



FORBES & COMPANY LIMITED

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Date: 19th July, 2011

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

BOMBAY STOCK EXCHANGE LTD.
INWARD SECTION
19 JUL 2011
CONTENTS NOT VERIFIED

Dear Sirs,

Compliance with the requirements of Clause 41 of the Listing Agreement -
Audited Financial Results for the year ended 31st March, 2011

We set out the audited financial results for the year ended 31st March, 2011.

Particulars	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2011 (Audited)	Previous accounting Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Previous accounting Year ended 31.03.2010 (Audited)
1 Net Sales / Income from Operations	20,859	16,436	104,571	103,582
2 Other Operating Income	1,998	1,081	41,620	24,142
3 Total (1+2)	22,857	17,517	146,191	127,724
4 Total Expenditure				
a) (Increase)/decrease in stock-in-trade and work-in-progress	(228)	311	(1,801)	2,367
b) Consumption of Raw Materials	3,773	3,043	35,896	32,309
c) Purchase of Traded Goods	845	883	23,110	15,297
d) Employees cost	3,661	3,590	23,984	21,168
e) Depreciation	1,364	1,654	4,307	4,347
f) Charter Hire Charges	4,061	1,117	6,857	4,304
g) Transportation, freight and hire charges for Shipping and Logistics division	2,967	2,815	2,838	3,636
h) Other expenditure	7,645	5,581	49,444	42,283
i) Total expenditure (a to h)	24,088	18,994	144,636	125,710
5 Profit/(Loss) from Operations before Other Income, Interest, Prior Period Items and Exceptional Items (3-4)	(1,231)	(1,477)	1,554	2,013
6 Other Income (See Note 3)	1,569	2,824	1,709	1,078
7 Profit/(Loss) before Interest, Prior Period Items and Exceptional Items (5+6)	338	1,347	3,263	3,091
8 Interest (Net) (See Note 4)	1,193	1,420	1,000	906
9 Profit/(Loss) after Interest but before Prior Period Items and Exceptional Items (7-8)	(855)	(73)	2,263	2,185
10 Prior Period Items (See Note 8)	-	-	-	(427)
11 Profit/(Loss) after Interest but before Exceptional Items (9+10)	(855)	(73)	2,263	2,612
12 Exceptional Items (See Note 2)	915	(949)	1,989	1,898
13 Profit/(Loss) from Ordinary Activities before Tax (11+12)	60	(1,022)	4,252	4,510
14 Tax Expense				
Income-tax-Current	-	-	1,281	1,392
Income-tax adjustment in respect of earlier years	(10)	191	9	163
Deferred tax adjustments	-	-	(23)	23
Wealth tax	12	13	12	13
Sub Total	2	204	1,280	1,591
15 Net Profit/(Loss) from Ordinary Activities after tax (13-14)	58	(1,226)	2,972	2,919
16 Extraordinary Items (net of tax expense)	-	-	-	-
17 Net Profit/(Loss) for the period (15-16)	58	(1,226)	2,972	2,919
Net Share of Profit / (Loss) in Associates (Equity Method)			108	(33)
Preference Dividend to Outsiders			(115)	-
Net Minority Interest in Loss / (Profit) of Subsidiaries			3	(61)
Profit after Share of Associates and Minority Interest			2,968	2,825
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	12,077	12,019	28,214	25,151
20 Basic and diluted Earning per Share	Rs.0.45	Rs.(9.50)	Rs.23.30	Rs.22.19
21 Aggregate of Public Shareholding				
No. of Shares	3436925	3436925		
Percentage	26.65%	26.65%		
22 Promoters and Promoter Group shareholding				
a) Pledged / Encumbered				
- Number of shares	-	47400		
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	0.50%		
- Percentage of shares (as a % of the total share capital of the Company)	-	0.36%		
b) Non - encumbered				
- Number of shares	9461691	9414291		
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	99.50%		
- Percentage of shares (as a % of the total share capital of the Company)	73.35%	72.99%		
Note The profit / (loss) includes Chartering loss arising from stand by charter agreement as stated in note 6	2,183	670	1092	335

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1 Segment Revenue :

- (a) Home Appliances
- (b) Engineering
- (c) Motors
- (d) Shipping and Logistics Services
- (e) Personal Wear
- (f) Real Estate
- (g) 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) Shipping and Logistics Services
- (e) Personal Wear
- (f) Real Estate
- (g) 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) Shipping and Logistics Services
- (e) Personal Wear
- (f) Real Estate
- (g) Others

