



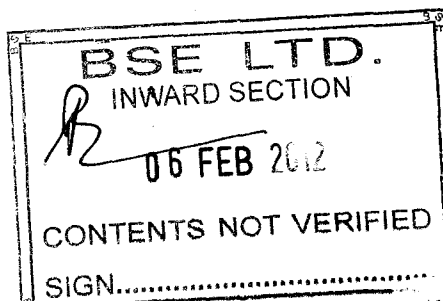
# FORBES & COMPANY LIMITED

Registered Office : Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001, India.  
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D/C

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

Dear Sirs,



Date: 6th February, 2012

Compliance with the requirements of Clause 41 of the Listing Agreement -  
**Unaudited Financial Results for the quarter and nine months ended 31st December, 2011**

We set out the unaudited financial results for the quarter and nine months ended 31st December, 2011.

(Rs. in Lakhs)

Particulars	3 months ended 31.12.2011 (Unaudited)	Previous 3 months ended 30.09.2011 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2010 (Unaudited)	Year to date figures for current period ended 31.12.2011 (Unaudited)	Year to date figures for previous period ended 31.12.2010 (Unaudited)	Previous accounting year ended 31.03.2011 (Audited)
1 Net Sales / Income from Operations	6,919	6,507	5,805	20,226	16,286	23,311
2 Other Operating Income	56	92	85	190	124	179
3 Total (1+2)	6,975	6,599	5,890	20,416	16,410	23,490
4 Expenditure						
a) (Increase)/decrease in stock-in-trade and work-in-progress	22	102	(64)	223	(373)	(228)
b) Consumption of raw materials	1,277	1,100	1,023	3,501	2,787	3,773
c) Purchase of traded goods	90	172	140	387	524	845
d) Employees cost	989	1,093	1,061	3,048	2,748	3,653
e) Depreciation	304	306	304	907	1,066	1,364
f) Charter Hire Charges	-	-	1,077	1,063	3,008	4,061
g) Transportation, freight, hire charges and other operating costs relating to Shipping and Logistics division	1,771	1,716	965	4,986	2,639	3,600
h) Other expenditure	1,901	1,812	1,925	5,436	5,477	7,708
i) Total expenditure (a to h)	6,354	6,301	6,431	19,551	17,876	24,776
5 Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (3-4) [See Footnote]	621	298	(541)	865	(1,466)	(1,286)
6 Other Income (See Note 3)	-	1	6	1	12	1,624
7 Profit/(Loss) before Interest and Exceptional Items (5+6)	621	299	(535)	866	(1,454)	338
8 Interest (Net) (See Note 4)	288	304	320	874	882	1,193
9 Profit/(Loss) after Interest but before Exceptional Items (7-8)	333	(5)	(855)	(8)	(2,336)	(855)
10 Exceptional Items (See Note 2)	-	10	1,651	10	1,986	915
11 Profit/(Loss) from Ordinary Activities before Tax (9+10)	333	5	796	2	(350)	60
12 Tax expense						
Income-tax adjustment in respect of earlier years	-	-	-	-	(10)	(10)
Wealth tax	3	3	3	9	9	12
Sub Total	3	3	3	9	(1)	2
13 Net Profit/(Loss) from Ordinary Activities after tax (11-12)	330	2	793	(7)	(349)	58
14 Extraordinary Items (net of tax expense)	-	-	-	-	-	-
15 Net Profit/(Loss) for the period / year (13-14)	330	2	793	(7)	(349)	58
16 Paid-up Equity Share Capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290	1,290
17 Reserves excluding Revaluation Reserve						12,077
18 Basic and diluted Earnings per share (Quarter and year to date figures not annualised)	Rs.2.56	Rs.0.02	Rs.6.15	Rs.(0.06)	Rs.(2.71)	Rs.0.45
19 Aggregate of Public Shareholding						
No. of Shares	3436925	3436925	3436925	3436925	3436925	3436925
Percentage of shareholding	26.65%	26.65%	26.65%	26.65%	26.65%	26.65%
20 Promoters and Promoter Group shareholding						
a) Pledged / Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
b) Non-encumbered						
- Number of shares	9461691	9461691	9461691	9461691	9461691	9461691
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	73.35%	73.35%	73.35%	73.35%	73.35%	73.35%
Note: Chartering loss arising from the stand by charter agreement as stated in note 5 included in these results	-	-	647	513	1,627	2,164

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

(Rs. in Lakhs)

