

January 20, 2017

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 Nine Months
ended December 31, 2016

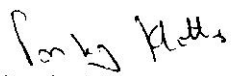
Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on January 20, 2017 has approved the Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2016.

We enclose copy of the Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2016 alongwith the Limited Review Report dated January 20, 2017 of Deloitte Haskins and Sells LLP, statutory auditors of the Company in respect of the said Results.

The Board meeting commenced at 12.00 P.M and concluded at 2.30 P.M.

Kindly acknowledge receipt.

Yours faithfully,
For FORBES & COMPANY LIMITED


(Pankaj Khattar)
Head Legal & Company Secretary

Encl: As above

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

Date: 20th January, 2017


Dear Sirs,

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2016

(Rs. in Lakhs)

Particulars	Quarter ended			Nine months ended	
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
	(Unaudited) (see Note 3)	(Unaudited) (see Note 3)	(Unaudited) (see Note 3)	(Unaudited) (see Note 3)	(Unaudited) (see Note 3)
1 Income from operations					
a) Gross Sales / Income from Operations (including excise duty)	4,117	4,631	6,902	13,441	19,517
b) Other operating income	421	406	418	1,233	1,113
Total income from operations	4,538	5,037	7,320	14,674	20,630
2 Expenses					
a) Cost of materials consumed	1,434	1,543	2,000	4,351	5,264
b) Purchases of stock-in-trade	8	10	(1)	26	11
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,362)	(522)	34	(2,034)	(262)
d) Employee benefits expense	1,041	1,022	1,215	3,572	3,685
e) Depreciation and amortisation expense	144	155	204	463	605
f) Real estate development expenses	1,231	467	18	1,872	139
g) Transportation, freight and hire charges	-	145	1,066	457	3,313
h) Other expenses	2,028	1,908	2,715	6,303	7,815
Total expenses	4,524	4,728	7,251	15,010	20,570
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	14	309	69	(336)	60
4 Other income	98	411	101	619	357
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	112	720	170	283	417
6 Finance costs	251	308	458	925	1,420
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(139)	412	(288)	(642)	(1,003)
8 Exceptional Items (see Note 2)	1,179	2,553	(271)	6,608	901
9 Profit / (Loss) from ordinary activities before tax (7+8)	1,040	2,965	(559)	5,966	(102)
10 Tax expense	-	286	-	490	-
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	1,040	2,679	(559)	5,476	(102)
12 Extraordinary items (net of tax expense)	-	-	-	-	-
13 Net Profit / (Loss) for the period (11+12)	1,040	2,679	(559)	5,476	(102)
14 Other Comprehensive Income (Net of tax)	(27)	(159)	19	(74)	(27)
15 Total Comprehensive Income (13+14)	1,013	2,520	(540)	5,402	(129)
16 Paid-up equity share capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290
17 Basic and diluted Earnings per share (Face Value of Rs. 10 each) (Quarter and year to date figures not annualised)	Rs.8.06	Rs.20.77	Rs.(4.33)	Rs.42.45	Rs.(0.79)

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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 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 disclosure has been restated.

	(Rs. in Lakhs)				
	Quarter ended			Nine months ended	
	31.12.2016 (Unaudited)	30.09.2016 (Unaudited)	31.12.2015 (Unaudited)	31.12.2016 (Unaudited)	31.12.2015 (Unaudited)
1 Segment Revenue					
(a) Engineering	4,139	4,479	5,069	12,699	13,736
(b) Real Estate	403	389	422	1,198	# 2,297
(c) Shipping and Logistics Services (Discontinued operation) (see Note 5)	-	175	1,847	806	5,828
Total	4,542	5,043	7,338	14,703	21,861
Less: Inter Segment Revenue	4	6	18	29	59
Total income from operations (net)	4,538	5,037	7,320	14,674	21,802
2 Segment Results [(Profit)/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]					
(a) Engineering	417	580	453	1,230	1,305
(b) Real Estate	225	291	272	815	1,864
(c) Shipping and Logistics Services (Discontinued operation) (see Note 5)	-	2,382	(139)	4,825	(426)
Total segment results	642	3,253	586	6,870	2,743
Less: Finance costs	(251)	(308)	(458)	(925)	(1,420)
Balance	391	2,945	128	5,945	1,323
Add: Unallocable income net of (expense)	649	20	(687)	21	(1,425)
Profit / (Loss) from ordinary activities before Tax	1,040	2,965	(559)	5,966	(102)
3 Segment Assets					
(a) Engineering	10,393	10,960	9,865	10,393	9,865
(b) Real Estate	8,440	6,272	4,656	8,440	4,656
(c) Shipping and Logistics Services (Discontinued operation) (see Note 5)	-	-	4,534	-	4,534
(d) Unallocated	24,781	23,828	23,393	24,781	23,393
Total Assets	43,614	41,060	42,448	43,614	42,448
4 Segment liabilities					
(a) Engineering	3,766	4,587	4,169	3,766	4,169
(b) Real Estate	7,180	4,633	3,447	7,180	3,447
(c) Shipping and Logistics Services (Discontinued operation) (see Note 5)	-	-	1,658	-	1,658
(d) Unallocated	12,328	13,082	14,097	12,328	14,097
Total Liabilities	23,274	22,302	23,371	23,274	23,371

