



FORBES & COMPANY LIMITED

Registered Office : Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001, India.
Phone : +91 22 4074 9191

12th September, 2012

The Secretary,
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai

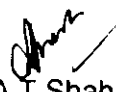
Dear Sir,

Corporate Governance

In compliance with the requirements of Clause 49 of the Listing Agreement, we submit herewith Quarterly report for the quarter ended 30th September, 2012, in the prescribed format on the compliance status of requirement of Corporate Governance.

Kindly acknowledge receipt.

Yours faithfully,
For FORBES & COMPANY LIMITED


(A.T. Shah)
Company Secretary.

Encl: As above.



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Quarterly Compliance Report on Corporate Governance

Name of the Company : FORBES & COMPANY LIMITED

Quarter ending on : 30th September, 2012.

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
I. <u>Board of Directors</u>	49 (I)	Yes	
A. <u>Composition of Board</u>	49 (I A)	Yes	
(i) The Board of Directors consists of 10 members, of these the Managing Director is the only one Whole-time Director and the remaining nine are Non-Executive Directors.			
(ii) The Company has Non-Executive Chairman, who is a Promoter Director. The Board has five independent directors which is not less than 1/2 of the Board of Directors.			
B. <u>Non-Executive Directors' Compensation & Disclosures</u>	49 (I B)	Yes	
The compensation paid to non-executive directors including independent directors is proposed by the Board of Directors and approved by the shareholders in general meeting.			
At present the Company has no Stock Option Scheme.			
C. <u>Other provisions as to Board and Committees</u>	49 (I C)	Yes	
(i) More than 4 (four) Board Meetings are held during the year and the time gap between 2 (two) meetings does not exceed 4 months.			
(ii) None of the Directors of the Company is a member in more than 10 Committees or acts as the Chairman of more than 5 Committees across all companies in which he is a Director.			
Every Director of the Company informs the Company about the committee position he occupies in other Companies annually and notifies changes as and when they take place.			
D. <u>Code of Ethics</u>	49 (I D)	Yes	
(i) The Code of Ethics for all Board members and senior management of the Company is laid down.			
(ii) An affirmation from all Board Members and Senior Management for compliance is obtained on annual basis.			
The Annual Report of the Company contains a declaration to this effect signed by the CEO.			



II. <u>Audit Committee</u>	49 (II)	Yes	
A. <u>Qualified and Independent Audit Committee</u> A qualified and independent audit committee is set up and terms of reference are given (i) There are four members on the audit committee. More than two-thirds of the members are Independent Directors. (ii) All the committee members are financially literate and one member has accounting or related financial management expertise. (iii) The Chairman of the audit committee is an Independent Director. (iv) The Chairman of the audit committee was present at the last AGM held on 21.8.2012. (v) Divisional Heads of the Company are invited from time to time at the Audit Committee meetings and the head of the finance function is present at the meetings of the Committee. The head of finance function, head of internal audit and representatives of the statutory auditors are invited to the Audit Committee meetings. (vi) The Company Secretary acts as the secretary of the Committee.	49 (II A)	Yes	
B. <u>Meetings of Audit Committee</u> More than 4 (four) Audit Committee meetings are held during the year and the time gap between 2 (two) meetings is less than 4 months. The requisite quorum with minimum 2 (two) independent directors is present at the Committee Meetings.	49 (II B)	Yes	
C & D. <u>Powers and Role of Audit Committee</u> The powers and the role of the Audit Committee are laid down by the Board which include the powers laid down in Clause 49 II (C). The role of the audit committee includes additional functions / features contained in Clause 49 II (D).	49 (II C & II D)	Yes	
Review of the functioning of the Whistle Blower Mechanism, in case the same is existing.	49 (II D)	Yes	



