note 38)

H. Category of Assets

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Insurance fund	10.00	-
<b>Total</b>	<b>10.00</b>	<b>-</b>

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India (LIC) as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory Development Authority Regulations.

I. Other Details

Particulars	Gratuity (Non funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Number of Active Members	489	-	-	-
Per Month Salary for Active Members (₹ in Lakhs)	72.93	-	-	-
Weighted Average Duration of the Projected Benefit Obligation	4	-	-	-
Average Expected Future Service (Years)	4	-	-	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	517.98	-	-	-
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	72.93	-	-	-

J. Cash Flow Projection: From the Fund

Particulars	₹ in Lakhs	
	Estimated for the As at March 31, 2024	Estimated for the As at March 31, 2024
Projected Benefits Payable in Future Years From the Date of Reporting	166.07	-
1st Following Year	70.49	-
2nd Following Year	93.82	-
3rd Following Year	66.03	-
4th Following Year	48.88	-
5th Following Year	136.71	-
Sum of Years 6 To 10	-	-

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
1st Following Year	166.07	-
2nd Following Year	70.49	-
3rd Following Year	93.82	-
4th Following Year	66.03	-
5th Following Year	48.88	-
Sum of Years 6 To 10	136.71	-

K. Sensitivity Analysis

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Impact of +1% Change in Rate of Discounting	(12.63)	-
Impact of -1% Change in Rate of Discounting	13.80	-
Impact of +1% Change in Rate of Salary Increase	14.02	-
Impact of -1% Change in Rate of Salary Increase	(13.27)	-
Impact of +1% Change in Rate of Employee Turnover	0.62	-
Impact of -1% Change in Rate of Employee Turnover	(0.73)	-

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

L. The liability for Compensated absences as at year end is ₹ 178.80 Lakhs (Previous year Nil) (Refer Note 14). Leave encashment policy has funded by company on 16th April 2024 with a transfer from Forbes & Company Limited as per the Scheme of arrangement. (Ref Note 39)

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ 123.83 Lakhs (Previous year Nil).

31 Leases

Lessee accounting

(i) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Right-of-use assets</b>		
Office premises	333.14	-
Land	9.95	-
<b>Total</b>	<b>343.09</b>	<b>-</b>
<b>Lease liabilities</b>		
Non-current	216.00	-
Current	125.25	-
<b>Total</b>	<b>341.25</b>	<b>-</b>

(ii) Right-of-use assets for the year ended 31st March, 2024.

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Cost or Deemed cost		
Balance at 31st March, 2023	49.98	-
Additions	344.88	16.50
Disposals	49.98	-
<b>Balance at 31st Mar, 2024</b>	<b>344.88</b>	<b>16.50</b>
Accumulated depreciation		
Balance at 31st March, 2023	23.03	6.37
Depreciation expense for the year	23.04	0.17
Disposals	34.33	-
<b>Balance at 31st Mar, 2024</b>	<b>11.74</b>	<b>6.54</b>
Carrying Amount		
<b>Balance at 31st Mar, 2024</b>	<b>333.14</b>	<b>9.95</b>

(iii) Amounts recognized in Statement of Profit and Loss.

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

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Depreciation charge of right-of-use assets		
Office Premises	23.04	0.17
Land	0.17	-
<b>Total</b>	<b>23.21</b>	<b>-</b>
Interest expense on lease liability (included in finance cost)	10.63	-
<b>Total</b>	<b>33.84</b>	<b>-</b>

During the year, Pursuant to scheme of arrangement the old lease agreements terminated and new agreements were entered into consequently, the difference between the carrying amounts of the right-of-use asset and the lease liability recorded in the statement of profit or loss as a gain or loss and such gain shown under other income.

