



FORBES & COMPANY LIMITED

Registered Office : Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001, India.
Phone : +91 22 4074 9191 • Fax : +91 22 4074 9102

Date: 13th August, 2010

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

Dear Sirs,

Compliance with the requirements of Clause 41 of the Listing Agreement -
Audited Financial Results for the year ended 31st March, 2010

We set out the audited financial results for the year ended 31st March, 2010.

(Rs. in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2010 (Audited)	Previous accounting Year ended 31.03.2009 (Audited)	Year ended 31.03.2010 (Audited)	Previous accounting Year ended 31.03.2009 (Audited)
1 Net Sales / Income from Operations	15,929	18,715	125,502	116,171
2 Other Operating Income	1,235	1,323	2,752	2,905
3 Total (1+2)	17,164	20,038	128,254	119,076
4 Total Expenditure				
a) (Increase)/decrease in stock-in-trade and work-in-progress	377	890	2,367	2,734
b) Consumption of Raw Materials	3,043	3,095	32,309	31,824
c) Purchase of Traded Goods	885	3,709	15,297	10,416
d) Employees cost	3,584	4,153	21,168	20,959
e) Depreciation	1,292	1,190	4,347	3,657
f) Other expenditure	9,529	9,806	50,339	50,752
g) Total expenditure (a to f)	18,708	22,943	125,827	120,943
5 Profit/(Loss) from Operations before Other Income, Interest, Prior Period Items and Exceptional Items (3-4)	(1,544)	(2,905)	2,427	(1,267)
6 Other Income (See Note 2)	1,486	1,099	650	576
7 Profit/(Loss) before Interest, Prior Period Items and Exceptional Items (5+6)	(58)	(1,806)	3,078	(691)
8 Interest (Net) excluding exceptional items (See Note 3)	1,420	1,412	891	2,377
9 Profit/(Loss) after interest but before Prior Period Items and Exceptional Items (7-8)	(1,478)	(3,218)	2,187	(3,068)
10 Prior Period Items (See Note 8)	-	-	427	1,007
11 Profit/(Loss) after interest but before Exceptional Items (9+10)	(1,478)	(3,218)	2,614	(2,061)
12 Exceptional Items (See Note 1)	456	(1,429)	1,898	(710)
13 Profit/(Loss) from Ordinary Activities before Tax (11+12)	(1,022)	(4,647)	4,512	(2,771)
14 Tax Expense				
Income-tax-Current	-	-	1,392	1,659
Income-tax adjustment in respect of earlier years (See Note 4)	191	12	163	-
Deferred tax adjustments	-	(6)	23	(89)
Fringe benefit tax	-	81	-	406
Wealth tax	13	15	13	16
Sub Total	204	182	1,591	1,991
15 Net Profit/(Loss) from Ordinary Activities after tax (13-14)	(1,226)	(4,749)	2,920	(4,762)
16 Extraordinary Items (net of tax expense)	-	-	-	-
17 Net Profit/(Loss) for the period (15-16)	(1,226)	(4,749)	2,920	(4,762)
Net Share of Profit / (Loss) in Associates (Equity Method)			(33)	(79)
Net Minority Interest in Loss / (Profit) of Subsidiaries			(61)	31
Profit after Share of Associates and Minority Interest			2,826	(5,110)
18 Paid up Equity Share Capital (Face Value of Rs.10 each)	1,290	1,290	1,273	1,273
19 Reserves excluding Revaluation Reserve	12,019	13,096	25,151	21,917
20 Basic and diluted Earning per Share (Quarterly figures not annualised)	Rs.(9.51)	Rs.(36.82)	Rs.22.20	Rs.(40.13)
21 Aggregate of Public Shareholding				
No. of Shares	3436825	3436825		
Percentage	26.64%	26.64%		
22 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%		

Contd...

BOMBAY STOCK EXCHANGE LTD
INWARD SECTION
13 AUG 2010
CONTENTS NOT VERIFIED
SIGN.....

