



FORBES & COMPANY LIMITED

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

Date: 29th October, 2010

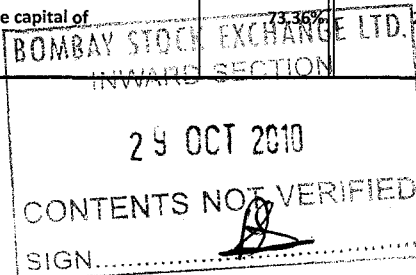
Dear Sirs,

Compliance with the requirements of Clause 41 of the Listing Agreement -
Unaudited Financial Results for the quarter / half year ended 30th September, 2010

We set out the unaudited financial results for the quarter / half year ended 30th September, 2010.

Particulars	(Rs. in Lakhs)				
	3 months ended 30.09.2010 (Unaudited)	Corresponding 3 months ended in the previous year 30.09.2009 (Unaudited)	Year to date figures for current period ended 30.09.2010 (Unaudited)	Year to date figures for previous period ended 30.09.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1 Net Sales / Income from Operations	4,974	3,487	9,626	6,824	15,929
2 Other Operating Income	172	169	447	394	1,235
3 Total (1+2)	5,146	3,656	10,073	7,218	17,164
4 Expenditure					
a) (Increase)/decrease in stock-in-trade and work-in-progress	(131)	69	(220)	179	377
b) Consumption of raw materials	978	591	1,764	1,157	3,043
c) Purchase of traded goods	202	172	384	445	883
d) Employees cost	767	961	1,752	1,923	3,584
e) Depreciation	451	395	762	683	1,292
f) Transportation, freight and hire charges for Logistics division	1,427	194	3,177	796	3,622
g) Other expenditure	1,975	1,629	3,379	2,993	5,907
h) Total expenditure (a to g)	5,669	4,011	10,998	8,176	18,708
5 Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (3-4)	(523)	(355)	(925)	(958)	(1,544)
6 Other Income (See Note 3)	6	36	6	1,381	1,486
7 Profit/(Loss) before Interest and Exceptional Items (5+6)	(517)	(319)	(919)	423	(58)
8 Interest (Net) (See Note 4)	305	332	562	767	1,420
9 Profit/(Loss) after Interest but before Exceptional Items (7-8)	(822)	(651)	(1,481)	(344)	(1,478)
10 Exceptional Items (See Note 2)	335	(1,004)	335	(924)	456
11 Profit/(Loss) from Ordinary Activities before Tax (9+10)	(487)	(1,655)	(1,146)	(1,268)	(1,022)
12 Tax expense					
Income-tax adjustment in respect of earlier years	-	191	(10)	191	191
Fringe benefit tax	-	(16)	-	-	-
Wealth tax	2	4	6	8	13
Sub Total	2	179	(4)	199	204
13 Net Profit/(Loss) from Ordinary Activities after tax (11-12)	(489)	(1,834)	(1,142)	(1,467)	(1,226)
14 Extraordinary Items (net of tax expense)	-	-	-	-	-
15 Net Profit/(Loss) for the period (13-14)	(489)	(1,834)	(1,142)	(1,467)	(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.(3.79)	Rs.(14.22)	Rs.(8.86)	Rs.(11.37)	Rs.(9.51)
19 Aggregate of Public Shareholding					
No. of Shares	3436925	3436925	3436925	3436925	3436925
Percentage of shareholding	26.64%	26.64%	26.64%	26.64%	26.64%
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)	-	0.37%	-	0.37%	0.37%
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)	73.36%	72.99%	73.36%	72.99%	72.99%

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(Rs. in Lakhs)

1 Segment Revenue:

- (a) Engineering
(b) Motors
(c) Logistics Services
(d) Personal Wear
(e) Real Estate

Total
Less: Inter Segment Revenue

2 Segment Results [Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]

- (a) Engineering
(b) Motors
(c) Logistics Services
(d) Personal Wear
(e) Real Estate

Total
Add/(Less): Exceptional Items other than related to segments

Less: Interest (Net)
Balance

Add/(Less): Unallocated Income (net of Unallocated Expenditure)
Profit/(Loss) before Tax

3 Capital Employed (Segment assets Less Segment Liabilities)

- (a) Engineering
(b) Motors
(c) Logistics Services
(d) Personal Wear
(e) Real Estate

