

November 14, 2019

General Manager,  
Department of Corporate Services,  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

Dear Sir,

Security Code : 502865  
Security ID : FORBESCO

**Compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

Dear Sir,

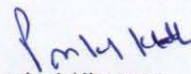
Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on November 14, 2019 has approved the Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2019.

We enclose copy of the Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2019 along with the Limited Review Report dated September 30, 2019 of Price Waterhouse Chartered Accountants LLP, statutory auditors of the Company in respect of the said Financial Results.

The Board Meeting commenced at 11.00 A.M and concluded at 6.15 P.M.

Kindly acknowledge receipt.

Yours faithfully  
For Forbes & Company Limited

  
Pankaj Khattar  
Head Legal and Company Secretary

Encl: As above

Statement of Standalone Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2019

(Rs. in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
<b>1 Income</b>						
Revenue from operations (Refer Note 7 below)	4,500	5,557	5,725	10,057	11,368	22,728
Other income	94	296	1,021	390	1,440	1,811
<b>Total income</b>	<b>4,594</b>	<b>5,853</b>	<b>6,746</b>	<b>10,447</b>	<b>12,808</b>	<b>24,539</b>
<b>2 Expenses</b>						
Real estate development costs	1,542	1,402	1,404	2,944	2,565	7,555
Cost of materials consumed	1,969	2,062	2,125	4,031	4,259	8,709
Purchases of stock-in-trade	97	46	-	143	-	14
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,958)	(1,602)	(1,519)	(3,560)	(2,799)	(8,413)
Employee benefits expense	1,409	1,389	1,126	2,798	2,296	4,482
Finance costs	285	336	322	621	596	1,201
Depreciation and amortisation expense	301	278	241	579	466	947
Other expenses	1,532	1,960	1,925	3,492	3,814	8,034
<b>Total expenses</b>	<b>5,177</b>	<b>5,871</b>	<b>5,624</b>	<b>11,048</b>	<b>11,197</b>	<b>22,529</b>
<b>3 Profit / (Loss) before exceptional items and tax</b>	<b>(583)</b>	<b>(18)</b>	<b>1,122</b>	<b>(601)</b>	<b>1,611</b>	<b>2,010</b>
<b>4 Exceptional items (Net) (Refer Note 5 below)</b>	<b>-</b>	<b>-</b>	<b>(1,044)</b>	<b>-</b>	<b>(1,044)</b>	<b>(971)</b>
<b>5 Profit / (Loss) before tax</b>	<b>(583)</b>	<b>(18)</b>	<b>78</b>	<b>(601)</b>	<b>567</b>	<b>1,039</b>
<b>6 Tax expense</b>						
Current tax	-	-	103	-	287	188
Deferred tax	-	-	(147)	-	(208)	(176)
	-	-	(44)	-	79	12
<b>7 Profit / (Loss) after tax</b>	<b>(583)</b>	<b>(18)</b>	<b>122</b>	<b>(601)</b>	<b>488</b>	<b>1,027</b>
<b>8 Other Comprehensive Income / (Loss)</b>						
(i) Items that will not be reclassified to Statement of Profit or Loss						
Remeasurement of the defined benefit plans	19	(43)	(7)	(24)	33	1
(ii) Income tax relating to items that will not be reclassified to Statement of Profit or Loss						
Deferred tax	-	-	5	-	(5)	-
<b>Other Comprehensive Income / (Loss) (net of tax)</b>	<b>19</b>	<b>(43)</b>	<b>(2)</b>	<b>(24)</b>	<b>28</b>	<b>1</b>
<b>9 Total Comprehensive Income / (Loss) for the period / year</b>	<b>(564)</b>	<b>(61)</b>	<b>120</b>	<b>(625)</b>	<b>516</b>	<b>1,028</b>
<b>10 Paid-up equity share capital</b> (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290	1,290
<b>11 Other equity (excluding Revaluation Reserve)</b>				<b>20,719</b>	21,610	22,122
<b>12 Debenture Redemption Reserve</b>				<b>2,500</b>	2,500	2,500
<b>13 Basic and diluted earnings per equity share (after exceptional items)</b> (Quarterly and half year figures not annualised)	Rs.(4.52)	Rs.(0.14)	Rs.0.94	Rs.(4.66)	Rs.3.78	Rs.7.96
<b>14 Net worth</b>				22,009	22,900	23,412
<b>15 Paid-up debt capital</b>				-	3,995	3,995
<b>16 Debt Equity Ratio</b>				0.49	0.44	0.50
<b>17 Debt Service Coverage Ratio</b>				0.15	0.42	0.60
<b>18 Interest Service Coverage Ratio</b>				0.97	3.54	2.82

**Paid-up debt capital = Listed Non Convertible Debentures (including current maturities)**

**Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity**

**Debt Service Coverage Ratio = Profit for the year before Exceptional Items, Interest, Depreciation and Amortisation Expenses and Tax / (Interest + Principle Repayment of Long Term Borrowings). Interest includes amounts pertaining to Real Estate business, which are considered as part of Real estate development costs.**