Reporting of Segmentwise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement

(Rs. in Lakhs)

1 Segment Revenue :

- (a) Home Appliances
- (b) Engineering
- (c) Motors
- (d) Logistics Services
- (e) Personal Wear
- (f) Realty
- (g) Online Lottery
- (h) Others

Total

Less: Inter Segment Revenue

2 Segment Results [Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]

- (a) Home Appliances
- (b) Engineering
- (c) Motors
- (d) Logistics Services
- (e) Personal Wear
- (f) Realty
- (g) Online Lottery
- (h) Others

Total

Add/(Less): Exceptional Items other than related to segments

Less: Interest (Net) excluding Exceptional item

Balance

Add/(Less): Unallocated Income (net of Unallocated Expenditure)

Profit/(Loss) before Tax

3 Capital Employed (Segment assets Less Segment Liabilities)

- (a) Home Appliances
- (b) Engineering
- (c) Motors
- (d) Logistics Services
- (e) Personal Wear
- (f) Realty
- (g) Online Lottery
- (h) Others

Other Unallocables

Total Capital Employed

	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2010 (Audited)	Previous accounting Year ended 31.03.2009 (Audited)	Year ended 31.03.2010 (Audited)	Previous accounting Year ended 31.03.2009 (Audited)
(a) Home Appliances	-	-	100,446	88,891
(b) Engineering	10,920	13,474	15,367	15,031
(c) Motors	252	843	251	831
(d) Logistics Services	5,159	5,073	11,234	13,664
(e) Personal Wear	216	126	216	126
(f) Realty	617	640	535	406
(g) Online Lottery	-	-	138	649
(h) Others	-	-	66	50
Total	17,164	20,156	128,254	119,648
Less: Inter Segment Revenue	-	118	-	571
	17,164	20,038	128,254	119,076
(a) Home Appliances	-	-	4,730	4,046
(b) Engineering	1,324	361	453	(699)
(c) Motors	(1,080)	(493)	(1,080)	(1,014)
(d) Logistics Services	(1,244)	464	(700)	51
(e) Personal Wear	(887)	(2,321)	(887)	(2,321)
(f) Realty	1,267	292	1,272	100
(g) Online Lottery	-	-	(118)	(150)
(h) Others	-	-	(51)	(198)
Total	(620)	(1,697)	3,617	(185)
Add/(Less): Exceptional Items other than related to segments	1,559	(1,193)	2,870	-
	939	(2,890)	6,487	(185)
Less: Interest (Net) excluding Exceptional item	(1,420)	(1,412)	(891)	(2,377)
Balance	(481)	(4,302)	5,596	(2,562)
Add/(Less): Unallocated Income (net of Unallocated Expenditure)	(541)	(345)	(1,085)	(209)
Profit/(Loss) before Tax	(1,022)	(4,647)	4,512	(2,771)
(a) Home Appliances	-	-	28,333	26,147
(b) Engineering	6,320	7,464	8,878	10,538
(c) Motors	100	675	100	607
(d) Logistics Services	4,766	5,164	19,850	12,957
(e) Personal Wear	(714)	138	(714)	138
(f) Realty	(2,712)	(2,698)	(2,336)	(3,761)
(g) Online Lottery	-	-	(100)	(268)
(h) Others	-	-	70	(37)
	7,760	10,743	54,081	46,321
Other Unallocables	15,018	18,321	3,937	8,306
Total Capital Employed	22,778	29,064	58,019	54,627

◆ Excluding effect of net profit of Rs.246 Lakhs for the year ended 31st March, 2009 in respect of demerged shipping agency division of Volkart Fleming Shipping & Services Limited transferred to the Company as stated in Note 6(b)(ii).

Contd ...

Annexure IX*(Rs. in Lakhs)*

Particulars	STANDALONE	
	Year ended 31.03.2010 (Audited)	Previous accounting year ended 31.03.2009 (Audited)
SHAREHOLDERS' FUNDS:		
Capital	1,290	1,290
Reserves and Surplus	12,019	13,006
	13,309	14,295
LOAN FUNDS	9,469	14,892
TOTAL	22,778	29,187
FIXED ASSETS	13,027	14,331
INVESTMENTS	13,331	17,893
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories	2,003	2,589
Sundry Debtors	2,711	3,180
Cash and Bank balances	1,221	763
Other Current Assets	-	192
Loans and Advances	3,376	2,746
	9,310	9,470
Less: Current Liabilities and Provisions		
Liabilities	11,136	11,526
Provisions	1,753	1,104
	12,890	12,630
NET CURRENT ASSETS	(3,580)	(3,160)
	22,778	29,065
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)	-	123
TOTAL	22,778	29,187

NOTES:

1. (A) Exceptional items pertaining to standalone:

(Rs. in Lakhs)