Other Unallocables
Total Capital Employed

	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2011 (Audited)	Previous accounting Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Previous accounting Year ended 31.03.2010 (Audited)
1 Segment Revenue :				
(a) Home Appliances	-	-	111,990	100,009
(b) Engineering	12,715	10,920	18,922	15,362
(c) Motors	52	252	52	252
(d) Shipping and Logistics Services	8,389	5,446	13,529	11,096
(e) Personal Wear	(18)	216	(25)	216
(f) Real Estate	1,719	683	1,697	609
(g) Others	-	-	27	180
Total	22,857	17,517	146,191	127,724
Less: Inter Segment Revenue	-	-	-	-
	22,857	17,517	146,191	127,724
2 Segment Results [Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]				
(a) Home Appliances	-	-	4,203	4,730
(b) Engineering	1,214	1,306	659	453
(c) Motors	318	(1,080)	317	(1,080)
(d) Shipping and Logistics Services	(2,287)	(1,295)	(1,503)	(700)
(e) Personal Wear	(19)	(887)	(19)	(887)
(f) Real Estate	3,037	1,341	2,908	1,272
(g) Others	-	-	22	(170)
Total	2,263	(615)	6,587	3,617
Add/(Less): Exceptional Items other than related to segments	(1,076)	154	-	2,870
	1,187	(461)	6,587	6,487
Less: Interest (Net) excluding Exceptional Item	(1,193)	(1,420)	(1,000)	(906)
Balance	(6)	(1,881)	5,587	5,581
Add/(Less): Unallocated Income (net of Unallocated Expenditure)	66	859	(1,335)	(1,071)
Profit/(Loss) before Tax	60	(1,022)	4,252	4,510
3 Capital Employed (Segment assets Less Segment Liabilities)				
(a) Home Appliances	-	-	21,292	20,957
(b) Engineering	5,700	6,254	9,249	8,878
(c) Motors	(83)	28	(83)	(22)
(d) Shipping and Logistics Services	3,821	4,657	17,899	19,850
(e) Personal Wear	32	(714)	32	(714)
(f) Real Estate	(2,742)	(2,711)	(2,364)	(2,336)
(g) Others	-	-	10	(30)
	6,728	7,514	46,035	46,584
Other Unallocables	17,144	15,264	23,581	11,577
Total Capital Employed	23,872	22,778	69,616	58,160

◆ 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.

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Statement of assets and liabilities as on 31st March, 2011

Particulars	As at	As at
	31.03.2011 (Rs. In Lakhs)	31.03.2010 (Rs. In Lakhs)
SHAREHOLDERS' FUNDS:		
(a) Capital	1,290	1,290
(b) Reserves and Surplus	12,077	12,019
	13,367	13,309
LOAN FUNDS	10,505	9,469
TOTAL	23,872	22,778
FIXED ASSETS	12,158	13,027
INVESTMENTS	13,923	13,331
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	1,890	2,003
(b) Sundry Debtors	3,201	2,711
(c) Cash and Bank balances	1,569	1,281
(d) Other Current Assets	1	1
(e) Loans and Advances	3,508	3,468
	10,168	9,464
Less: Current Liabilities and Provisions		
(a) Liabilities	10,877	11,381
(b) Provisions	1,500	1,662
	12,377	13,043
NET CURRENT ASSETS	(2,209)	(3,579)
TOTAL	23,872	22,778

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NOTES: -

1. Previous period's / year's figures have been regrouped / recast wherever necessary.
2. (A) Exceptional items pertaining standalone:

(Rs. in Lakhs)

	Year ended 31.03.2011 (Audited)	Previous accounting year ended 31.03.2010 (Audited)
Expenses related to operations discontinued:		
- write down in value of inventory	-	(139)
- provision for impairment of fixed assets	-	(362)
- provision for doubtful debts	-	(21)
- termination benefits to employees	-	(579)
- fixed royalty charge	-	(63)
- provision for onetime payment for foreclosure of trademark license agreement	-	(692)
Sub-total	-	(1,856)
Termination benefits and one time settlement with employees of continuing operations	(10)	(80)
Write-off / provision for diminution in the value of investments	(1,074)	(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 and Services Limited	-	246
Profit on sale of operations of Business Automation division	-	171
Profit on sale of residential premises	1,227	901
Profit on sale of land and building	622	-
Impairment of fixed assets no longer required written back	150	-
Advance tax written off	-	(82)
TOTAL	915	(949)

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(B) Exceptional items pertaining to consolidated group:

	Year ended 31.03.11 (Audited)	Previous accounting year ended 31.03.10 (Audited)
Expenses related to operations discontinued:		
- write down in value of inventory	-	(138)
- provision for impairment of fixed assets	-	(362)
- provision for doubtful debts	-	(21)
- termination benefits to employees	-	(579)
- fixed royalty charge	-	(63)
- provision for onetime payment for foreclosure of trademark license agreement	-	(693)
Sub-total	-	(1,856)
Termination benefits and one time settlement with employees of continuing operations	(10)	(80)
Settlement of disputed Charter Hire Charges		(239)
Profit on sale of residential premises	1227	901
Advance tax written off	-	(82)
Profit on sale of land and building	622	
Gain on cessation of relationship with subsidiary/associate/jointly controlled entity	-	2870
Impairment of fixed assets no longer required written back	150	
Profit on sale of Security Systems Divisions		384
TOTAL	1989	1,898

3. (A) Other Income includes pertaining to standalone:

	(Rs. in Lakhs)	
	Year ended 31.03.2011 (Audited)	Previous accounting year ended 31.03.2010 (Audited)
Profit on sale of investments and fixed assets other than disclosed as exceptional items	-	120
Profit on buy-back of shares by subsidiary companies	1,624	1,467
Dividend	-	1,278

(B) Other Income includes pertaining to consolidated group:

	(Rs. in Lakhs)	
	Year ended 31.03.2011 (Audited)	Previous accounting year ended 31.03.2010 (Audited)
Profit on sale of investments and fixed assets other than disclosed as exceptional items	259	461

Interest cost shown in item 8 above is net after deducting interest income Rs.29 Lakhs for the year ended 31st March, 2011 (corresponding previous year Rs.35 Lakhs).