Other Unallocables
Total Capital Employed

	3 months ended 30.09.2010 (Unaudited)	Corresponding 3 months ended in the previous year 30.09.2009 (Unaudited)	Year to date figures for current period ended 30.09.2010 (Unaudited)	Year to date figures for previous period ended 30.09.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
1 Segment Revenue:					
(a) Engineering	2,972	2,583	5,921	4,757	10,920
(b) Motors	-	78	1	176	252
(c) Logistics Services	1,955	843	3,738	1,861	5,159
(d) Personal Wear	-	19	-	167	216
(e) Real Estate	219	133	413	257	617
Total	5,146	3,656	10,073	7,218	17,164
Less: Inter Segment Revenue	-	-	-	-	-
	5,146	3,656	10,073	7,218	17,164
2 Segment Results [Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]					
(a) Engineering	232	382	744	373	1,306
(b) Motors	(6)	(946)	(17)	(1,025)	(1,080)
(c) Logistics Services	(588)	(671)	(1,185)	(822)	(1,295)
(d) Personal Wear	(30)	(109)	(30)	(156)	(887)
(e) Real Estate	448	137	586	205	1,337
Total	56	(1,207)	98	(1,425)	(619)
Add/(Less): Exceptional Items other than related to segments	-	465	-	613	1,559
	56	(742)	98	(812)	940
Less: Interest (Net)	(305)	(332)	(562)	(767)	(1,420)
Balance	(249)	(1,074)	(464)	(1,579)	(480)
Add/(Less): Unallocated Income (net of Unallocated Expenditure)	(238)	(581)	(682)	311	(542)
Profit/(Loss) before Tax	(487)	(1,655)	(1,146)	(1,268)	(1,022)
3 Capital Employed (Segment assets Less Segment Liabilities)					
(a) Engineering	5,973	6,254	5,973	6,254	6,320
(b) Motors	136	(50)	136	(50)	100
(c) Logistics Services	4,167	4,667	4,167	4,667	4,766
(d) Personal Wear	17	(31)	17	(31)	(714)
(e) Real Estate	(2,848)	(2,701)	(2,848)	(2,701)	(2,712)
	7,445	8,139	7,445	8,139	7,760
Other Unallocables	16,239	15,409	16,239	15,409	15,018
Total Capital Employed	23,684	23,548	23,684	23,548	22,778

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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 30.09.2010 (Unaudited)	<i>Corresponding 3 months ended in the previous year 30.09.2009</i> <i>(Unaudited)</i>	Year to date figures for current period ended 30.09.2010 (Unaudited)	<i>Year to date figures for previous period ended 30.09.2009</i> <i>(Unaudited)</i>	<i>Previous accounting year ended 31.03.2010</i> <i>(Audited)</i>
Expenses related to operations discontinued:					
- write down in value of inventory	-	(100)	-	(115)	(139)
- provision for impairment of fixed assets	-	(362)	-	(362)	(362)
- provision for doubtful debts	-	-	-	-	(21)
- termination benefits to employees	-	(508)	-	(546)	(579)
- fixed royalty charge	-	(18)	-	(33)	(63)
- provision for one time payment for foreclosure of trademark license agreement	-	-	-	-	(692)
Sub-total	-	(988)	-	(1,056)	(1,856)
Termination benefits and one time settlement with employees of continuing operations	(8)	-	(8)	-	(80)
Write-off / provision for diminution in the value of investments	-	(115)	-	(213)	(589)
Reversal of provision for diminution in the value of investments and loans and advances	-	579	-	579	579
Settlement of disputed Charter Hire Charges	-	(480)	-	(480)	(239)
Profit for the year ended 31 st 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	-	-	-	-	171
Profit on buy-back of shares by subsidiary companies (net)	-	-	-	-	1,405
Profit on sale of residential premises	343	-	343	-	901
Advance tax written off	-	-	-	-	(82)
TOTAL	335	(1,004)	335	(924)	456

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3. Other Income includes:

(Rs. in Lakhs)

	3 months ended 30.09.2010 (Unaudited)	Corresponding 3 months ended in the previous year 30.09.2009 (Unaudited)	Year to date figures for current period ended 30.09.2010 (Unaudited)	Year to date figures for previous period ended 30.09.2009 (Unaudited)	Previous accounting year ended 31.03.2010 (Audited)
Profit on sale of investments and fixed assets other than disclosed as exceptional items	4	11	4	17	120
Dividend	-	-	-	1,278	1,278

4. Interest cost shown in item 8 above is net after deducting interest income Rs.14 Lakhs for the quarter ended 30th September, 2010 (corresponding previous quarter Rs.19 Lakhs); Rs.21 Lakhs for the half year ended 30th September, 2010 (corresponding previous period Rs.36 Lakhs); and Rs.35 Lakhs for the year ended 31st March 2010.

