



# FORBES & COMPANY LIMITED

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O/C

BSE LTD.  
INWARD SECTION  
25 JUL 2012  
CONTENTS NOT VERIFIED  
SIGN.....

Date: 25th July, 2012

Secretary,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Dear Sirs,

**PART I - Statement of Unaudited Financial Results for the quarter ended 30th June, 2012**

(₹ in Lakhs)

Particulars	3 months ended 30.06.2012 (Unaudited)	Preceding 3 months ended 31.03.2012 (Unaudited) (see Note 5)	Corresponding 3 months ended 30.06.2011 in the previous year (Unaudited)	Previous year ended 31.03.2012 (Audited)
<b>1 Income from operations</b>				
a) Net sales / Income from operations (net of excise duty)	6,041	7,822	6,334	26,676
b) Other operating income	351	287	454	1,734
<b>Total income from operations (net)</b>	<b>6,392</b>	<b>8,109</b>	<b>6,788</b>	<b>28,410</b>
<b>2 Expenses</b>				
a) Cost of materials consumed	1,050	1,867	1,124	5,355
b) Purchases of stock-in-trade	220	199	125	586
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(217)	(51)	168	150
d) Employee benefits expense	1,053	1,002	967	4,050
e) Depreciation and amortisation expense	287	304	297	1,211
f) Charter hire charges (see Note 2)	-	-	1,063	1,063
g) Transportation, freight, hire charges and other operating costs relating to Shipping and Logistics division	1,814	1,752	1,472	6,739
h) Other expenses	1,816	2,499	1,651	7,920
<b>Total expenses</b>	<b>6,023</b>	<b>7,572</b>	<b>6,867</b>	<b>27,074</b>
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>369</b>	<b>537</b>	<b>(79)</b>	<b>1,336</b>
<b>4 Other income</b>	<b>74</b>	<b>144</b>	<b>38</b>	<b>284</b>
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>443</b>	<b>681</b>	<b>(41)</b>	<b>1,620</b>
<b>6 Finance costs</b>	<b>271</b>	<b>342</b>	<b>298</b>	<b>1,300</b>
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>172</b>	<b>339</b>	<b>(339)</b>	<b>320</b>
<b>8 Exceptional Items (see Note 1)</b>	<b>6,050</b>	<b>143</b>	<b>-</b>	<b>153</b>
<b>9 Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>6,222</b>	<b>482</b>	<b>(339)</b>	<b>473</b>
<b>10 Tax expense - Current tax</b>	<b>960</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11 Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>5,262</b>	<b>482</b>	<b>(339)</b>	<b>473</b>
<b>12 Extraordinary items (net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 Net Profit / (Loss) for the period / year (11+12)</b>	<b>5,262</b>	<b>482</b>	<b>(339)</b>	<b>473</b>
<b>14 Paid-up equity share capital (Face Value of ₹ 10 each)</b>	<b>1,290</b>	<b>1,290</b>	<b>1,290</b>	<b>1,290</b>
<b>15 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b>				<b>12,400</b>
<b>16 Basic and diluted Earnings per share (Face Value of ₹ 10 each) (Not annualised for quarters)</b>	<b>₹ 40.80</b>	<b>₹ 3.74</b>	<b>₹ (2.63)</b>	<b>₹ 3.66</b>
<b>Note:</b> Chartering loss arising from the stand by charter agreement as stated in Note 2 included in these results	-	-	513	513

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PART II - Select information for the quarter ended 30th June, 2012

Particulars	3 months ended 30.06.2012 (Unaudited)	Preceding 3 months ended 31.03.2012 (Unaudited) (see Note 5)	Corresponding 3 months ended 30.06.2011 in the previous year (Unaudited)	Previous year ended 31.03.2012 (Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>				
<b>1 Public Shareholding</b>				
- Number of shares	3436925	3436925	3436925	3436925
- Percentage of shareholding	26.65%	26.65%	26.65%	26.65%
<b>2 Promoters and Promoter Group Shareholding</b>				
<b>a) Pledged / Encumbered</b>				
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
<b>b) Non-encumbered</b>				
- Number of shares	9461691	9461691	9461691	9461691
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	73.35%	73.35%	73.35%	73.35%

