

October 26, 2016

General Manager,
Department of Corporate Services,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Dear Sir,

Unaudited Financial Results for the Quarter and half year
ended September 30, 2016

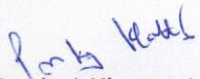
Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on October 26, 2016 has approved the Unaudited Financial Results for the Quarter and half year ended September 30, 2016.

We enclose copy of the Unaudited Financial Results for the Quarter and half year ended September 30, 2016 alongwith the Limited Review Report dated October 26, 2016 of Deloitte Haskins and Sells LLP, statutory auditors of the Company in respect of the said Results.

The Board meeting commenced at 12.30 P.M and concluded at 3.30 P.M.

Kindly acknowledge receipt.

Yours faithfully,
For FORBES & COMPANY LIMITED


(Pankaj Khattar)
Head Legal & Company Secretary

Encl: As above

Date: 26th October, 2016

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

Dear Sirs,

Statement of Standalone Unaudited Financial Results for the quarter and half year ended 30th September, 2016
(Rs. in Lakhs)

Particulars	Quarter ended			Half year ended	
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015
	(Unaudited) (see Note 4)	(Unaudited) (see Note 4)	(Unaudited) (see Note 4)	(Unaudited) (see Note 4)	(Unaudited) (see Note 4)
1 Income from operations					
a) Gross Sales / Income from Operations (including excise duty)	4,631	4,693	5,988	9,324	12,615
b) Other operating income	406	406	389	812	695
Total income from operations	5,037	5,099	6,377	10,136	13,310
2 Expenses					
a) Cost of materials consumed	1,543	1,374	1,649	2,917	3,264
b) Purchases of stock-in-trade	10	8	5	18	12
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(522)	(150)	(236)	(672)	(296)
d) Employee benefits expense	1,022	1,509	1,195	2,531	2,470
e) Depreciation and amortisation expense	155	164	202	319	401
f) Transportation, freight and hire charges	145	312	1,078	457	2,247
g) Other expenses	2,375	2,541	2,739	4,916	5,221
Total expenses	4,728	5,758	6,632	10,486	13,319
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	309	(659)	(255)	(350)	(9)
4 Other income	411	110	147	521	256
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	720	(549)	(108)	171	247
6 Finance costs	308	366	468	674	962
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	412	(915)	(576)	(503)	(715)
8 Exceptional Items (see Note 3)	2,553	2,876	1,172	5,429	1,172
9 Profit from ordinary activities before tax (7+8)	2,965	1,961	596	4,926	457
10 Tax expense	286	204	-	490	-
11 Net Profit from ordinary activities after tax (9-10)	2,679	1,757	596	4,436	457
12 Extraordinary items (net of tax expense)	-	-	-	-	-
13 Net Profit for the period (11+12)	2,679	1,757	596	4,436	457
14 Other Comprehensive Income (Net of tax)	(159)	112	(95)	(47)	(46)
15 Total Comprehensive Income (13+14)	2,520	1,869	501	4,389	411
16 Paid-up equity share capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290
17 Paid-up debt capital				9,957	9,940
18 Debenture Redemption Reserve				2,500	2,500
19 Basic and diluted Earnings per share (Face Value of Rs. 10 each) (Quarterly and half year figures not annualised)	Rs.20.77	Rs.13.62	Rs.4.62	Rs.34.39	Rs.3.54
20 Debt Equity Ratio				0.56	1.02
21 Debt Service Coverage Ratio				0.71	0.22
22 Interest Service Coverage Ratio				9.39	1.99
Paid-up debt capital = Listed Non Convertible Debentures (including current maturities)					
Debt Equity Ratio = Long Term Borrowings (including current maturities) / Equity Shareholders Fund					
Debt Service Coverage Ratio = Earnings Before Interest and Tax + Depreciation & Amortisation expenses / (Interest on borrowings+ Repayment of Long Term Borrowings)					
Interest Service Coverage Ratio = Earnings Before Interest and Tax + Depreciation & Amortisation Expenses / (Interest Expense on borrowings)					
See accompanying notes to the financial results.					

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Deloitte Haskins & Sells LLP
Mumbai

Reporting of Segment wise Revenue, Results, Assets and Liabilities

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

The Company has reclassified the segment disclosure as prescribed under Ind AS 108 and accordingly previous period ended disclosure has been restated.