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

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

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

32. Financial Instruments

32.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

Particulars	₹ in Lakhs		₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
<b>Total Equity</b>	<b>13,775.33</b>	<b>-</b>	<b>3.82</b>	<b>-</b>
Long Term Borrowings	294.15	-		

As at March 31, 2024					
Maturities of Financial Liabilities as at the Balance Sheet date	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above	
Borrowings (includes interest)	288.05	266.08	-	-	-
Trade Payables	2,169.42	-	-	-	-
Other Financial Liabilities	3,067.80	331.92	-	-	-
Lease liability	125.25	216.00	-	-	-
	<b>5,650.32</b>	<b>834.00</b>	-	-	-

As at March 31, 2023					
Maturities of Financial Liabilities as at the Balance Sheet date	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above	
Trade Payables	0.50	-	-	-	-
Other Financial Liabilities	0.75	-	-	-	-
	<b>1.25</b>	-	-	-	-

As at March 01, 2024					
Particulars	FVTPL	FVTOCI	Amorised Cost		
<b>Financial Assets</b>					
Loans	-	-	-	3.26	-
Cash and Bank Balances	-	-	-	1,595.63	-
Trade Receivables	-	-	-	2,944.40	-
Other Financial Assets	-	-	-	1,226.08	-
	-	-	-	<b>5,769.37</b>	-
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	542.40
Trade Payables	-	-	-	-	2,169.42
Other Financial Liabilities	-	-	-	-	1,495.98
Lease liability	-	-	-	-	341.25
	-	-	-	-	<b>4,549.05</b>

As at March 01, 2023					
Particulars	FVTPL	FVTOCI	Amorised Cost		
<b>Financial Assets</b>					
Cash and Bank Balances	-	-	-	5.00	-
Other Financial Assets	-	-	-	0.07	-
	-	-	-	<b>5.07</b>	-
<b>Financial liabilities</b>					
Trade Payables	-	-	-	-	0.50
Other Financial Liabilities	-	-	-	-	0.75
	-	-	-	-	<b>1.25</b>

**32.6 Categories of Financial Instruments:**

The Company is exposed to Currency Risk arising from its trade exposures and capital loan receipts/payments denominated in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

**a) Particulars of unhedged foreign currency exposures as at the reporting date**

Currencies	As at March 31, 2024						As at March 31, 2023					
	Advances from customers		Loans and advances to related party		Trade receivables		Advances from customers		Loans and advances to related party		Trade receivables	
	FC	INR	FC	INR	FC	INR	FC	INR	FC	INR	FC	INR
USD	0.07	6.08	-	-	14.63	1,219.16	-	-	-	-	-	-
GBP	-	-	-	-	0.73	77.01	-	-	-	-	-	-
EUR	0.01	0.82	-	-	-	-	-	-	-	-	-	-

Currencies	As at March 31, 2024				As at March 31, 2023			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC	INR	FC	INR	FC	INR	FC	INR
USD	0.07	5.56	4.61	384.51	-	-	-	-
EUR	0.04	3.52	3.95	346.81	-	-	-	-
GBP	-	-	-	-	-	-	-	-

Of the above, the Company is mainly exposed to USD, and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

**(b) Sensitivity As at March 31, 2024**

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	14.70	4.68	4.17	41.78
USD	Decrease by 5%	14.70	4.68	(4.17)	(41.78)
EUR	Increase by 5%	0.04	3.86	4.50	(17.19)
EUR	Decrease by 5%	0.04	3.86	(4.50)	17.19

**32.8 Interest rate risk**

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

**(a) Interest rate risk exposure**

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	As at March 31, 2024				As at March 31, 2023			
	Weighted average interest rates	% of total loans	Total Borrowings	Weighted average interest rates	% of total loans	Total Borrowings		
Term Loans from Banks	9.25%	100%	542.40	9.25%	0%	-		
<b>Total</b>			<b>542.40</b>					

**(b) Sensitivity**

The sensitivity of profit / (loss) to changes in interest rates/exchange rates:

Particulars	As at March 31, 2024	As at March 31, 2023
Rates increase by 100 basis points*	5.42	-
Rates decrease by 100 basis points*	(5.42)	-
* Holding all other variables constant		

