



# FORBES & COMPANY LIMITED

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Date: 30th June, 2009

Secretary,  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

BOMBAY STOCK EXCHANGE LTD.  
INWARD SECTION

01 JUL 2009

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Dear Sirs,

Compliance with the requirements of Clause 41 of the Listing Agreement -  
Audited Financial Results for the year ended 31st March, 2009

We set out the audited financial results for the year ended 31st March, 2009.

(Rs. in Lakhs)

| Particulars  | STANDALONE  |   | CONSOLIDATED  |   |
|--|---|---|---|---|
|  | Year to Date<br>figures for<br>current<br>period ended<br>31.03.2009<br>(Audited) | Previous<br>accounting<br>Year ended<br>31.03.2008<br>(Audited) | Year to Date<br>figures for<br>current<br>period ended<br>31.03.2009<br>(Audited) | Previous<br>accounting<br>Year ended<br>31.03.2008<br>(Audited) |
| 1 Net Sales / Income from Operations   | 18,715  | 19,569  | 115,983   | 112,235   |
| 2 Other Operating Income   | 1,336   | 1,227   | 4,669   | 4,876   |
| 3 Total (1+2)  | 20,051  | 20,797  | 120,652   | 117,112   |
| 4 Total Expenditure  |   |   |   |   |
| a) (Increase)/Decrease in Stock and Work in Progress   | 990   | (72)  | 2,789   | (2,972)   |
| b) Consumption of Raw Materials  | 3,095   | 3,210   | 31,768  | 29,676  |
| c) Purchase of Traded Goods  | 3,481   | 4,196   | 10,209  | 18,082  |
| d) Employees Cost  | 4,212   | 3,787   | 20,944  | 19,216  |
| e) Depreciation  | 1,190   | 1,070   | 3,708   | 3,685   |
| f) Other Expenditure   | 9,953   | 9,294   | 50,783  | 44,776  |
| Sub Total  | 22,922  | 21,485  | 120,201   | 112,463   |
| 5 Profit from Operations before Other Income, Interest and Exceptional Items (3-4)           | (2,870)   | (688)   | 451   | 4,649   |
| 6 Other Income (See Note 2)  | 1,065   | 2,342   | -   | -   |
| 7 Profit before Interest and Exceptional Items (5+6)   | (1,806)   | 1,654   | 451   | 4,649   |
| 8 Interest (Net) (See Note 5)  | 1,412   | 817   | 3,271   | 1,807   |
| 9 Profit after Interest but before Exceptional Items (7-8)                                   | (3,218)   | 837   | (2,820)   | 2,842   |
| 10 Exceptional Items   | (1,429)   | (467)   | (77)  | (268)   |
| 11 Profit/(Loss) from Ordinary Activities before Tax (9+10)                                  | (4,647)   | 370   | (2,897)   | 2,574   |
| 12 Tax Expense   |   |   |   |   |
| Income-tax-Current   | 12  | (180)   | 1,654   | 1,342   |
| Deferred Tax Adjustments   | (6)   | 213   | (87)  | 135   |
| Fringe Benefits tax  | 81  | 80  | 406   | 419   |
| Wealth tax and Adjustment to taxes (current & deferred)                                      | 15  | 17  | 16  | 17  |
| Sub Total  | 102   | 130   | 1,989   | 1,914   |
| 13 Net Profit/(Loss) from Ordinary Activities after tax (11-12)                              | (4,749)   | 240   | (4,886)   | 660   |
| 14 Extraordinary Items (net of tax expense)  | -   | -   | -   | -   |
| 15 Net Profit/(Loss) for the period (13-14)  | (4,749)   | 240   | (4,886)   | 660   |
| Net Share of Profit / (Loss) in Associates (Equity Method)                                   |   |   | (379)   | (283)   |
| Net Share of Loss / (Profit) on cessation of Subsidiaries                                    |   |   | -   | -   |
| Net Minority Interest in Loss / (Profit) of Subsidiaries                                     |   |   | 57  | 96  |
| Profit after Share of Associates and Minority Interest                                       |   |   | (5,208)   | 472   |
| 16 Paid up Equity Share Capital<br>(Face Value of Rs. 10 each)                               | 1,290   | 1,290   | 1,273   | 1,273   |
| 17 Reserves excluding Revaluation Reserve  | 13,006  | 18,157  | 19,359  | 24,968  |
| 18 Basic and diluted Earning per Share   | Rs.(36.82)  | Rs. 1.86  | Rs.(38.37)  | Rs. 5.18  |
| 19 Aggregate of Public Shareholding  |   |   |   |   |
| No. of Shares  | 3436925   | 3436925   |   |   |
| Percentage   | 26.65%  | 26.65%  |   |   |
| 20 Promoters and Promoter Group shareholding   |   |   |   |   |
| a) Pledged / Encumbered  |   |   |   |   |
| - Number of shares   | 47400   | 47400   |   |   |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group)     | 0.50%   | 0.50%   |   |   |
| - Percentage of shares (as a % of the total share capital of the company)                    | 0.37%   | 0.37%   |   |   |
| b) Non - encumbered  |   |   |   |   |
| - Number of shares   | 9414291   | 9414291   |   |   |
| - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 99.50%  | 99.50%  |   |   |
| - Percentage of shares (as a % of the total share capital of the company)                    | 72.99%  | 72.99%  |   |   |