	Quarter ended			Half year ended	
	30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
1 Segment Revenue					
(a) Engineering	4,479	4,081	4,156	8,560	8,667
(b) Real Estate	389	406	# 1,550	795	# 1,875
(c) Shipping and Logistics Services (Discontinued operation) (see Note 7)	175	631	1,855	806	3,981
Total	5,043	5,118	7,561	10,161	14,523
Less: Inter Segment Revenue	6	19	12	25	41
Total income from operations (net)	5,037	5,099	7,549	10,136	14,482
2 Segment Results [(Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]					
(a) Engineering	580	233	290	813	852
(b) Real Estate	291	299	1,361	590	1,592
(c) Shipping and Logistics Services (Discontinued operation) (see Note 7)	2,382	2,443	(246)	4,825	(287)
Total segment results	3,253	2,975	1,405	6,228	2,157
Less: Finance costs	(308)	(366)	(468)	(674)	(962)
Balance	2,945	2,609	937	5,554	1,195
Less: Unallocable expenses net of unallocable income	20	(648)	(341)	(628)	(738)
Profit from ordinary activities before Tax	2,965	1,961	596	4,926	457
3 Segment Assets					
(a) Engineering	10,960	10,673	10,587	10,960	10,587
(b) Real Estate	6,272	5,323	4,384	6,272	4,384
(c) Shipping and Logistics Services (Discontinued operation) (see Note 7)	-	2,057	4,622	-	4,622
(d) Unallocated	23,828	24,096	23,006	23,828	23,006
Total Assets	41,060	42,149	42,599	41,060	42,599
4 Segment liabilities					
(a) Engineering	4,587	4,929	4,699	4,587	4,699
(b) Real Estate	4,633	4,067	3,271	4,633	3,271
(c) Shipping and Logistics Services (Discontinued operation) (see Note 7)	-	1,175	1,968	-	1,968
(d) Unallocated	13,082	15,740	18,176	13,082	18,176
Total Liabilities	22,302	25,911	28,114	22,302	28,114

Includes Rs.1,172 Lakhs towards arrears of rental income classified as an exceptional item.

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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 26th October, 2016 and have been subjected to a Limited Review by the statutory auditors.

2. Standalone Statement of assets and liabilities

Particulars	<i>(Rs. in Lakhs)</i>	
	As at 30.09.2016 Unaudited	
ASSETS		
1 Non-current assets		
a) Property, Plant and Equipment		5,254
b) Capital work-in-progress		884
c) Investment Property		964
d) Other Intangible assets		73
e) Intangible assets under development		51
f) Financial Assets:		
i) Investments	17,301	
ii) Loans	18	
iii) Other financial assets	5	
		17,324
g) Current tax assets (net)		3,194
h) Other non-current assets		904
	Total non-current assets	28,648
2 Current assets		
a) Inventories		4,578
b) Financial Assets:		
i) Investments	1,588	
ii) Trade receivables	3,748	
iii) Cash and cash equivalents	331	
iv) Loans	580	
v) Other financial assets	1,210	
		7,457
c) Other current assets		377
	Total current assets	12,412
	Total Assets	41,060
EQUITY AND LIABILITIES		
EQUITY		
a) Equity share capital	1,290	
b) Other equity	17,468	
		18,758
LIABILITIES		
1 Non-current liabilities		
a) Financial liabilities:		
i) Borrowings	10,027	
ii) Other financial liabilities	404	
		10,431
b) Provisions		852
	Total non-current liabilities	11,283
2 Current liabilities		
a) Financial liabilities:		
i) Trade payables	3,529	
ii) Other financial liabilities	1,159	
		4,688
b) Other current liabilities		4,397
c) Provisions		958
d) Current tax liabilities (net)		976
	Total current liabilities	11,019
	Total Equity and Liabilities	41,060

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3. Exceptional items:

(Rs. in Lakhs)

		Quarter ended			Half year ended	
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(i)	Arrears of rental income	-	-	1,172	-	1,172
(ii)	Termination benefits and one time settlement with employees	(9)	(352)	-	(361)	-
(iii)	Profit on slump sale of Veshvi & Mundra CFS (see Note 7)	2,562	2,897	-	5,459	-
(iv)	Profit on sale of Logistic business (see Note 7)	-	331	-	331	-
	TOTAL	2,553	2,876	1,172	5,429	1,172

4. The Company adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016 and accordingly above standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India except for the matter referred to in Note no.12.

The Ind AS compliant standalone unaudited financial results for the corresponding half year ended 30th September, 2015 and quarter ended 30th September, 2015 have been restated in terms of SEBI circular CIR/CFD/FAC/62/2016 dated 5th July, 2016.

5. Details of Redeemable Non-Convertible Debentures are as follows :-

S.No.	Particulars	Previous Due Date (01 st April, 2016 to 30 th September, 2016)		Next Due Date (01 st October, 2016 to 31 st March, 2017)	
		Principal	Interest & Premium	Principal	Interest
1	5FORBES2016 (Face Value Rs.4,000 Lakhs)	27 th April, 2016	27 th April, 2016	-	-
2	980FCL20 (Face Value Rs.6,000 Lakhs)	-	12 th September, 2016	-	10 th March, 2017
3	910FORBES19 (Face Value Rs.4,000 Lakhs)	-	-	-	20 th January, 2017

All the interests due were paid on due dates.