	3 months ended 31.12.2011 (Unaudited)	Previous 3 months ended 30.09.2011 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2010 (Unaudited)	Year to date figures for current period ended 31.12.2011 (Unaudited)	Year to date figures for previous period ended 31.12.2010 (Unaudited)	Previous accounting year ended 31.03.2011 (Audited)
<b>1 Segment Revenue:</b>						
(a) Engineering	3,682	3,556	3,204	10,863	9,130	12,715
(b) Shipping and Logistics Services	2,862	2,655	2,439	8,296	6,619	9,022
(c) Real Estate	431	388	205	1,257	618	1,719
(d) Motors	-	-	37	-	38	52
(e) Personal Wear	-	-	5	-	5	(18)
<b>Total</b>	<b>6,975</b>	<b>6,599</b>	<b>5,890</b>	<b>20,416</b>	<b>16,410</b>	<b>23,490</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
	<b>6,975</b>	<b>6,599</b>	<b>5,890</b>	<b>20,416</b>	<b>16,410</b>	<b>23,490</b>
<b>2 Segment Results [Profit/(Loss) before Tax and Interest from each Segment (Including exceptional items related to segments)]</b>						
(a) Engineering	522	471	445	1,612	1,189	1,214
(b) Shipping and Logistics Services	211	(49)	(628)	(465)	(1,813)	(2,287)
(c) Real Estate	332	318	1,340	1,010	1,918	3,015
(d) Motors	(24)	24	333	(2)	316	318
(e) Personal Wear	-	-	5	-	(25)	(19)
<b>Total</b>	<b>1,041</b>	<b>764</b>	<b>1,495</b>	<b>2,155</b>	<b>1,585</b>	<b>2,241</b>
Add/(Less): Exceptional Items other than related to segments	-	-	(2)	-	(2)	(1,076)
	<b>1,041</b>	<b>764</b>	<b>1,493</b>	<b>2,155</b>	<b>1,583</b>	<b>1,165</b>
Less: Interest (Net)	(288)	(304)	(320)	(874)	(882)	(1,193)
<b>Balance</b>	<b>753</b>	<b>460</b>	<b>1,173</b>	<b>1,281</b>	<b>701</b>	<b>(28)</b>
Add/(Less): (Unallocated Expenses) net of Unallocated Income	(420)	(455)	(377)	(1,279)	(1,051)	88
<b>Profit/(Loss) before Tax</b>	<b>333</b>	<b>5</b>	<b>796</b>	<b>2</b>	<b>(350)</b>	<b>60</b>
<b>3 Capital Employed (Segment assets Less Segment Liabilities)</b>						
(a) Engineering	5,988	5,813	6,238	5,988	6,238	5,700
(b) Shipping and Logistics Services	3,033	3,294	3,575	3,033	3,575	3,821
(c) Real Estate	(2,307)	(2,182)	(2,579)	(2,307)	(2,579)	(2,742)
(d) Motors	(94)	(97)	(85)	(94)	(85)	(83)
(e) Personal Wear	32	32	25	32	25	32
	<b>6,652</b>	<b>6,860</b>	<b>7,174</b>	<b>6,652</b>	<b>7,174</b>	<b>6,728</b>
Other Unallocables	18,190	16,826	17,014	18,190	17,014	17,144
<b>Total Capital Employed</b>	<b>24,842</b>	<b>23,686</b>	<b>24,188</b>	<b>24,842</b>	<b>24,188</b>	<b>23,872</b>

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**NOTES:**

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

**(Rs. in Lakhs)**

	3 months ended 31.12.2011 (Unaudited)	Previous 3 months ended 30.09.2011 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2010 (Unaudited)	Year to date figures for current period ended 31.12.2011 (Unaudited)	Year to date figures for previous period ended 31.12.2010 (Unaudited)	Previous accounting year ended 31.03.2011 (Audited)
Termination benefits and one time settlement with employees	-	(58)	(2)	(58)	(10)	(10)
Write-off / provision for diminution in the value of investments	-	-	-	-	-	(1,074)
Profit on sale of residential premises	-	-	1,227	-	1,227	1,227
Profit on sale of land and building	-	68	276	68	619	622
Impairment of fixed assets no longer required written back	-	-	150	-	150	150
<b>TOTAL</b>	-	10	1,651	10	1,986	915

3. Other Income includes:

**(Rs. in Lakhs)**

	3 months ended 31.12.2011 (Unaudited)	Previous 3 months ended 30.09.2011 (Unaudited)	Corresponding 3 months ended in the previous year 31.12.2010 (Unaudited)	Year to date figures for current period ended 31.12.2011 (Unaudited)	Year to date figures for previous period ended 31.12.2010 (Unaudited)	Previous accounting year ended 31.03.2011 (Audited)
Profit on sale of fixed assets other than disclosed as exceptional items	-	1	6	1	12	-
Profit on buy-back of shares by subsidiary companies	-	-	-	-	-	1,624