**33. Contingencies and other commitments**

**(a) Contingencies**

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts	-	-
Labour matters in dispute	16.81	-

**(b) Commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹314.35 Lakhs; (Previous year Nil))	1,382.38	-

**34. Net debt reconciliation**

Particulars	As at March 31, 2024		As at March 31, 2023	
	₹ in Lakhs		₹ in Lakhs	
Long Term Borrowings	(294.15)	-	(294.15)	-
Current Maturities of Long Term Borrowings	(248.25)	-	(248.25)	-
Lease Liability	(341.25)	-	(341.25)	-
<b>Total debt</b>	<b>(883.65)</b>	-	<b>(883.65)</b>	-
Cash and Cash equivalents	1,595.63	5.00	1,595.63	5.00
<b>Net debt</b>	<b>711.98</b>	<b>5.00</b>	<b>711.98</b>	<b>5.00</b>

Particulars	As at March 31, 2024				As at March 31, 2023				
	Cash and cash equivalents	Long term borrowing including current maturity	Short term borrowing	Lease Liability	Total	Cash and cash equivalents	Long term borrowing including current maturity	Short term borrowing	Lease Liability
<b>Net debt as at 1st April, 2023</b>	<b>5.00</b>	-	-	-	<b>5.00</b>	1,590.63	(542.40)	(341.25)	706.98
Cash flows	1,590.63	(542.40)	-	(341.25)	706.98	(76.93)	(1.08)	(10.63)	(883.65)
Interest expense	-	-	-	-	-	76.93	1.08	-	78.01
Interest paid	-	-	-	-	-	-	-	-	-
Non cash movements for acquisitions and disposals	-	-	-	-	-	-	-	-	-
<b>Net debt as at 31st March, 2024</b>	<b>1,595.63</b>	<b>(542.40)</b>	<b>(341.25)</b>	<b>711.98</b>					

**35. Offsetting financial assets and financial liabilities**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gross amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in Balance Sheet	(Net Financial Assets - Trade Receivables)
31st March, 2024	3,599.27	417.40	3,151.86	
31st March, 2023	3,599.27	417.40	3,151.86	

The Company gives rebates/discounts for Engineering segment. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

**36. Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Specific charge	Non-current	Specific charge	Non-current
- Leasehold land	9.95	-	-	-
- Freehold buildings	3,428.87	-	-	-
- Plant & Machinery	5,034.70	-	-	-
- Furniture & fixtures	39.89	-	-	-
- Office equipments	9.58	-	-	-
- Capital work-in-progress	468.67	-	-	-
<b>Total non-currents assets pledged as security</b>	<b>8,991.67</b>	-	-	-
<b>Total assets pledged as security</b>	<b>8,991.67</b>	-	-	-

**37. Segment reporting:** The Ind AS 108, "Operating segments", notified pursuant to Companies (Accounting Standards) Rules, 2015, requires management to determine the reportable segments for disclosure in financial statements based on internal reporting reviewed by the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The company manufactures precision cutting tools and related components. Based on management analysis, the company has only one operating segment, so no separate segment report is provided. The principal geographical area in which the company operates is India.

**38. Scheme of Arrangement**

The Board of Directors of Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and Forbes & Company Limited ("FCL" or the "Demerged Company") in their respective meetings held on 26th September 2022, approved the Scheme of Arrangement ("Scheme") between FCL and FPTL, as well as their respective shareholders, in accordance with Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions and rules. This Scheme entails the demerger of the "Precision Tools business" from FCL into FPTL, with an appointed date of 1st April 2023. The Honorable National Company Law Tribunal ("NCLT") of the Mumbai bench approved the scheme via Order No. C.P.(CA)/303/MB-V/2023 dated 9th February 2024. The certified true copy of the order was received on 22nd February 2024 and filed with the Registrar of the Company on 1st March 2024. The Scheme became effective / operative from the effective date of March 1, 2024, with this, the Precision Tools business of FCL being transferred to and vested in FPTL with effect from the appointed date i.e., April 1, 2023.