	Year ended 31.03.2010 (Audited)	<i>Previous accounting year ended 31.03.09 (Audited)</i>
Expenses related to operations discontinued:		
- write down in value of inventory	(138)	(474)
- provision for impairment of fixed assets	(362)	-
- provision for doubtful debts	(21)	-
- termination benefits to employees	(579)	-
- fixed royalty charge	(63)	-
- provision for one time payment for foreclosure of trademark license agreement	(693)	-
- other expenses incurred subsequent to discontinuance	-	(257)
Sub-total	(1,856)	(731)
Termination benefits and one time settlement with employees of continuing operations	(80)	(236)
Provision for diminution in the value of investments and loans and advances	-	(462)
Write-off / provision for diminution in the value of investments [See Note 6(a)]	(589)	-
Reversal of provision for diminution in the value of investments and loans and advances	579	-
Settlement of disputed Charter Hire Charges	(239)	-
Profit for the year ended 31 st March, 2009 in respect of demerged shipping agency division of Volkart Fleming Shipping & Services Limited transferred to the Company as stated in Note 6(b)(ii)	246*	-
Profit on sale of operations of Business Automation division	171	-
Profit on buyback of shares by subsidiary companies (net) (See Note 5)	1,405	-
Profit on sale of residential premises	901	-
Advance tax written off	(82)	-
TOTAL	456	(1,429)

* Figure for nine months ended December, 2009 has been restated, hence, only appearing in the year ended 31st March, 2010 column.

(B) Exceptional items pertaining to consolidated group:

	Year ended 31.03.2010 (Audited)	Previous accounting year ended 31.03.09 (Audited)
Expenses related to operations discontinued:		
- write down in value of inventory	(138)	(474)
- provision for impairment of fixed assets	(362)	-
- provision for doubtful debts	(21)	-
- termination benefits to employees	(579)	-
- fixed royalty charge	(63)	-
- provision for one time payment for foreclosure of trademark license agreement	(693)	-
Sub-total	(1,856)	(474)
Termination benefits and one time settlement with employees of continuing operations	(80)	(236)
Settlement of disputed Charter Hire Charges	(239)	-
Profit on sale of residential premises	901	-
Advance tax written off	(82)	-
Gain on cessation of relationship with subsidiary/ associate/ jointly controlled entity	2,870	-
Profit on sale of Security Systems Divisions	384	-
TOTAL	1,898	(710)

2. Other Income includes:

(Rs. in Lakhs)

	Year ended 31.03.2010 (Audited)	Previous accounting year ended 31.03.09 (Audited)
Profit on sale of investments and fixed assets other than disclosed as exceptional items	120	52
Dividend	1,278	764

- Interest cost shown in item 8 above is net after deducting interest income / (including interest income reversal) Rs. 10 Lakhs for the quarter ended 31st March, 2010 [corresponding previous quarter (Rs. 88 Lakhs)] and Rs. 30 Lakhs for the year ended 31st March, 2010 (corresponding previous year Rs. 179 Lakhs).
- Pursuant to the amendment to Section 115JB of the Income-tax Act, 1961, by the Finance Act, 2009 with retrospective effect from Assessment Years beginning 1st April, 2001, during the quarter ended 30th September, 2009, the Company had made an additional provision for taxation in respect of earlier years aggregating Rs. 191 Lakhs.
- Exceptional items for the year includes profit of Rs. 1,467 Lakhs on sale of investment on buy back of shares by a subsidiary company, namely, Eureka Forbes Limited and net of loss of Rs. 62 Lakhs on sale of investment on buy back of shares by a subsidiary company, namely, Latham India Limited.

6. (a) The carrying value of investments in Forbes Infotainment Limited amounting to Rs.1,502 Lakhs (as at 31st December, 2009 Rs 589 Lakhs) was subject matter of qualification in the audit report of the statutory auditors for the year ended 31st March, 2009 and also in the limited review reports for the quarters ended 30th June, 2009, 30th September, 2009 and 31st December, 2009. Subsequently, these investments had been sold / written-off / provided for.

(b) The limited review report of the statutory auditors for the quarter ended 31st December, 2009 had also included the following as subject matters of qualification:

(i) The Company, as part of a condition imposed by the lenders to SCI Forbes Limited (SFL), a joint venture entity had entered into a standby charter agreement under which the Company (as also its joint venture partner Shipping Corporation of India Ltd (SCI)) committed to charter vessels from SFL at a defined charter rate specified in the agreement in the event the vessels are not on a 'approved' charter with a third party, until SFL repays its borrowings. Given the global financial crisis which impacted freight rates and volumes adversely, the lenders did not 'approve' the proposals by SFL to put the vessels into a pooling arrangement (which was more profitable than putting on long term charter) and hence the standby charter agreement got triggered.