<p><u>E. Review of information by Audit Committee</u> The Audit Committee inter-alia reviews management discussion and analysis of financial conditions and results of operations, significant related party transactions, internal audit reports, management letters of internal control Weaknesses issued by the statutory auditors, appointment, removal and terms of remuneration of internal auditors, etc.</p>	49 (II E)	Yes	
<p><u>III. Subsidiary Companies</u></p> <p>(i) An Independent Director of the Company is on each of the Board of Directors of 'Material non listed Indian Subsidiary Companies'.</p> <p>(ii) Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies from time to time.</p> <p>(iii) The minutes of the board meetings of the unlisted subsidiary companies are placed at the Board meeting of the Company.</p> <p>A statement of all significant transactions and arrangement entered into by the unlisted subsidiary companies are placed before the Board of Directors of the listed Company.</p>	49 (III)	Yes	This will be placed as and when such transactions take place.
<p><u>IV. Disclosure</u></p>	49 (IV)	Yes	
<p><u>A. Basis of related party transactions</u></p> <p>(i) Materially significant related party transactions are placed before the audit committee as a part of the Annual Accounts.</p> <p>(ii) & (iii) The Company does not have any material individual transactions with related parties which are not in the normal course of business.</p>	49 (IV A)	Yes	However this will be placed as and when such transaction takes place.
<p><u>B. Disclosure of Accounting Treatment</u></p> <p>The Company adheres to the Accounting Standards while preparing financial statements. Whenever, the treatment is different from that prescribed in an Accounting Standard, the fact is disclosed in financial statements together with the explanation of the Management in the Corporate Governance Report.</p>	49 (IV B)	Yes	
<p><u>C. Board Disclosures - Risk Management</u></p> <p>Procedure to inform the Board members about risk assessment and minimization procedures and its periodical review.</p>	49 (IV C)	Yes	
<p><u>D. Proceeds from public issues, rights issues, preferential issues etc.</u> Disclosure to audit committee, the uses/applications of funds on a quarterly and annual basis.</p>	49 (IV D)		Appropriate quarterly and annual disclosures will be made when money is raised through an issue.




<p><u>E. Remuneration of Directors</u></p> <p>(i) All pecuniary relationships or transactions of all non-executive directors vis-à-vis the company if any, are disclosed in the Annual Report.</p> <p>(ii) Appropriate disclosures on the remuneration of directors are made in the section on the corporate governance of the annual report.</p> <p>(iii) The Company shall publish the criteria of making payments to non-executive directors in its annual report.</p> <p>(iv) The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.</p> <p>(v) Disclosure by the Non-executive directors of their shareholdings in the Company in which they are proposed to be appointed as directors prior to their appointment.</p>	<p>49 (IV E)</p>	<p>Yes</p>	<p>Such disclosure would be taken prior to their appointment.</p>
<p><u>F. Management</u></p> <p>(i) Management Discussion and Analysis Report and disclosures of all material financial and commercial transactions.</p> <p>(ii) Senior management to disclose to the Board all material financial and commercial transactions in which they have personal interest that may have a potential conflict with the interest of the Company at large.</p>	<p>49 (IV F)</p>	<p>Yes</p>	<p>Management Discussion and Analysis Report forms part of the Directors' Report in the Annual Report of the Company.</p> <p>Disclosures would be made by the concerned manager as may be necessary.</p>
<p><u>G. Shareholders</u></p> <p>(i) Required details of appointment of new Director or re-appointment of a Director forms part of the Annual Report of the Company.</p>	<p>49 (IV G)</p>	<p>Yes</p>	
<p>(ii) Quarterly Results are put on the company's website, www.forbes.co.in</p> <p>(iii) The Company has a Shareholders/Investor Grievance Committee. The Chairman of the Committee is a non-executive director. The Committee looks into the redressal of investors grievance and all other matters related to shares.</p> <p>(iv) The above Committee has the power to approve share transfer. In addition, the Company has also delegated the work relating to transfer of shares etc. to a Registrar and Share Transfer Agent.</p>	<p>49 (IV)</p>	<p>Yes</p>	



<p><u>V. CEO / CFO Certification</u></p> <p>Certification to the Board by the Managing Director and the head of finance function of having reviewed the financial statements for the year.</p>	49 (V)	Yes	
<p><u>VI. Report on Corporate Governance</u></p> <p>(i) Detailed compliance report on Corporate Governance to form part of Annual Report of the Company.</p> <p>(ii) Submission of quarterly compliances report to the Bombay Stock Exchange Ltd.</p>	49 (VI)	Yes	Forms part of the Annual Report of the Company.
<p><u>VII. Compliance</u></p> <p>Certification by the auditors or practising company secretary on compliance of conditions of Corporate Governance.</p>	49 (VII)	Yes	Forms part of the Annual Report of the Company.

For FORBES & COMPANY LIMITED


 (A.T. Shah)
 Company Secretary

 12th October, 2012
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