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**Quarterly Reporting of Segmentwise Revenue, Results & Capital Employed under clause 41 of the Listing Agreement**

|   | (Rs. in Lakhs)   |   | (Rs. in Lakhs)   |   |
|---|--|---|--|---|
|   | STANDALONE   |   | CONSOLIDATED   |   |
|   | Year to Date figures for current period ended 31.03.2009 (Audited) | Previous accounting Year ended 31.03.2008 (Audited) | Year to Date figures for current period ended 31.03.2009 (Audited) | Previous accounting Year ended 31.03.2008 (Audited) |
| <b>1 Segment Revenue :(net sales / income from each segment)</b>            |  |   |  |   |
| (a) Home Appliances   | -  | -   | 89,529   | 83,749  |
| (b) Engineering   | 8,786  | 8,738   | 15,316   | 9,134   |
| (c) Business Automation   | 4,665  | 5,282   | -  | -   |
| (d) Contract Manufacturing  | 549  | 958   | -  | -   |
| (e) Logistics Services  | 5,071  | 4,343   | 13,519   | 8,358   |
| (f) Personal Wear   | 126  | 410   | 126  | 410   |
| (g) Online Lottery  | -  | -   | 653  | 5,657   |
| (h) Others  | 936  | 1,138   | 1,126  | 15,634  |
| (i) Unallocated   | 1,100  | 2,351   | 1,266  | 2,815   |
| <b>Total</b>  | <b>21,234</b>  | <b>23,220</b>                                       | <b>121,537</b>   | <b>125,757</b>                                      |
| Less: Inter Segment Revenue   | 118  | 82  | 884  | 8,645   |
|   | <b>21,116</b>  | <b>23,138</b>                                       | <b>120,652</b>   | <b>117,112</b>                                      |
| <b>2 Segment Results (Profit before Tax and interest from each Segment)</b> |  |   |  |   |
| (a) Home Appliances   | -  | -   | 4,964  | 4,874   |
| (b) Engineering   | 756  | 1,373   | (636)  | 1,380   |
| (c) Business Automation   | (396)  | 126   | -  | -   |
| (d) Contract Manufacturing  | (666)  | (457)   | -  | -   |
| (e) Logistics Services  | 464  | (229)   | 842  | (232)   |
| (f) Personal Wear   | (2,321)  | (663)   | (2,321)  | (663)   |
| (g) Online Lottery  | -  | -   | (7)  | (529)   |
| (h) Others  | (253)  | 32  | (1,320)  | (946)   |
| <b>Total</b>  | <b>(2,416)</b>   | <b>183</b>  | <b>1,522</b>   | <b>3,884</b>  |
| Less: Interest (Net)  | 1,412  | 817   | 3,271  | 1,807   |
| <b>Balance</b>  | <b>(3,828)</b>   | <b>(635)</b>  | <b>(1,749)</b>   | <b>2,077</b>  |
| Add/(Less): Unallocated Income (net of Unallocated Expenditure)             | (819)  | 1,005   | (1,379)  | 497   |
| <b>Profit before Tax</b>  | <b>(4,647)</b>   | <b>370</b>  | <b>(3,128)</b>   | <b>2,574</b>  |
| <b>3 Capital Employed (Segment assets Less Segment Liabilities)</b>         |  |   |  |   |
| (a) Home Appliances   | -  | -   | 27,087   | 21,897  |
| (b) Engineering   | 7,271  | 7,813   | 10,506   | 7,812   |
| (c) Business Automation   | 193  | 1,359   | -  | -   |
| (d) Contract Manufacturing  | 720  | 893   | -  | -   |
| (e) Logistics Services  | 5,165  | 4,792   | 14,121   | 8,061   |
| (f) Personal Wear   | 138  | 1,871   | 138  | 1,871   |
| (g) Online Lottery  | -  | -   | (125)  | (372)   |
| (h) Others  | (3,715)  | (2,012)   | (3,137)  | 4,816   |
| (i) Unallocated   | -  | -   | 7,849  | (17,714)  |
|   | <b>9,773</b>   | <b>14,716</b>                                       | <b>56,439</b>  | <b>26,371</b>                                       |

