



# 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

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

Date: 28th January, 2011

BOMBAY STOCK EXCHANGE LTD.  
INWARD SECTION

28 JAN 2011

Dear Sirs,

Compliance with the requirements of Clause 41 of the Listing Agreement -  
Unaudited Financial Results for the quarter / nine months ended 31st December, 2010

CONTENTS NOT VERIFIED

We set out the unaudited financial results for the quarter / nine months ended 31st December, 2010.

SIGN.....

(Rs. in Lakhs)

Particulars	3 months ended 31.12.2010 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2009 (Unaudited)	Year to date figures for current period ended 31.12.2010 (Unaudited)	Year to date figures for previous period ended 31.12.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1 Net Sales / Income from Operations	5,504	3,818	15,130	10,642	16,240
2 Other Operating Income	270	271	717	665	1,235
3 Total (1+2)	5,774	4,089	15,847	11,307	17,475
4 Expenditure					
a) (Increase)/decrease in stock-in-trade and work-in-progress	(38)	8	(258)	187	377
b) Consumption of raw materials	1,023	741	2,787	1,898	3,043
c) Purchase of traded goods	140	192	524	637	883
d) Employees cost	996	879	2,748	2,802	3,584
e) Depreciation	304	306	1,066	989	1,292
f) Transportation, freight and hire charges for Shipping and Logistics division	1,875	949	5,052	1,745	3,933
g) Other expenditure	2,015	1,452	5,394	4,445	5,907
h) Total expenditure (a to g)	6,315	4,527	17,313	12,703	19,019
5 Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (3-4)	(541)	(438)	(1,466)	(1,396)	(1,544)
6 Other Income (See Note 3)	6	-	12	1,381	1,486
7 Profit/(Loss) before Interest and Exceptional Items (5+6)	(535)	(438)	(1,454)	(15)	(58)
8 Interest (Net) (See Note 4)	320	316	882	1,083	1,420
9 Profit/(Loss) after Interest but before Exceptional Items (7-8)	(855)	(754)	(2,336)	(1,098)	(1,478)
10 Exceptional Items (See Note 2)	1,651	418	1,986	(507)	456
11 Profit/(Loss) from Ordinary Activities before Tax (9+10)	796	(336)	(350)	(1,605)	(1,022)
12 Tax expense					
Income-tax adjustment in respect of earlier years	-	-	(10)	191	191
Fringe benefit tax	-	-	-	-	-
Wealth tax	3	4	9	12	13
Sub Total	3	4	(1)	203	204
13 Net Profit/(Loss) from Ordinary Activities after tax (11-12)	793	(340)	(349)	(1,808)	(1,226)
14 Extraordinary Items (net of tax expense)	-	-	-	-	-
15 Net Profit/(Loss) for the period (13-14)	793	(340)	(349)	(1,808)	(1,226)
16 Paid-up Equity Share Capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290
17 Reserves excluding Revaluation Reserve					12,019
18 Basic and diluted Earnings per share (Quarter and Year to date figures not annualised)	Rs.6.15	Rs.(2.64)	Rs.(2.71)	Rs.(14.02)	Rs.(9.51)
19 Aggregate of Public Shareholding					
No. of Shares	3436925	3436925	3436925	3436925	3436925
Percentage of shareholding	26.65%	26.65%	26.65%	26.65%	26.65%
20 Promoters and Promoter Group shareholding					
a) Pledged / Encumbered					
- Number of shares	-	47400	-	47400	47400
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	0.50%	-	0.50%	0.50%
- Percentage of shares (as a % of the total share capital of the Company)	-	0.36%	-	0.36%	0.36%
b) Non-encumbered					
- Number of shares	9461691	9414291	9461691	9414291	9414291
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	99.50%	100.00%	99.50%	99.50%
- Percentage of shares (as a % of the total share capital of the Company)	73.35%	72.99%	73.35%	72.99%	72.99%

Contd...