The Company and SCI have already signed a term sheet with the lenders of SFL under which the aforesaid standby charter agreement will be suspended; this term sheet is awaiting approval of the Korean Export Import Corporation, the loan guarantor, which approval is expected shortly. The loss materialised till date subsequent to 31st March is Rs.736 Lakhs. This loss will be accounted in the period in which it materialises and the said stand by agreements are not to be treated as onerous contract as per AS-29 as the triggering of the agreement is dependant on the freight rate prevailing in the market and the discretion of the lenders.

(ii) On 6th November, 2009, the High Court, Mumbai has approved the demerger of the Agency Business of Volkart Fleming Shipping and Services Limited, a subsidiary company, into the company w.e.f. 1st April, 2008. The profit for the year ended 31st March, 2009 of Rs. 246 Lakhs has been considered in the current year.

7. The Audit report of the statutory auditors on the Consolidated Financials for the year ended 31st March 2010 had also included the following as subject matter of qualifications,

(a) In reference to Note No. 6 (b) (i) above, the group's share of loss materialised till date subsequent to 31st March is Rs.368 Lakhs in excess of the Company's interest of 25% in SFL. This loss will be accounted in the period in which it materialises and the said stand by agreements are not to be treated as onerous contract as per AS-29 as the triggering of the agreement is dependant on the freight rate prevailing in the market and the discretion of the lenders.

(b) The consolidated financial statements do not include the financial results of the subsidiaries of the Associate Company registered outside India as the audited statement of accounts for the year ended March, 2010 / December, 2009 (as applicable) in respect of those entities are not available. However the said investment in the associate is fully provided and no further liability is expected to devolve on the Group.

(c) An overseas subsidiary, namely, Euro Forbes International Pte Ltd., has made an investment of USD 84,851 (equivalent to Rs. 38 Lakhs) in another company for which no allowance for impairment has been made. In view of the management no provision for impairment is required. In view of the management, the amount invested is recoverable and hence no provision has been made in the books.

(d) The Consolidated Financial Statements do not include the effect, if any, of equity accounting for one of the Group's investment of Rs. 178 lakhs in an associate, namely, The Svadeshi Mills Company Limited, in respect of which full provision has been made, in the absence of the financial statements being made available. The investment in the company being fully provided, the group does not expect any further obligation in respect to the said investment.

8. Prior Period items pertaining to the consolidated group include the following:

Particulars	For the Year ended 31 st March, 2010	For the Year ended 31 st March, 2009
Reversal of provision for Doubtful Advances given to subsidiaries, not reversed in earlier years	292	-
Reversal of provision for impairment made by a jointly controlled entity whose unaudited financials were considered for the purpose of consolidation in the previous year	141	-
Share in Opening Reserves of subsidiary wrongly consolidated as a jointly controlled entity	(21)	
Share in Opening reserves of entities consolidated as subsidiaries as against equity accounting followed in earlier years.	-	985
Others	15	22
Total Prior Period Income	427	1,007

9. Eureka Forbes Limited group's wholly owned subsidiary Euroforbes International Pte Limited (EFIPL) Singapore has transferred its net assets at book value to Forbes Lux FZE (FLFZE) Dubai which is 100% subsidiary of Forbes Lux Group AG (FLG AG) Switzerland. Consequently the group's term loan to EFIPL of Rs. 6,858 Lakhs for business operation in ASEAN countries have been transferred to FLFZE. Although the term for repayment of loan is not specified, considering the long term prospects of the growth in business in the ASEAN region, no provision for impairment of loans so given is necessary in the opinion of the management. EFIPL is in the process of acquiring 75% share of shares of FLFZE with retrospective effect of 1st January, 2009. The transaction is likely to get completed in ensuing financial year. Had the transaction been completed in current year, interest charge would have been higher by Rs 467 Lakhs, sales and profit would have been higher by Rs. 2,134 Lakhs and Rs. 96 Lakhs respectively.
10. As on 1st January, 2010, no shareholder's complaint was pending. The Company has not received any complaint during the quarter ended 31st March, 2010. Further, as on 1st January, 2010, there were 12 (twelve) shareholders related court cases, which remained pending as at 31st March, 2010.
11. The above results were reviewed by the auditors and Audit Committee meeting held on 13th August, 2010 and approved by the Board of Directors of the Company at its meeting held on 13th August, 2010.
12. The share transfer books of the Company will remain closed from 13th September, 2010 to 22nd September, 2010. In view of loss, Directors have not recommended any dividend for the year.
13. Previous period's /year's figures have been regrouped/ recast wherever necessary.

For Forbes & Company Limited


(Ashok Barat)
Managing Director

Mumbai, 13th August, 2010