The Company has retained its credit ratings of "ICRA AA-/stable" for Rs.10,000 Lakhs.

The Redeemable Non-Convertible Debentures of the Company aggregating to face value of Rs.10,000 Lakhs as at 30th September, 2016 are secured by mortgage, pari passu basis, of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities and the asset cover thereof exceeds 1.25 times of the principal amount of the said debentures.

6. Reconciliation of net profit for the corresponding half year ended 30th September, 2015 and quarter ended 30th September, 2015 between previous Indian GAAP and Ind AS is as under:

(Rs. in Lakhs)

Particulars	Quarter ended 30.09.2015	Half year ended 30.09.2015
Net Profit as per previous Indian GAAP	468	357
Measurement of Investments at Amortised cost	24	48
Actuarial loss on employee defined benefit plans recognized in Other Comprehensive Income	95	46
Measurement of financial liabilities at amortised cost	9	5
Recognition of Rent element of security deposits	-	1
Net Profit as per Ind AS	596	457
Other Comprehensive Income (net of tax):		
Actuarial loss on employee defined benefit plans recognized in Other Comprehensive Income	(95)	(46)
Total Comprehensive Income under Ind AS	501	411

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For Identification
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Mumbai

7. In January 2016, the Board had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Company also executed an Agreement to transfer assets dated 18th April, 2016 pertaining to its Logistics business and simultaneously completed the transaction.

The Company has completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit for the half year ended 30th September, 2016 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business amounting to Rs.5,459 Lakhs and Rs.331 Lakhs respectively. The same has been disclosed as an exceptional item in the Statement of Standalone Unaudited Financial Results for the half year ended 30th September, 2016.

8. The Board of Directors of the Company at its meeting held on 12th October, 2016, has approved sale of its entire shareholding (50.001%) in Forbes Bumi Armada Offshore Limited (FBAOL), a subsidiary of the Company (and a joint venture with Bumi Armada Berhad) to Shapoorji Pallonji Oil and Gas Private Limited ("SPOGPL") at a price of Rs.1,250 Lakhs.
9. Forbes Container Line Pte. Ltd., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August 2016. An official liquidator has been appointed by the court. As on 30th September 2016, Company has made full provision for investments made and loans given to FCLPL.
10. During the quarter, the Board of Directors of the Company has given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), a subsidiary of the Company where by 194,99,998 equity shares of Rs 10 each would be cancelled out of aggregate investment of 400,00,000 equity shares held by the Company. A Company scheme petition is filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. Pending outcome of the scheme in the High Court, no adjustments has been made in the accounts of the company as on 30th September 2016.
11. The Company has paid / provided remuneration to its incumbent Managing Director and its earlier Managing Director and the same has been approved by the shareholders in its Annual General Meeting. However, an amount of Rs.199 Lakhs is treated as recoverable as at 30th September 2016 being in excess of the limits prescribed u/s 197 of the Companies Act, 2013 due to inadequacy of profits. The Company is taking necessary steps to make an application to the Central Government for the approval of the same.
12. The Company has issued financial guarantees amounting to Rs.16,920 Lakhs in respect of borrowings by its subsidiary entity. Ind AS 109 on "Financial Instruments" requires the Company to account for such financial guarantees at fair value in its books of accounts. The Company is not permitted to charge any guarantee commission from the borrowing company as per the deed of guarantee and hence such financial guarantees commission has not been accounted at fair value. The auditors have qualified their limited review report on the standalone unaudited financial results for the quarter and half year ended 30th September 2016 in respect of this matter.

For Forbes & Company Limited



(Mahesh Tahilyani)
Managing Director
DIN : 01423084

Mumbai, 26th October, 2016



For Identification
Deloitte Haskins & Sells LLP
Mumbai

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF FORBES & COMPANY LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **FORBES & COMPANY LIMITED** ("the Company"), for the quarter and six months ended 30th September, 2016 and Standalone Statement of Asset and Liabilities as at 30th September, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Attention is invited to Note 12 of the Statement, relating to non-accounting of financial guarantees at fair value for the reasons stated in the note which is not in compliance with Ind AS 109 "Financial Instruments". We are unable to comment upon impact thereof on the accompanying Statement for the quarter and six months ended 30th September, 2016.
4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 11 of the Statement, in relation to excess managerial remuneration amounting to Rs. 199 lacs paid/provided by the Company under section 197 of the Companies Act 2013 and the relevant rules thereunder and considered as recoverable as at 30 September 2016. As informed to us, the Company is taking necessary steps to seek approval from the Central Government for the said excess remuneration paid/provided. Our report is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Nilesh Shah
Partner
(Membership No. 49660)

MUMBAI, 26th October, 2016

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