Particulars	3 months ended 30.06.2012
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	12 *
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	12 *
* Related to court cases	


  
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Reporting of Segment wise Revenue, Results and Capital Employed

(₹ in Lakhs)

	3 months ended 30.06.2012 (Unaudited)	Preceding 3 months ended 31.03.2012 (Unaudited) (see Note 5)	Corresponding 3 months ended 30.06.2011 in the previous year (Unaudited)	Previous year ended 31.03.2012 (Audited)
<b>1 Segment Revenue</b>				
(a) Engineering	3,227	4,780	3,602	15,536
(b) Shipping and Logistics Services	2,820	2,927	2,749	11,219
(c) Real Estate	345	402	437	1,655
<b>Total</b>	<b>6,392</b>	<b>8,109</b>	<b>6,788</b>	<b>28,410</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Total Income from operations (net)</b>	<b>6,392</b>	<b>8,109</b>	<b>6,788</b>	<b>28,410</b>
<b>2 Segment Results [Profit / (Loss) before Tax and finance costs from each Segment (including exceptional items related to segments)]</b>				
(a) Engineering	434	712	619	2,350
(b) Shipping and Logistics Services	112	331	(627)	(130)
(c) Real Estate	6,258	197	371	1,207
<b>Total</b>	<b>6,804</b>	<b>1,240</b>	<b>363</b>	<b>3,427</b>
Less: Exceptional items other than related to segments	-	(58)	-	(58)
	<b>6,804</b>	<b>1,182</b>	<b>363</b>	<b>3,369</b>
Less: Finance costs	(271)	(342)	(298)	(1,300)
<b>Balance</b>	<b>6,533</b>	<b>840</b>	<b>65</b>	<b>2,069</b>
Less: Unallocable expenses net of unallocable income	(311)	(358)	(404)	(1,596)
<b>Profit / (Loss) before Tax</b>	<b>6,222</b>	<b>482</b>	<b>(339)</b>	<b>473</b>
<b>3 Capital Employed (Segment assets less segment liabilities)</b>				
(a) Engineering	6,765	6,774	5,901	6,774
(b) Shipping and Logistics Services	2,718	2,985	3,597	2,985
(c) Real Estate	(1,657)	(1,595)	(2,338)	(1,595)
	<b>7,826</b>	<b>8,164</b>	<b>7,160</b>	<b>8,164</b>
Unallocated	17,876	19,069	16,363	19,069
<b>Total Capital Employed</b>	<b>25,702</b>	<b>27,233</b>	<b>23,523</b>	<b>27,233</b>

  
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**NOTES:**

## 1. Exceptional items:

*(₹ in Lakhs)*

	3 months ended 30.06.2012 (Unaudited)	Preceding 3 months ended 31.03.2012 (Unaudited) (see Note 5)	Corresponding 3 months ended 30.06.2011 in the previous year (Unaudited)	Previous year ended 31.03.2012 (Audited)
Termination benefits and one time settlement with employees	-	(17)	-	(75)
Profit on sale of land and building including interest on delayed payment	6,050	-	-	68
Prior period adjustment – written down value of fixed assets written off in an earlier year, written back in previous year	-	46	-	46
Income on settlement of disputed matters	-	114	-	114
<b>TOTAL</b>	<b>6,050</b>	<b>143</b>	<b>-</b>	<b>153</b>

