



# 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

Date: 30th January, 2009

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

Dear Sirs,

BOMBAY STOCK EXCHANGE LTD.  
INWARD SECTION

02 FEB 2009

CONTENTS NOT VERIFIED

**Compliance with the requirements of Clause 41 of the Listing Agreement -  
Unaudited Financial Results for the nine months ended 31st December, 2008**

We set out the unaudited financial results for the nine months ended 31st December, 2008.

| Particulars  | (Rs. in Lakhs)                        |   |  |   |   |
|--|---------------------------------------|---|--|---|---|
|  | 3 months ended 31.12.2008 (Unaudited) | Corresponding 3 months ended previous year 31.12.2007 (Unaudited) | Year to Date figures for current period ended 31.12.2008 (Unaudited) | Year to Date figures for previous period ended 31.12.2007 (Unaudited) | Previous accounting Year ended 31.03.2008 (Audited) |
| 1 Net Sales / Income from Operations   | 4,213                                 | 5,563   | 14,059   | 19,019  | 23,486  |
| 2 Other Operating Income   | 50                                    | 320   | 1,151  | 1,313   | 1,634   |
| 3 Total (1+2)  | 4,263                                 | 5,883   | 15,210   | 20,332  | 25,120  |
| 4 Total Expenditure  |                                       |   |  |   |   |
| a) (Increase)/Decrease in Stock and Work in Progress                               | (90)                                  | (106)   | (411)  | 748   | 448   |
| b) Consumption of Raw Materials  | 696                                   | 1,652   | 2,483  | 5,132   | 5,957   |
| c) Purchase of Traded Goods  | 597                                   | 1,022   | 2,794  | 3,546   | 4,460   |
| d) Employees Cost  | 990                                   | 998   | 2,965  | 2,900   | 3,832   |
| e) Depreciation  | 285                                   | 368   | 853  | 924   | 1,126   |
| f) Other Expenditure   | 2,394                                 | 2,009   | 6,813  | 6,489   | 9,755   |
| Sub Total  | 4,872                                 | 5,943   | 15,497   | 19,739  | 25,578  |
| 5 Profit from Operations before Other Income, Interest and Exceptional Items (3-4) | (609)                                 | (60)  | (287)  | 593   | (458)   |
| 6 Other Income (See Note 2)  | 232                                   | 89  | 887  | 1,631   | 2,342   |
| 7 Profit before Interest and Exceptional Items (5+6)                               | (377)                                 | 29  | 600  | 2,224   | 1,884   |
| 8 Interest (Net) (See Note 5)  | 347                                   | 261   | 927  | 750   | 1,047   |
| 9 Profit after Interest but before Exceptional Items (7-8)                         | (724)                                 | (232)   | (327)  | 1,474   | 837   |
| 10 Exceptional Items   | (898)                                 | -   | (1,291)  | (49)  | (467)   |
| 11 Profit/(Loss) from Ordinary Activities before Tax (9+10)                        | (1,622)                               | (232)   | (1,618)  | 1,425   | 370   |
| 12 Tax Expense   |                                       |   |  |   |   |
| Income-tax-Current   | -                                     | (31)  | -  | 123   | -   |
| Deferred Tax Adjustments   | -                                     | (44)  | -  | 598   | 214   |
| Fringe Benefits tax  | 18                                    | 15  | 60   | 53  | 86  |
| Wealth tax and Adjustment to taxes (current & deferred) of earlier period          | (39)                                  | 2   | 11   | 12  | (172)   |
| Sub Total  | (21)                                  | (58)  | 71   | 786   | 128   |
| 13 Net Profit/(Loss) from Ordinary Activities after tax (11-12)                    | (1,601)                               | (174)   | (1,689)  | 639   | 242   |
| 14 Extraordinary Items (net of tax expense)  | -                                     | -   | -  | -   | -   |
| 15 Net Profit/(Loss) for the period (13-14)  | (1,601)                               | (174)   | (1,689)  | 639   | 242   |
| 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  |                                       |   |  |   | 18,157  |
| 18 Basic and diluted Earning per Share   | Rs.(12.41)<br>(for 3 months period)   | Rs.(1.35)<br>(for 3 months period)                                | Rs.(13.10)<br>(for 9 months ended)                                   | Rs.4.95<br>(for 9 months ended)                                       | Rs.1.88<br>(for the year)                           |
| 19 Aggregate of Public Shareholding  |                                       |   |  |   |   |
| No. of Shares  | 3436925                               | 3436925   | 3436925  | 3436925   | 3436925   |
| Percentage   | 26.65%                                | 26.65%  | 26.65%   | 26.65%  | 26.65%  |
| 20 Promoters shareholding under pledge with a nationalised bank                    |                                       |   |  |   |   |
| No. of Shares  | 47,400                                | 47,400  | 47,400   | 47,400  | 47,400  |

Contd...