5. a) During the implementation of various new software, integrated by an interface with the Company's accounting system in SAP, it was observed that the accounting effects from such newly implemented software were not being captured appropriately into the SAP accounting system. The Company had rectified the balances appearing in the SAP accounting system on an overall basis which was subject to a detail review and accounting thereof at the transaction level. This was subject matter of qualification in the limited review report for the quarter ended 30th June, 2010. During the quarter, a detail review was carried out and accounting entries were passed at the transaction level. Such rectifications in the current quarter had no material effect on these financial results.

b) The audit report for the year ended 31st March, 2010 and limited review report for the quarter ended 30th June, 2010 of the statutory auditors had also 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 30th September, 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. 95 Lakhs on account of aforesaid commitment actually materialised subsequent to the 30th September, 2010, is relating to the future operations and accordingly, not required to be provided in the quarter ended 30th September, 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 1st April, 2008, approved by the High Court, Bombay on 6th November, 2009, in these results, figures for the quarter /half year ended 30th September, 2009 have been restated as under:

- Operating income (item 3) has been increased by Rs. 76 Lakhs / Rs. 233 Lakhs for the quarter / half year ended 30th September, 2009 respectively
- Total Expenditure (item 4(g)) has been increased by Rs. 91 Lakhs / Rs. 385 Lakhs for the quarter / half year ended 30th September, 2009 respectively
- Interest income netted off from the interest expenses (item 8) Rs. Nil / Rs.12 Lakhs for the quarter / half year ended 30th September, 2009 respectively
- Profit for the year ended 31st March 2009 of Rs.246 Lakhs has been considered as an exceptional item.

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

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7. Statement of assets and liabilities as on 30th September, 2010

Particulars	As at 30.09.2010 (Rs. In Lakhs)	As at 30.09.2009 (Rs. In Lakhs)
SHAREHOLDERS' FUNDS:		
(a) Capital	1,290	1,290
(b) Reserves and Surplus	10,877	11,778
	12,167	13,068
LOAN FUNDS		
	11,517	10,480
TOTAL	23,684	23,548
FIXED ASSETS		
	12,338	13,375
INVESTMENTS		
	14,393	14,143
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	2,466	2,002
(b) Sundry Debtors	3,147	2,526
(c) Cash and Bank balances	472	562
(d) Other Current Assets	3	-
(e) Loans and Advances	2,608	3,465
	8,696	8,555
Less: Current Liabilities and Provisions		
(a) Liabilities	10,802	11,408
(b) Provisions	941	1,117
	11,743	12,525
NET CURRENT ASSETS		
	(3,047)	(3,970)
TOTAL	23,684	23,548

8. The Company has received intimation from Shapoorji Pallonji & Co. Ltd., the ultimate holding Company, advising that equity shares aggregating 86,80,788 i.e. 67.29% held in the Company by Sterling Investment Corporation Pvt. Ltd. and Cyrus Investment Ltd., subsidiaries of Shapoorji Pallonji & Co. Ltd., are acquired by Shapoorji Pallonji & Co. Ltd., pursuant to a Scheme of Arrangement approved by the Honourable High Court, Bombay, and registered with the Registrar of Companies, Maharashtra, Mumbai on 15th October, 2010. This transfer being inter-se between the promoters, there is no change in the aggregate promoters' holding in the Company.
9. As on 1st July, 2010, no shareholder's complaint was pending. The Company has not received any complaint during the quarter ended 30th September, 2010. Further, as on 1st July, 2010, there were 12 (twelve) shareholders related court cases, which remained pending as at 30th September, 2010.
10. The above results were subjected to Limited Review by auditors and reviewed by the Audit Committee meeting and approved by the Board of Directors of the Company at their respective meetings held on 29th October, 2010.

For Forbes & Company Limited

(Ashok Barat)
Managing Director

Mumbai, 29th October, 2010

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