Upon the coming into effect of the Scheme, the existing share capital of FPTL, amounting to ₹ 5.00 Lakhs divided into 50,000 shares of ₹ 10 each, fully paid up, held by the shareholders of the Demerged Company, prior to the Scheme becoming effective, shall stand cancelled without any further application, act, instrument, or deed, as an integral part of this Scheme, with adjustments done through Capital Reserve of the Company. As per the Composite Scheme of Arrangement, the Resulting Company has issued four fully paid-up equity shares of ₹ 10- each for every one fully paid-up equity share of ₹ 10- each held by the equity shareholders of the Demerged Company (FCL) as of the Record Date, which was 7th March 2024. The shareholders of FCL are entitled to receive 4 shares of FPTL against each share held by them. Accordingly, the paid-up capital of FPTL is determined as 5,15,94,464 shares of Rs. 10 each, having a total value of ₹ 5,159.45 Lakhs. The record date for allotment was fixed as 7th March 2024, and the issuance and allotment of equity shares took place on 13th March 2024.

As per Para 12 of Appendix C of Ind AS 103, the difference between Paid up share capital of FCL Rs 1289.96 Lakhs and Paid up share capital issued by FPTL amounting to Rs 5159.45 Lakhs in terms of scheme of arrangement is considered as negative capital reserve amounting Rs 3869.50 Lakhs. The pre-merger equity share capital of Rs 5 Lakhs of FPTL is cancelled and adjusted against the capital reserve.

From the appointed date, the precision tools business of FCL, including all its assets and liabilities is transferred and vested to FPTL in accordance with this Scheme. Consequently, the deferred tax liability related to those assets and liabilities will be measured and will result in a direct charge of Rs. 234.44 Lakhs to the opening balance of retained earnings of FPTL. Moreover, for the period from April 1, 2023, to March 31, 2024, the incremental deferred tax liability amounting to ₹ 2.33 Lakhs debited to the Profit and Loss account.

The financial statement of the Company reflects the financial position on the basis of consistent accounting policies. The book value of assets acquired, and liabilities were taken over under the scheme of arrangement as on appointed date are listed below:

Particulars (₹ in Lakhs)	The demerged undertaking of the parent company
<b>I. ASSETS</b>	
<b>1. Non-Current Assets</b>	
(a) Property, plant and equipment	8,414.02
(b) Right-of-use assets	37.07
(c) Capital work-in-progress	182.80
(d) Other intangible assets	97.49
(e) Other financial asset	81.64
(f) Current tax assets (net)	4.31
(g) Other non-current assets	230.26
<b>Total</b>	<b>9,047.59</b>
<b>2. Current Assets</b>	
(a) Inventories	3,115.25
(b) Financial assets	2,236.80
(c) Trade receivables	366.83
(d) Cash and cash equivalents	0.28
(e) Loans	282.79
(f) Other current assets	6,001.85
<b>Total</b>	<b>15,049.53</b>

Particulars (₹ in Lakhs)	The demerged undertaking of the parent company
<b>II. LIABILITIES</b>	
<b>1. Non-current Liabilities</b>	
(a) Financial liabilities	1,012.95
(b) Lease liability	18.87
(c) Deferred tax liabilities (net)	234.44
<b>Total</b>	<b>1,266.26</b>
<b>2. Current Liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	243.25
(ii) Lease liability	11.94
(iii) Trade payables	1,833.20
(iv) Other financial liabilities	131.16
(v) Other current liabilities	742.03
(c) Provisions	27.58
<b>Total</b>	<b>2,989.17</b>
<b>TOTAL LIABILITIES</b>	<b>4,255.43</b>
<b>NETWORTH</b>	<b>16,794.10</b>

The Comparative numbers of the financial statements are not comparable as the Composite Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools & Machine Parts Limited has caused an impact.