**Quarterly Reporting of Segmentwise Revenue, Results & Capital Employed under clause 41 of the Listing Agreement**

(Rs. in Lakhs)

**1 Segment Revenue :(net sales / income from each segment)**

- (a) Engineering  
(b) Business Automation  
(c) Contract Manufacturing  
(d) Logistics Services  
(e) Others  
(f) Unallocated

**Total**  
Less: Inter Segment Revenue

**2 Segment Results (Profit before Tax and interest from each Segment)**

- (a) Engineering  
(b) Business Automation  
(c) Contract Manufacturing  
(d) Logistics Services  
(e) Others

**Total**  
Less: Interest (Net)  
**Balance**  
Add/(Less): Unallocated Income (net of Unallocated Expenditure)  
**Profit before Tax**

**3 Capital Employed (Segment assets Less Segment Liabilities)**

- (a) Engineering  
(b) Business Automation  
(c) Contract Manufacturing  
(d) Logistics Services  
(e) Others

| 3 months ended<br>31.12.2008<br>(Unaudited)                     | Corresponding<br>3 months ended<br>previous year<br>31.12.2007<br>(Unaudited) | Year to Date<br>figures for<br>current<br>period ended<br>31.12.2008<br>(Unaudited) | Year to Date<br>figures for<br>previous<br>period ended<br>31.12.2007<br>(Unaudited) | Previous<br>accounting<br>Year ended<br>31.03.2008<br>(Audited) |               |
|---|---|---|--|---|---------------|
|   |   |   |  |   |               |
| (a) Engineering   | 2,168   | 2,183   | 7,293  | 6,647   | 9,134         |
| (b) Business Automation   | 862   | 1,166   | 3,486  | 3,859   | 5,301         |
| (c) Contract Manufacturing                                      | (104)   | 1,330   | 451  | 5,507   | 958           |
| (d) Logistics Services  | 902   | 604   | 3,085  | 2,146   | 3,270         |
| (e) Others  | 464   | 617   | 979  | 2,231   | 6,539         |
| (f) Unallocated   | 233   | 89  | 888  | 1,632   | 2,342         |
| <b>Total</b>  | <b>4,525</b>  | <b>5,989</b>  | <b>16,182</b>  | <b>22,022</b>   | <b>27,544</b> |
| Less: Inter Segment Revenue                                     | 30  | 17  | 85   | 59  | 82            |
|   | <b>4,495</b>  | <b>5,972</b>  | <b>16,097</b>  | <b>21,963</b>   | <b>27,462</b> |
|   |   |   |  |   |               |
| (a) Engineering   | 131   | 293   | 889  | 933   | 1,373         |
| (b) Business Automation   | (110)   | 85  | (213)  | 258   | 126           |
| (c) Contract Manufacturing                                      | (336)   | (169)   | (412)  | 145   | (458)         |
| (d) Logistics Services  | 171   | (10)  | 567  | (257)   | (229)         |
| (e) Others  | (510)   | 79  | (831)  | 280   | (400)         |
| <b>Total</b>  | <b>(654)</b>  | <b>278</b>  | <b>0</b>   | <b>1,359</b>  | <b>412</b>    |
| Less: Interest (Net)  | 347   | 261   | 927  | 750   | 1,048         |
| <b>Balance</b>  | <b>(1,001)</b>  | <b>17</b>   | <b>(927)</b>   | <b>609</b>  | <b>(636)</b>  |
| Add/(Less): Unallocated Income (net of Unallocated Expenditure) | (621)   | (249)   | (691)  | 816   | 1,006         |
| <b>Profit before Tax</b>  | <b>(1,622)</b>  | <b>(232)</b>  | <b>(1,618)</b>   | <b>1,425</b>  | <b>370</b>    |
|   |   |   |  |   |               |
| (a) Engineering   | 7,961   | 7,727   | 7,961  | 7,727   | 7,813         |
| (b) Business Automation   | 1,142   | 1,758   | 1,142  | 1,758   | 1,359         |
| (c) Contract Manufacturing                                      | 954   | 2,284   | 954  | 2,284   | 889           |
| (d) Logistics Services  | 4,708   | 5,509   | 4,708  | 5,509   | 4,792         |
| (e) Others  | (1,576)   | 190   | (1,576)  | 190   | (137)         |
| <b>Total</b>  | <b>13,189</b>   | <b>17,468</b>   | <b>13,189</b>  | <b>17,468</b>   | <b>14,716</b> |

Contd ...



