

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Forbes and Company Limited
Forbes' Building,
Charanjit Rai Marg,
Fort,
Mumbai 400 001

1. We have reviewed the unaudited financial results of Forbes and Company Limited (the "Company") for the quarter ended June 30, 2018 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2018' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The 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 in accordance with the Standard on Review Engagement (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.
3. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The financial results of the Company for the quarter ended June 30, 2017 were reviewed by another firm of chartered accountants who issued their unmodified conclusion, vide their report dated August 9, 2017. Our conclusion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: August 8, 2018

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Statement of Standalone Unaudited Financial Results for the quarter ended 30th June, 2018
(Rs. in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	(Unaudited)	(Refer Note 3)	(Unaudited)	(Audited)
1 Income				
a) Revenue from operations	5,643	10,030	7,332	29,781
b) Other income	419	213	295	717
Total Income (a + b)	6,062	10,243	7,627	30,498
2 Expenses				
a) Real estate development costs	1,161	1,941	2,527	6,404
b) Cost of materials consumed	1,990	2,102	1,447	6,792
c) Excise duty	-	-	411	411
d) Purchases of stock-in-trade	-	-	13	16
e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,280)	288	(838)	(779)
f) Employee benefits expense	1,170	1,095	1,010	4,260
g) Finance costs	274	280	282	1,173
h) Depreciation and amortisation expense	225	207	189	796
i) Other expenses	2,033	1,992	1,856	6,818
Total expenses	5,573	7,905	6,897	25,891
3 Profit before exceptional items and tax (1-2)	489	2,338	730	4,607
4 Exceptional items (Net)	-	-	-	-
5 Profit before tax (3+4)	489	2,338	730	4,607
6 Tax expense				
a) Current tax	184	540	160	1,050
b) Deferred tax	(61)	(479)	(84)	(533)
	123	61	76	517
7 Profit after tax (5-6)	366	2,277	654	4,090
8 Other Comprehensive Income				
(i) Items that will not be reclassified to Statement of Profit or Loss				
Remeasurement of the defined benefit plans	40	1	(1)	4
(ii) Income tax relating to items that will not be reclassified to Statement of Profit or Loss				
Deferred tax	(10)	(1)	-	(1)
Other Comprehensive Income / (Loss)	30	-	(1)	3
9 Total Comprehensive Income for the period / year (7+8)	396	2,277	653	4,093
10 Paid-up equity share capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290
11 Other equity (excluding Revaluation Reserve)				26,566
12 Basic and diluted earnings per equity share (Quarter figures not annualised)	Rs.2.84	Rs.17.65	Rs.5.07	Rs.31.71

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Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified two operating segments viz., Engineering and Real Estate.

	(Rs. in Lakhs)			
	Quarter ended			Year ended
	30.06.2018 (Unaudited)	31.03.2018 (Refer Note 3)	30.06.2017 (Unaudited)	31.03.2018 (Audited)
1 Segment Revenue				
(a) Engineering	5,205	5,309	4,170	18,597
(b) Real Estate	439	4,721	3,164	11,186
Total	5,644	10,030	7,334	29,783
Less: Inter Segment Revenue	1	-	2	2
Total revenue from operations (net)	5,643	10,030	7,332	29,781
2 Segment Results [Profit before Tax and Interest from each Segment (including exceptional items related to segments)]				
(a) Engineering	545	841	255	2,342
(b) Real Estate	218	2,054	1,018	4,563
Total segment results	763	2,895	1,273	6,905
Less: Finance costs	(274)	(280)	(282)	(1,173)
Balance	489	2,615	991	5,732
Less: Unallocable expenses net of unallocable income	-	(277)	(261)	(1,125)
Profit from ordinary activities before tax	489	2,338	730	4,607
3 Segment Assets				
(a) Engineering	12,147	11,968	10,939	11,968
(b) Real Estate	21,702	13,789	16,950	13,789
(c) Unallocated	33,226	28,138	27,550	28,138
Total Assets	67,075	53,895	55,439	53,895
4 Segment liabilities				
(a) Engineering	3,921	4,395	3,954	4,395
(b) Real Estate	25,981	8,495	10,521	8,495
(c) Unallocated	14,006	13,149	16,160	13,149
Total Liabilities	43,908	26,039	30,635	26,039

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NOTES:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 8th August, 2018 and have been subjected to a Limited Review by the statutory auditors.
2. Ind AS 115 'Revenue from Contracts with Customers' is a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 and is effective from accounting period beginning on or after 1st April, 2018 and replaces the existing revenue recognition standards. The application of Ind AS 115 has bearing on the Company's accounting for recognition of revenue from real estate development projects. This revised standard has no significant impact on the engineering business of the Company.

The Company has applied the modified retrospective approach as on 1st April 2018. The Company has recorded an opening impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018. Accordingly, the comparatives have not been restated and hence, the current period figures are not comparable with the previous period figures.

Had the company continued application of earlier standards instead of Ind AS 115, revenue from operations would have been higher by Rs. 2,093 Lakhs, cost from real estate development activities higher by Rs. 1,192 Lakhs and net profit after tax higher by Rs. 710 Lakhs for the quarter ended 30th June, 2018.

Additionally, the basic and diluted earnings per share for the period ended 30th June, 2018 would have been Rs. 8.34 instead of Rs. 2.84 as reported for this quarter.

3. The figures for the quarter ended 31.03.2018 are the balancing figures between audited figures in respect of the full financial year ended 31.03.2018 and published year to date figures up to the third quarter ended 31.12.2017.
4. Figures for the previous period are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification / disclosure.

Mumbai, 8th August, 2018



For Forbes & Company Limited

A handwritten signature in blue ink, appearing to read "Mahesh Tahilyani".

(Mahesh Tahilyani)
Managing Director
DIN : 01423084

A small handwritten mark or signature in blue ink, possibly a stylized "S" or similar character.