4. Interest cost shown in item 8 above is net after deducting interest income Rs.9 Lakhs for the quarter ended 31<sup>st</sup> December, 2011; (previous quarter ended 30<sup>th</sup> September, 2011 Rs.3 Lakhs, corresponding previous quarter ended 31<sup>st</sup> December, 2010 Rs.6 Lakhs); Rs.23 Lakhs for the nine months ended 31<sup>st</sup> December, 2011 (corresponding previous period Rs.27 Lakhs); and Rs.29 Lakhs for the year ended 31<sup>st</sup> March, 2011.
5. To secure the lenders of SCI Forbes Limited (SFL), a joint venture entity, amongst other undertakings, two of the joint venture partners, including the Company, had to, sign a standby charter agreement, under which, in the event the vessels were not on charter with a lender approved third party at anytime during the pendency of the loan, two vessels each would come on automatic charter to the joint venture partners at rates specified in the standby charter agreement. Immediately thereafter the global financial crisis occurred with shipping being badly hit with charter rates crashing. The lenders sought a change in some commercial terms for agreeing to approve charterers and other forms of vessel deployment. Whilst this negotiation was going on, the loan covenant had got activated and the Company (as also its other JV partner) had to take the vessels on charter at standby charter rates and deploy them on market rates resulting in the loss figures indicated in the footnote. With effect from 1st July, 2011, the aforesaid standby charter agreement has been suspended and consequently the ships have been re-delivered by the Company as also by the joint venture partner to SFL.

  
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6. a) Account balances of sundry creditors / customers' credit balances / advances aggregating Rs.2,090 Lakhs; sundry debtors aggregating Rs.814 Lakhs and loans and advances aggregating Rs.978 Lakhs relating to the Shipping and Logistics division are in the process of detailed review and reconciliation. This was a subject matter of qualification in the audit report for the year ended 31<sup>st</sup> March, 2011 and limited review reports for the quarters ended 30<sup>th</sup> June, 2011 and 30<sup>th</sup> September, 2011, and continues to be a subject matter of qualification in the limited review report for this quarter ended 31<sup>st</sup> December, 2011. The Management expects that the net effect on the financial results would not be material on completion of this exercise.
- b) 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) was a subject matter of a qualification in the audit report for the year ended 31<sup>st</sup> March, 2011. With effect from 1st July, 2011, the standby charter agreement has been suspended and consequently the subject matter of qualification is resolved.
7. As on 1<sup>st</sup> October, 2011, no shareholder's complaint was pending. The Company has not received any complaint during the quarter ended 31<sup>st</sup> December, 2011. Further, as on 1<sup>st</sup> October, 2011, there were 12 (twelve) shareholders related court cases, which remained pending as at 31<sup>st</sup> December, 2011.
8. The above results were reviewed by the Audit Committee meeting and approved by the Board of Directors of the Company at their respective meetings held on 6<sup>th</sup> February, 2012 and subjected to a Limited Review by the statutory auditors.


For Forbes & Company Limited



(Ashok Barat)

Managing Director

Mumbai, 6<sup>th</sup> February, 2012

  
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**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
FORBES & COMPANY LIMITED  
ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **FORBES & COMPANY LIMITED** ("the Company") for the quarter and nine months ended 31<sup>st</sup> December, 2011 ("the Statement"). This 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 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

3. **Emphasis of Matter**

Our audit report on the accounts for the year ended 31<sup>st</sup> March, 2011 contained a qualification wherein we had opined that provision for the loss of Rs. 516 lakhs materialised during the period 1<sup>st</sup> April, 2011 to 30<sup>th</sup> June, 2011 should have been made by way of charge to the profit and loss account for that year, arising out of commitment made by the Company pursuant to a standby charter agreement entered with SCI Forbes Limited (SFL), a joint venture entity, to charter vessels from SFL, at charter-hire charges specified in the aforesaid agreement, in the event the vessels are not on charter with a lender approved third party. With effect from 1<sup>st</sup> July, 2011, the aforesaid standby charter agreement has been suspended. Accordingly, the subject matter of qualification stands resolved. Had the provision, as aforesaid, been made as at 31<sup>st</sup> March, 2011, the loss after tax for the nine months ended 31<sup>st</sup> December, 2011 would have resulted in profit after tax of Rs. 509 lakhs; however, this has no impact on the results for the quarters ended 31<sup>st</sup> December, 2011 and 30<sup>th</sup> September, 2011.

4. **Basis for Qualified Conclusion**

The accompanying unaudited financial results are subject to adjustments that may arise on completion of detailed review and reconciliation, by the Management, of account balances of sundry creditors / customers' credit balances / advances aggregating Rs. 2,090 lakhs; sundry debtors aggregating Rs. 814 lakhs and loans and advances aggregating Rs. 978 lakhs relating to the Company's Shipping and Logistics segment, the effects of which could not be determined on the profit for the quarter ended 31<sup>st</sup> December, 2011 and loss for the nine months ended on that date, with consequential effect on earnings per share. Our audit report for the year ended 31<sup>st</sup> March, 2011 and limited review reports for the quarters ended 30<sup>th</sup> June, 2011 and 30<sup>th</sup> September, 2011 contained a similar qualification. [See Note 6(a)]

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**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
FORBES & COMPANY LIMITED  
ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS (contd.)**

5. Qualified Conclusion

Based on our review conducted as stated above, read with the matter described in Emphasis of Matter in paragraph 3 above and except for the possible effects of the matter described in Basis for Qualified Conclusion in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with BSE Limited, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreement and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117366W)



Rajesh K Hiranandani  
Partner  
(Membership No.: 36920)

MUMBAI, 6<sup>th</sup> February, 2012