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

(Rs. in Lakhs)

	3 months ended 31.12.2010 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2009 (Unaudited)	Year to date figures for current period ended 31.12.2010 (Unaudited)	Year to date figures for previous period ended 31.12.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
<b>1 Segment Revenue:</b>					
(a) Engineering	3,214	2,729	9,135	7,486	10,920
(b) Motors	37	23	38	199	252
(c) Shipping and Logistics Services	2,314	1,140	6,052	3,001	5,470
(d) Personal Wear	5	32	5	199	216
(e) Real Estate	204	165	617	422	617
<b>Total</b>	<b>5,774</b>	<b>4,089</b>	<b>15,847</b>	<b>11,307</b>	<b>17,475</b>
Less: Inter Segment Revenue	-	-	-	-	-
	<b>5,774</b>	<b>4,089</b>	<b>15,847</b>	<b>11,307</b>	<b>17,475</b>
<b>2 Segment Results [Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]</b>					
(a) Engineering	445	372	1,189	745	1,306
(b) Motors	333	(42)	316	(1,067)	(1,080)
(c) Shipping and Logistics Services	(628)	(165)	(1,813)	(988)	(1,295)
(d) Personal Wear	5	(30)	(25)	(186)	(887)
(e) Real Estate	1,352	84	1,938	289	1,237
<b>Total</b>	<b>1,507</b>	<b>219</b>	<b>1,605</b>	<b>(1,207)</b>	<b>(619)</b>
Add/(Less): Exceptional items other than related to segments	(2)	213	(2)	825	1,559
	<b>1,505</b>	<b>432</b>	<b>1,603</b>	<b>(382)</b>	<b>940</b>
Less: Interest (Net)	(320)	(316)	(882)	(1,083)	(1,420)
<b>Balance</b>	<b>1,185</b>	<b>116</b>	<b>721</b>	<b>(1,465)</b>	<b>(480)</b>
Add/(Less): Unallocated Expenses (net of Unallocated Income)	(389)	(452)	(1,071)	(140)	(542)
<b>Profit/(Loss) before Tax</b>	<b>796</b>	<b>(336)</b>	<b>(350)</b>	<b>(1,605)</b>	<b>(1,022)</b>
<b>3 Capital Employed (Segment assets Less Segment Liabilities)</b>					
(a) Engineering	6,251	5,866	6,251	5,866	6,320
(b) Motors	(63)	13	(63)	13	100
(c) Shipping and Logistics Services	3,864	4,743	3,864	4,743	4,766
(d) Personal Wear	25	(31)	25	(31)	(714)
(e) Real Estate	(2,579)	(2,621)	(2,579)	(2,621)	(2,712)
	<b>7,498</b>	<b>7,970</b>	<b>7,498</b>	<b>7,970</b>	<b>7,760</b>
Other Unallocables	16,690	15,785	16,690	15,785	15,018
<b>Total Capital Employed</b>	<b>24,188</b>	<b>23,755</b>	<b>24,188</b>	<b>23,755</b>	<b>22,778</b>

\* 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 and Services Limited transferred to the Company as stated in Note 6.

Contd...

**NOTES: -**

1. Previous period's / year's figures have been regrouped / recast wherever necessary.
2. Exceptional items :-

(Rs. in Lakhs)

	<b>3 months ended 31.12.2010 (Unaudited)</b>	<i>Corresponding 3 months ended in the previous year 31.12.2009 (Unaudited)</i>	<b>Year to date figures for current period ended 31.12.2010 (Unaudited)</b>	<i>Year to date figures for previous period ended 31.12.2009 (Unaudited)</i>	<i>Previous accounting year ended 31.03.2010 (Audited)</i>
Expenses related to operations discontinued:					
- write down in value of inventory	-	(15)	-	(130)	(139)
- provision for impairment of fixed assets	-	-	-	(362)	(362)
- provision for doubtful debts	-	-	-	-	(21)
- termination benefits to employees	-	(32)	-	(579)	(579)
- fixed royalty charge	-	(30)	-	(63)	(63)
- provision for one time payment for foreclosure of trademark license agreement	-	-	-	-	(692)
<b>Sub-total</b>	-	(77)	-	(1,134)	(1,856)
Termination benefits and one time settlement with employees of continuing operations	(2)	(80)	(10)	(80)	(80)
Write-off / provision for diminution in the value of investments	-	-	-	-	(589)
Reversal of provision for diminution in the value of investments and loans and advances	-	213	-	579	579
Settlement of disputed Charter Hire Charges	-	-	-	(239)	(239)
Reversal of provision for disputed Charter Hire Charges	-	241	-	-	-
Profit for the year ended 31 <sup>st</sup> March, 2009 in respect of demerged shipping agency division of Volkart Fleming Shipping and Services Limited as stated in Note 6	-	-	-	246	246
Profit on sale of operations of Business Automation division	-	121	-	121	171
Profit on buy-back of shares by subsidiary companies (net)	-	-	-	-	1,405
Profit on sale of residential premises	1,227	-	1,227	-	901
Profit on sale of land and building	276	-	619	-	-
Impairment of fixed assets no longer required written back	150	-	150	-	-
Advance tax written off	-	-	-	-	(82)
<b>TOTAL</b>	<b>1,651</b>	<b>418</b>	<b>1,986</b>	<b>(507)</b>	<b>456</b>