**NOTES:**

1. Previous period's / year's figures have been regrouped / recast wherever necessary.

2. Other Income includes:

(Rs. in Lakhs)

|   | Three months ended 31.12.08 | Three months ended 31.12.07 | Year to Date current period 31.12.08 | Year to Date previous period 31.12.07 | Previous accounting Year ended 31.03.08 |
|---|-----------------------------|-----------------------------|--------------------------------------|---------------------------------------|---|
| Profit on sale of Investments / Property / Other Assets | 52                          | 37                          | 53                                   | 1,182                                 | 986                                     |
| Dividend received                                       | 90                          | 25                          | 617                                  | 866                                   | 1,526                                   |

3. Exceptional items:

(Rs. in Lakhs)

|   | Three months ended 31.12.08 | Three months ended 31.12.07 | Year to Date current period 31.12.08 | Year to Date previous period 31.12.07 | Previous accounting Year ended 31.03.08 |
|---|-----------------------------|-----------------------------|--------------------------------------|---------------------------------------|---|
| Provision for receivables and reduction in the inventory values in respect of operations discontinued in the previous year. | (384)                       | -                           | (569)                                | 9                                     | (467)                                   |
| Termination Benefit, one time settlement with employees and amortisation of cost of Voluntary Retirement Scheme.            | (28)                        | -                           | (236)                                | (58)                                  | -                                       |
| Provision for Diminution in the value of Investments  | (37)                        | -                           | (37)                                 | -                                     | -                                       |
| Provision for Loans and Advances  | (449)                       | -                           | (449)                                | -                                     | -                                       |
| <b>TOTAL</b>  | <b>(898)</b>                | <b>-</b>                    | <b>(1,291)</b>                       | <b>(49)</b>                           | <b>(467)</b>                            |

4. The auditors in their report for the year ended 31.03.2008, have made an observation on the values of certain investments. The Company has a long term interest in these investments and no provision for diminution in the value of said investment is considered to be necessary. As regards the observation of the Auditors in the report, regarding revaluation of certain assets, the practice followed by the Company was based on the legal advice received by the Company and after 31<sup>st</sup> March, 2007 and before 31<sup>st</sup> March, 2008, these assets have been sold and therefore the question of basis of valuation of these assets as at 31<sup>st</sup> March, 2008, does not remain.

The auditors had commented on the recognition of deferred tax assets aggregating Rs.349 lakhs by the Company in the absence of virtual certainty of future profits and consequential direct tax liabilities against which such assets could be realised. As the deferred tax asset aggregating Rs.398 lakhs, was recognized in respect of the unamortized portion of voluntary retirement compensation which was set off against the General Reserves of the Company as at 31<sup>st</sup> March 2007, in terms of the order of the Honourable High Court of Judicature at Karnataka



dated 13<sup>th</sup> July 2007, the amount of the corresponding deferred tax asset has also been set off against the General Reserves.

- Interest cost shown in item 8 above is net after deducting interest income Rs.62 Lakhs for the quarter ended 31<sup>st</sup> December, 2008 (*corresponding previous quarter Rs.99 Lakhs*); Rs.267 Lakhs for the nine months ended 31<sup>st</sup> December, 2008 (*corresponding previous period Rs.328 Lakhs*); and Rs.436 Lakhs for the year ended 31<sup>st</sup> March 2008.
- During the quarter the Company has made an additional investment of Rs.3,079 Lakhs in the equity shares of Forbes Finance Ltd., a wholly owned subsidiary company.

Further, Forbes Finance Ltd. has made investment of Rs.1,500 Lakhs in the equity shares of Forbes Technosys Ltd. during the quarter by subscribing to the rights issue and purchase of shares from another subsidiary viz. Eureka Forbes Ltd. Forbes Technosys Ltd. is now a subsidiary of Forbes Finance Ltd.

Further, Eureka Forbes Ltd. (EFL), a wholly-owned subsidiary has made investments during the period as under:

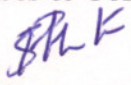
|                                    |               |                   |
|------------------------------------|---------------|-------------------|
| E4 Development & Coaching Ltd.     | Rs.3.75 Lakhs | Subsidiary of EFL |
| Forbes Water Ltd.                  | Rs.5 Lakhs    | Subsidiary of EFL |
| Infinite Water Solutions Pvt. Ltd. | Rs.0.50 Lakh  | Joint Venture     |

- During the quarter the Company has transferred out the following investments at book value to its wholly owned subsidiary Forbes Finance Ltd.:-

|                               |                       |
|-------------------------------|-----------------------|
| Forbes Technosys Ltd.         | Rs. 139 Lakhs         |
| Forbes Edumetry Ltd.          | Rs. 144 Lakhs         |
| Nypro Forbes Moulds P. Ltd.   | Rs. 247 Lakhs         |
| Nypro Forbes Products P. Ltd. | Rs. 538 Lakhs         |
|                               | <b>Rs.1,068 Lakhs</b> |

- As on 1<sup>st</sup> October, 2008, no shareholder's complaint was pending. The Company received 2 (two) complaints during the quarter ended 31<sup>st</sup> December, 2008 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, 2008. Further, as on 1<sup>st</sup> October, 2008, there were 12 (twelve) shareholder related court cases which remained pending as on 31<sup>st</sup> December, 2008.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 30<sup>th</sup> January, 2009. The Statutory Auditors have carried out a Limited Review of the above financial results and report is being submitted separately.

**For Forbes & Company Limited**

  
**(Shapoor P. Mistry)**  
**Chairman**

  
**Mumbai, 30<sup>th</sup> January, 2009**