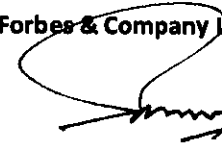
2. To secure the lenders of SCI Forbes Limited (SFL), a jointly controlled entity, amongst other undertakings, two of the joint venture partners, including the Company, had to, sign a standby charter agreement, under which, in the event the vessels were not on charter with a lender approved third party at anytime during the pendency of the loan, two vessels each would come on automatic charter to the joint venture partners at rates specified in the standby charter agreement. Immediately thereafter the global financial crisis occurred with shipping being badly hit with charter rates crashing. The lenders sought a change in some commercial terms for agreeing to approve charterers and other forms of vessel deployment. Whilst this negotiation was going on, the loan covenant had got activated and the Company (as also its other JV partner) had to take the vessels on charter at standby charter rates and deploy them on market rates resulting in the loss of ₹ 513 Lakhs during previous quarter ended 30<sup>th</sup> June, 2011 and previous year ended 31<sup>st</sup> March, 2012. With effect from 1<sup>st</sup> July, 2011, the aforesaid standby charter agreement has been suspended and consequently the ships have been re-delivered by the Company as also by the joint venture partner to SFL. Non-provision of estimated loss arising from the aforesaid onerous standby charter agreements not being in accordance with the requirements of Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29) was a subject matter of a qualification in the audit report for the year ended 31<sup>st</sup> March, 2011.
3. Account balances of trade payables and other current liabilities aggregating ₹ 2,835 Lakhs and trade receivables, long term / short term loans and advances and other current assets aggregating ₹ 1,681 Lakhs relating to the Shipping and Logistics division are in the process of detailed review and reconciliation. This was a subject matter of qualification in the audit report for the year ended 31<sup>st</sup> March, 2012 and continues to be a subject matter of qualification in the limited review report for this quarter ended 30<sup>th</sup> June, 2012. The Management expects that the net effect on the financial results would not be material on completion of this exercise.
4. The Company has long term investments in equity shares and preference shares aggregating ₹ 7,090 Lakhs in its Joint Venture Company, viz. SCI Forbes Limited, which has four chemical tankers (vessels) currently deployed on time charter. In the opinion of the management, the downturn in the shipping industry in the recent past is exceptional in nature and is considered to be a temporary event. The chemical business is expected to grow in near future and having regard to very low level of order position for purchase of new vessels, there would be better deployment of existing vessels which would improve the charter hire rates. Based on the present value of estimated future cash flow expected to arise from the continuing use of vessels and from its disposal at the end of its useful life, no provision for diminution, other than temporary in the value of these investments, held as long term, is required to be made.
5. The figures for the preceding 3 months ended 31.03.2012 are the balancing figures between the audited figures in respect of the full financial year ended 31.03.2012 and year to date figures up to the third quarter of the financial year ended 31.03.2012.



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6. Figures for the previous period are re-classified / re-arranged / regrouped, wherever necessary, as per the format revised by SEBI in conformity with the amended schedule VI to the Companies Act, 1956.
7. The above results were reviewed by the Audit Committee meeting and approved by the Board of Directors of the Company at their respective meetings held on 25<sup>th</sup> July, 2012 and subjected to a Limited Review by the statutory auditors.

For Forbes & Company Limited



(Ashok Barat)  
Managing Director

Mumbai, 25<sup>th</sup> July, 2012



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**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
FORBES & COMPANY LIMITED  
ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **FORBES & COMPANY LIMITED** ("the Company") for the quarter ended 30<sup>th</sup> June, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

3. Emphasis of Matter

Without qualifying our review report, we continue to draw attention to Note 4 on the Statement regarding no provision made for diminution, other than temporary, in the value of the Company's long term investments in equity shares and preference shares aggregating ₹ 7,090 Lakhs in its Joint Venture Company, viz. SCI Forbes Limited for the reasons stated in the said Note.

4. Basis for Qualified Conclusion

The accompanying unaudited financial results are subject to adjustments that may arise on completion of detailed review and reconciliation, by the Management, of account balances of trade payables and other current liabilities aggregating ₹ 2,835 lakhs and, trade receivables, long-term / short-term loans & advances and other current assets aggregating ₹ 1,681 lakhs, relating to the Company's Shipping and Logistics segment, the effect of which could not be determined on the profit for the quarter ended 30<sup>th</sup> June, 2012 with consequential effect on earnings per share. Our audit report for the year ended 31<sup>st</sup> March, 2012 contained a similar qualification. [See Note 3 on the Statement]

5. Qualified Conclusion

Based on our review conducted as stated above, read with the matter described in Emphasis of Matter in paragraph 3 above and except for the possible effects of the matter described in Basis for Qualified Conclusion in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with BSE Limited, including the manner in which it is to be disclosed, or that it contains any material misstatement.

*ml* *RKB*

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**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
FORBES & COMPANY LIMITED  
ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS (contd.)**

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreement and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117366W)



Rajesh K Hiranandani  
Partner  
(Membership No.: 36920)

MUMBAI, 25<sup>th</sup> July, 2012