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**NOTES:**

1. Previous period's / year's figures have been regrouped / recast wherever necessary.
2. Other Income includes:

*(Rs. in Lakhs)*

|   | <b>Year<br/>Ended<br/>31.03.09</b> | <i>Previous<br/>accounting<br/>Year ended<br/>31.03.08</i> |
|---|------------------------------------|--|
| Profit on sale of Investments / Property / Other Assets | 90                                 | 986  |
| Dividend received                                       | 764                                | 1,526  |

3. Exceptional items:

*(Rs. in Lakhs)*

|   | <b>Year<br/>Ended<br/>31.03.09</b> | <i>Previous<br/>accounting<br/>Year ended<br/>31.03.08</i> |
|---|------------------------------------|--|
| Provision for receivables and reduction in the inventory values in respect of operations discontinued in the previous year. | (700)                              | (467)  |
| Termination Benefit, one time settlement with employees and amortisation of cost of Voluntary Retirement Scheme.            | (267)                              | -  |
| Provision for Diminution in the value of Investments  | (36)                               | -  |
| Provision for Loans and Advances  | (426)                              | -  |
| <b>TOTAL</b>  | <b>(1,429)</b>                     | <b>(467)</b>   |

- 4.1 The auditors in their report for the year ended 31.03.2008, have made observation on the values of certain investments. Of these, in one of the Investments, the Company has a long term interest, hence no provision for diminution is considered necessary. In respect of other Investments necessary provision has since been made for diminution.
- 4.2 As regards the observation of the Auditors in the report, regarding revaluation of certain assets, the practice followed by the Company was based on the legal advice received by the Company and after 31<sup>st</sup> March, 2007 and before 31<sup>st</sup> March, 2008, these assets have been sold and therefore the question of basis of valuation of these assets as at 31<sup>st</sup> March, 2008, does not remain.
- 4.3 The auditors had commented on the recognition of deferred tax assets aggregating Rs.349 lakhs by the Company in the absence of virtual certainty of future profits and consequential direct tax liabilities against which such assets could be realised. As the deferred tax asset aggregating Rs.398 lakhs, recognised in respect of the unamortized portion of voluntary retirement compensation which was set off against the General Reserves of the Company as at 31<sup>st</sup> March 2007, in terms of the order of the Honourable High Court of Judicature at Karnataka dated 13<sup>th</sup> July 2007, the amount of the corresponding deferred tax asset has also been set off against the General Reserves.
5. Interest cost shown in item 8 above (for Standalone) is net after deducting interest income Rs.178.91 Lakhs for the year ended 31<sup>st</sup> March, 2009 (*corresponding previous year Rs.435.59 Lakhs*).