*Handwritten signature*

3. Other Income includes:

	<i>(Rs. in Lakhs)</i>				
	<b>3 months ended 31.12.2010 (Unaudited)</b>	<i>Corresponding 3 months ended in the previous year 31.12.2009 (Unaudited)</i>	<b>Year to date figures for current period ended 31.12.2010 (Unaudited)</b>	<i>Year to date figures for previous period ended 31.12.2009 (Unaudited)</i>	<i>Previous accounting year ended 31.03.2010 (Audited)</i>
Profit on sale of investments and fixed assets other than disclosed as exceptional items	6	-	10	17	120
Dividend	-	-	-	1,278	1,278

4. Interest cost shown in item 8 above is net after deducting interest income Rs. 6 Lakhs for the quarter ended 31<sup>st</sup> December, 2010 (*corresponding previous quarter Rs.11 Lakhs*); Rs.27 Lakhs for the nine months ended 31<sup>st</sup> December, 2010 (*corresponding previous period Rs.35 Lakhs*); and Rs.35 Lakhs for the year ended 31<sup>st</sup> March, 2010.
5. The audit report for the year ended 31<sup>st</sup> March, 2010 and limited review reports for the quarter ended 30<sup>th</sup> June, 2010 and 30<sup>th</sup> September, 2010 of the statutory auditors had included following as a subject matter of qualification:-


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). This continues to be a subject matter of qualification in the limited review report for this quarter ended 31<sup>st</sup> December, 2010 results. The Company has signed a term sheet with the lenders of SFL, also approved by RBI, under which the aforesaid standby charter agreements will be suspended, prospectively, on formalisation of revised agreement which is expected to be formalised in the next few weeks. Having regard to the contingent nature of arrangement that the Company would be required to take vessels on charter only if vessels are not on chartering and present status on amendment to the terms as aforesaid, in our view, no provision is required under AS 29. Loss of Rs. 184 Lakhs on account of aforesaid commitment materialised subsequent to the 31<sup>st</sup> December, 2010, is relating to the future operations and accordingly, not required to be provided in the quarter ended 31<sup>st</sup> December, 2010.

6. In view of the Scheme of arrangement for the demerger and transfer of the Shipping Agency Division of Volkart Fleming Shipping and Services Limited, a Subsidiary Company, into the Company with effect from 1<sup>st</sup> April, 2008, approved by the High Court, Bombay on 6<sup>th</sup> November, 2009, in these results, figures for the quarter /nine months ended 31<sup>st</sup> December, 2009 have been restated as under:
- Operating income (item 3) has been increased by Rs. 34 Lakhs / Rs.178 Lakhs for the quarter / nine months ended 31<sup>st</sup> December, 2009 respectively
  - Total Expenditure (item 4(g)) has been increased by Rs. 33 Lakhs / Rs. 330 Lakhs for the quarter / nine months ended 31<sup>st</sup> December, 2009 respectively
  - Interest income netted off from the interest expenses (item 8) Rs. 6 Lakhs / Rs.18 Lakhs for the quarter / nine months ended 31<sup>st</sup> December, 2009 respectively
  - Profit for the year ended 31<sup>st</sup> March 2009 of Rs.246 Lakhs has been considered as an exceptional item.

Along with consequential restatement of net loss and earning per share.

7. During this quarter, the Company's wholly owned subsidiary, Eureka Forbes Ltd. has formed a wholly owned subsidiary, EFL Mauritius Ltd.
8. As on 1<sup>st</sup> October, 2010, no shareholder's complaint was pending. The Company received 2 (two) complaints during the quarter ended 31<sup>st</sup> December, 2010 out of which 1 (one) complaint has been resolved to the satisfaction of the shareholder and 1 (one) remained unresolved as on 31<sup>st</sup> December, 2010 which has since been resolved. Further, on 1<sup>st</sup> October, 2010, there were 12 (twelve) shareholders related court cases, which remained pending as at 31<sup>st</sup> December, 2010.
9. The above results were subjected to Limited Review by auditors and reviewed by the Audit Committee meeting held on 27<sup>th</sup> January, 2011 and approved by the Board of Directors of the Company at its meeting held on 28<sup>th</sup> January 2011.

**For Forbes & Company Limited**



**(Ashok Barat)**  
**Managing Director**

**Mumbai, 28<sup>th</sup> January, 2011**

*ml*