5. To secure the lenders of SCI Forbes Limited (SFL), a joint venture 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 figures indicated in the footnote. Subsequent to the year end, with effect from 1st July, 2011, the aforesaid standby charter agreement has been suspended and consequently the ships have been re-delivered by the Company to SFL.
6.
 - a) There have been teething problems in the New ERP system implemented with effect from 1st April, 2010 in the Shipping & Logistics Division. The management is in the process of detailed review and reconciliation of customers, vendors and loans & advances account balances and would give necessary impact, if any, on its completion. This is subject matter of qualification in the audit report for the year ended 31st March, 2011.
 - b) Non-provision of estimated loss arising from onerous standby charter agreements entered with SCI Forbes Limited (SFL), a joint venture entity, 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 of the audit report for the year ended 31st March, 2010 and continues to be so for this year ended 31st March, 2011 results. With effect from 1st July, 2011, standby charter agreement has been suspended and consequently the ships have been re-delivered by the Company to SFL. The management is of the opinion, no provision is required under AS 29. Loss of Rs.516 Lakhs on standalone basis and Rs.258 Lakhs on consolidated financial statement basis on account of aforesaid commitment materialised subsequent to the 31st March, 2011, is relating to the future operations and accordingly, not required to be provided in the year ended 31st March, 2011.
7. The Audit Report of the statutory auditors on the Consolidated Financials for the year ended 31st March 2011 had also included, apart from qualifications stated on Note No.6 above, the following as subject matter of qualifications:-
 - (a) The Consolidated Financial Statements do not include the effect, if any, of equity accounting for the group's investment of Rs. 177.75 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.
 - (b) The Consolidated Financial Statements of a subsidiary group, namely, Eureka Forbes Limited Group, include the unaudited financial statements of its: (i) joint venture company, whose financial statements reflect the Group's share of total assets of Rs. 551.10 Lakhs as at 31st March, 2011, total revenues of Rs. 86.55 Lakhs and net cash outflows amounting to Rs. 14.38 Lakhs for the year ended on that date; and (ii) associate company, whose financial statements reflect the Group's share of profit of Rs. 108.20 Lakhs for the year ended 31st March, 2011; as considered in the Consolidated Financial Statements.
 - (c) In respect of one subsidiary group namely, Eureka Forbes Limited Group, the auditors have qualified their report stating:
 - (i) An overseas subsidiary, namely, Euro Forbes International Pte. Limited, has made an investment of SGD 84,851 (equivalent to Rs. 30.44 Lakhs) in another company as at 31st March, 2011 for which no allowance for impairment has been made. The auditors of this overseas subsidiary have not received sufficient evidence to enable them to determine whether the investment is impaired. Accordingly, they are unable to satisfy themselves on the carrying value of such investment.

- (ii) In case of a subsidiary, namely, Forbes Facility Services Private Limited, the balances of debtors aggregating Rs. 910.92 Lakhs are subject to confirmation and reconciliation.
- (iii) In case of a joint venture, namely, Forbes Concept Hospitality Services Private Limited, the other auditors have qualified the report stating that subsequent to the balance sheet date, the business operations have been discontinued and the losses have exceeded the net worth, as a result, the company may not be able to continue as a going concern. The accounts have been prepared on the going concern assumption, consequently, adjustments may be required to the Groups share of recorded total assets of Rs. 76.52 Lakhs and classification of liabilities of Rs. 56.56 Lakhs.
- (iv) The company is unable to disclose the actual amounts utilized against the warranty provision held, which is not in compliance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets."

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


Particulars	Year ended 31.03.11 (Audited)	Previous accounting year ended 31.03.10 (Audited)
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.	-	-
Others	-	15
Total Prior Period Income	-	427

9. As on 1st January, 2011, 1 (one) shareholder's complaint was pending. The Company received 2 (two) complaints during the quarter ended 31st March, 2011 and all the complaints including 1 (one) complaint pending as on 1st January, 2011 have been resolved to the satisfaction of the shareholders. Further, as on 1st January, 2011, there were 12 (twelve) shareholders related court cases, which remained pending as at 31st March, 2011.
10. The above results were reviewed by the auditors and Audit Committee meeting held on 18th July, 2011 and approved by the Board of Directors of the Company at its meeting held on 19th July, 2011.
11. The share transfer books of the Company will remain closed from 17th August, 2011 to 24th August, 2011. The Directors have not recommended any dividend for the year.

For Forbes & Company Limited



(Ashok Barat)
Managing Director

 Mumbai, 19th July, 2011