6. As advised vide letters dated 26<sup>th</sup> May, 2009 and 19<sup>th</sup> June, 2009 the Company has purchased in aggregate 29,33,176 shares of Next Gen Publishing Ltd. (Next Gen) from Bauer Consumer Media Ltd. which has decided to opt out of Next Gen. With the acquisition of 29,33,176 shares, the total shareholding of the Company in Next Gen has increased to 78,41,410 shares which is 64.34% of the share capital of Next Gen. Thus, Next Gen has become a subsidiary company of the Company.
7. During the quarter the Company has transferred out the following investments at book value to its wholly-owned subsidiary Forbes Finance Ltd.

|                               |                      |
|-------------------------------|----------------------|
| Forbes Smart Data Ltd.        | Rs.5.00 lakhs        |
| Forbes Campbell Services Ltd. | Rs.1.50 lakhs        |
| <b>TOTAL:</b>                 | <b>Rs.6.50 lakhs</b> |

8. Forbes Finance Limited (FFL), a wholly-owned subsidiary company, has made a further investment of Rs.200 lakhs in the equity shares of Forbes Technosys Ltd. (FTL) during the quarter by purchase of shares from another shareholder of FTL and by subscribing to the further issue by FTL. FTL is now a wholly-owned subsidiary of FFL.
9. As a part of business restructuring, the Company has transferred the assets and liabilities relating to its Business Automation Group, to its wholly owned subsidiary, Forbes Technosys Ltd. with effect from 1<sup>st</sup> April, 2009.
10. FFL has purchased 33,998 shares of Forbes Campbell Services Ltd. (FCSL) from other shareholders of FCSL. FFL now hold 49,998 shares of FCSL which is 98% of the share capital of FCSL. FCSL, is now a subsidiary of FFL.
11. Eureka Forbes Ltd. (EFL), a wholly-owned subsidiary of the Company and Aquamall Water Solution Ltd., a wholly-owned subsidiary of EFL, have made investments in Aquadiagnostics Water Research Technology Center Ltd.
12. The Company has a number of subsidiaries and joint ventures, some of them are overseas. Their Accounts certified by management, have been incorporated in Consolidated Accounts, pending receipt of their audited Accounts. Auditors have observed upon this and related aspects of consolidation. In respect of an overseas subsidiary, of one of its subsidiaries, the auditors did not express opinion on financial statements, in the absence of sufficient evidence of fair value of trade and other receivables, impact of which could be material.
13. As on 1<sup>st</sup> January, 2009, 1 (one) shareholder's complaint was pending. The Company received 1 (one) complaint during the quarter ended 31<sup>st</sup> March, 2009 and both the complaints has been resolved to the satisfaction of the shareholders. Further, as on 1<sup>st</sup> January, 2009, there were 12 (twelve) shareholders related court cases which remained pending as at 31<sup>st</sup> March, 2009.
14. The above results were reviewed by Board of Directors of the Company on 30<sup>th</sup> June, 2009.
15. The share transfer books of the Company will remain closed from 11<sup>th</sup> August, 2009 to 24<sup>th</sup> August, 2009. In view of loss, Directors have not recommended any dividend for the year.

**For Forbes & Company Limited**

  
**(Ashok Barat)**  
**Managing Director**

**Mumbai, 30<sup>th</sup> June, 2009**