**39.** The Scheme of Arrangement for the demerger of the "Precision Tools business" from Forbes & Company Limited (FCL) to the Company has received approval from the Hon'ble National Company Law Tribunal ("NCLT") of Mumbai/bench through Order No. C.P.(CA)/303/MB-V/2023 dated February 9, 2024, Mumbai Bench. The certified true copy of the order was filed with the Registrar of the Company on March 1, 2024, and the Scheme became operative as of March 1, 2024. Consequently, the Precision Tools business of FCL has been transferred to and vested in the Company with effect from the appointed date, i.e., April 1, 2023. All transactions previously recorded in Forbes & Company Limited pertaining to the Precision Tools business have been transferred to the Company as of the effective date, March 1, 2024. The impact of Certain assets and liabilities transferred from FCL to the Company is net receivables amounting to ₹ 661.93 Lakhs presented under note no. 8B as Contractually reimbursable expenses from related parties. Details of this transfer are as follows:

Particulars	₹ in Lakhs
Shown as receivable on account of HDFC Life - Leave encashment	346.38
This amount, pertaining to the employees transferred, was receivable through FCL from HDFC Life Insurance Company Limited which has been credited on 18th April 2024 to the leave encashment policy of the company with HDFC Life Insurance Company Limited.	
Shown as receivable on account of Gratuity fund with LIC.	535.55
This amount would be transferred from LIC - Forbes Gratuity account to the Company's Gratuity account by LIC.	
<b>Total</b>	<b>881.93</b>

**40.** The Indian Parliament has approved the Code on Social Security, 2020 ("the code") which, inter alia, deals with employees benefits during employment and post-employment. The code has been published in the Gazette of India. The effective date of the code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of change, if any, will be assessed and recognised post notification of the relevant provisions.

**41. Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013**

- Details of Benami property held there as per any proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at 31st March, 2023.
- Willful defaulter: The Company has not been declared willful defaulter by any bank or financial institution or other lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.
- Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (i) The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
  - 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 to or on behalf of the ultimate beneficiaries.
- (ii) The company has not received any fund from any person(s) or entity(ies), including foreign entities (lending party) during the year 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 lending party (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- Undisclosed income: The company does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year.
- Details of crypto currency or virtual currency: The group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- Valuation of PP&E, intangible asset and investment property: The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**42. Other regulatory information**

- Registration of charges or satisfaction with Registrar of Companies: There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- Utilisation of borrowings availed from banks and financial institutions: The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Group has five CICs which are part of the Group - SP Finance Private Limited, - SC Finance and Investments Private Limited, - Hermes Commerce Private Limited, - Renaissance Commerce Private Limited and - Shapoorji Pallonji Energy Private Limited (formerly known as Shapoorji Pallonji Oil and Gas Private Limited).

**43.** The Comparative numbers of the financial statements are not comparable as the Composite Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools & Machine Parts Limited has caused an impact.

**44.** The Company had filed listing application with BSE limited on April 2, 2024 and received in principle approval on April 26, 2024. We are awaiting SEBI relaxation letter under rule 19(2)(b) of the Securities Contracts (Regulation) Act 1957.

**45.** The Managing Director, Chief Financial Officer & Company Secretary were appointed w.e.f April 01, 2024 and were authorized by the Board to sign the financials of the Company.

**46.** The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 08th May, 2024.

For and on behalf of the Board of Directors	
M.C. TAHILYANI Managing Director DIN: 01423084	Sd/-
JAIL MAVANI Director DIN: 05260191	Sd/-
VIKRAM V. NAGAR Chief Financial Officer	Sd/-
RUPA KHANNA Company Secretary Membership No.: A33322	Sd/-

Date: May 06, 2024  
Place: Mumbai

**K. CHANGE IN THE ACCOUNTING POLICIES IN LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND RESERVES:**

There is no