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


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- 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 20th January, 2017 and have been subjected to a Limited Review by the statutory auditors.
- Exceptional items:

		(Rs. in Lakhs)				
		Quarter ended			Nine months ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(i)	Loss on Capital Reduction of investment in equity shares of subsidiary (see Note 7)	(1,931)	-	-	(1,931)	-
(ii)	Termination benefits and one time settlement with employees	(20)	(9)	-	(381)	-
(iii)	(Provision) / reversal for impairment in the value of investment (see Note 7)	2,380	-	(271)	2,380	(271)
(iv)	Arrears of rental income	-	-	-	-	1,172
(v)	Profit on slump sale of Veshvi & Mundra CFS (see Note 5)	-	2,562	-	5,459	-
(vi)	Profit on sale of Logistic business (see Note 5)	-	-	-	331	-
(vii)	Profit on sale of Investment (see Note 6)	750	-	-	750	-
	TOTAL	1,179	2,553	(271)	6,608	901

- 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 there under and the other accounting principles generally accepted in India except for the matter referred to in Note no.9.


The Ind AS compliant standalone unaudited financial results for the corresponding nine months ended 31st December, 2015 and quarter ended 31st December, 2015 have been restated in terms of SEBI circular CIR/CFD/FAC/62/2016 dated 5th July, 2016.

- Reconciliation of net profit for the corresponding nine months ended 31st December, 2015 and quarter ended 31st December, 2015 between previous Indian GAAP and Ind AS is as under:

Particulars	(Rs. in Lakhs)	
	Quarter ended 31.12.2015	Nine months ended 31.12.2015
Net Loss as per previous Indian GAAP	(555)	(198)
Measurement of Investments at Amortised cost	24	73
Actuarial (gain)/loss on employee defined benefit plans recognized in Other Comprehensive Income	(19)	27
Measurement of financial liabilities at amortised cost	(3)	3
Recognition of Rent element of security deposits	(6)	(7)
Net Loss as per Ind AS	(559)	(102)
Other Comprehensive Income (net of tax):		
Actuarial gain/(loss) on employee defined benefit plans recognized in Other Comprehensive Income	19	(27)
Total Comprehensive Income under Ind AS	(540)	(129)

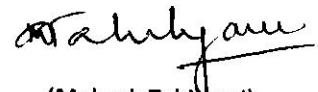
- In January 2016, the Board had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Company also executed an Agreement to transfer assets dated 18th April, 2016 pertaining to 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 nine months ended 31st December, 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 nine months ended 31st December, 2016.

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6. The Board of Directors of the Company at its meeting held on 12th October, 2016, had approved sale of its entire shareholding (50.001%) in Forbes Bumi Armada Offshore Limited (FBAOL), a joint venture with Bumi Armada Berhad to Shapoorji Pallonji Oil and Gas Private Limited ("SPOGPL") at a price of Rs.1,250 Lakhs. The Company has executed "Share Transfer Agreement" and transferred the entire shareholding to SPOGPL and recognized profit of Rs.750 Lakhs during the quarter. The same has been disclosed as an exceptional item in the Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2016.
7. During the previous quarter, the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), a subsidiary of the Company where by 1,95,00,000 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 was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme is approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, Company has recognized Rs.1,931 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of Rs.2,380 Lakhs. The same has been disclosed as an exceptional item in the Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2016.
8. 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 31st December, 2016 being in excess of the limits prescribed u/s 197 of the Companies Act, 2013 due to inadequacy of profits. The Company has filed an application to the Central Government for the approval of the same.
9. The Company has outstanding 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 in respect of all the periods presented in the above results. The auditors have qualified their limited review report on the standalone unaudited financial results for the quarter and half year ended 30th September, 2016 and for the quarter and nine months ended 31st December, 2016 in respect of this matter.

For Forbes & Company Limited



(Mahesh Tahilyani)
Managing Director
DIN : 01423084

Mumbai, 20th January, 2017



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 nine months ended December 31, 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 July 5, 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 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 9 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 nine months ended December 31, 2016. This matter was also qualified in our report on the Statement for the quarter and half year ended September 30, 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



**Deloitte
Haskins & Sells LLP**

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 July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 8 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 December 31, 2016. 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, January 20, 2017