**Interest Service Coverage Ratio = Profit for the year before Exceptional Items, Interest, Depreciation and Amortisation Expenses and Tax / (Interest Expense). Interest includes amounts pertaining to Real Estate business, which are considered as part of Real estate development costs.**

**Net worth = The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.**

**Total Equity = The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.**

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### Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified two operating segments viz. Engineering and Real Estate

	Quarter ended			Half year ended		(Rs. in lakhs)
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>						
(a) Engineering	4,043	5,095	5,275	9,138	10,480	20,913
(b) Real Estate	458	463	450	921	889	1,817
<b>Total</b>	<b>4,501</b>	<b>5,558</b>	<b>5,725</b>	<b>10,059</b>	<b>11,369</b>	<b>22,730</b>
Less: Inter Segment Revenue	1	1		2	1	2
<b>Total revenue from operations (net)</b>	<b>4,500</b>	<b>5,557</b>	<b>5,725</b>	<b>10,057</b>	<b>11,368</b>	<b>22,728</b>
<b>2. Segment Results [Profit / (Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]</b>						
(a) Engineering	(251)	148	762	(103)	1,307	2,658
(b) Real Estate	233	453	166	686	384	358
<b>Total segment results</b>	<b>(18)</b>	<b>601</b>	<b>928</b>	<b>583</b>	<b>1,691</b>	<b>3,016</b>
Less: Finance costs	(285)	(336)	(322)	(621)	(596)	(1,201)
<b>Balance</b>	<b>(303)</b>	<b>265</b>	<b>606</b>	<b>(38)</b>	<b>1,095</b>	<b>1,815</b>
Add: Unallocable Income / (expense) (net)	(280)	(283)	(528)	(563)	(528)	(776)
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>(583)</b>	<b>(18)</b>	<b>78</b>	<b>(601)</b>	<b>567</b>	<b>1,039</b>
<b>3. Segment Assets</b>						
(a) Engineering	16,464	16,001	12,656	16,464	12,656	14,064
(b) Real Estate	31,433	30,037	23,437	31,433	23,437	28,121
(c) Unallocated	33,099	34,063	33,316	33,099	33,316	32,434
<b>Total Assets</b>	<b>80,996</b>	<b>80,101</b>	<b>69,409</b>	<b>80,996</b>	<b>69,409</b>	<b>74,619</b>
<b>4. Segment Liabilities</b>						
(a) Engineering	8,969	6,129	3,544	8,969	3,544	4,306
(b) Real Estate	38,130	35,511	27,980	38,130	27,980	32,619
(c) Unallocated	11,888	15,111	14,985	11,888	14,985	14,282
<b>Total Liabilities</b>	<b>58,987</b>	<b>56,751</b>	<b>46,509</b>	<b>58,987</b>	<b>46,509</b>	<b>51,207</b>

#### Notes on Segment Information:

- Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- Details of product categories included in each segment comprises:
  - Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.
  - Real Estate includes income from renting out investment properties and revenue from real estate development project.
  - Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.
  - Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.
- Other income allocable to respective segments has been considered as part of Segment Results.

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Notes to the statement of Standalone Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2019.

1. Standalone Statement of Assets and Liabilities as at 30<sup>th</sup> September, 2019

Particulars	(Rs. in Lakhs)	
	As at 30.09.2019 (Unaudited)	As at 31.07.2019 (Audited)
<b>Assets</b>		
<b>1 Non-current assets</b>		
a) Property, Plant and Equipment	5,530	5,091
b) Right-of-use assets	377	-
c) Capital work-in-progress	2,697	410
d) Investment Properties	2,530	2,560
e) Other Intangible assets	248	225
f) Intangible assets under development	4	23
<b>g) Financial Assets:</b>		
i) Investments	24,297	24,291
ii) Loans	500	134
iii) Other financial assets	3	3
	<b>24,800</b>	<b>24,428</b>
<b>g) Tax assets</b>		
i) Deferred tax assets (net)	4,992	4,992
ii) Income tax assets (net)	1,446	1,304
	<b>6,438</b>	<b>6,296</b>
h) Other non-current assets	719	1,123
<b>Total Non-current assets</b>	<b>43,343</b>	<b>40,156</b>
<b>2 Current assets</b>		
a) Inventories	32,376	28,309
<b>b) Financial Assets:</b>		
i) Trade receivables	2,770	4,113
ii) Cash and cash equivalents	535	824
iii) Bank balances other than (ii) above	178	165
iv) Loans	33	23
v) Other financial assets	219	332
	<b>3,735</b>	<b>5,457</b>
c) Other current assets	1,542	693
	<b>5,277</b>	<b>6,150</b>
Assets classified as held for sale	-	4
<b>Total Current assets</b>	<b>37,653</b>	<b>34,463</b>
<b>Total Assets</b>	<b>80,996</b>	<b>74,619</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
a) Equity share capital	1,290	1,290
b) Other equity	20,719	22,122
<b>Total Equity</b>	<b>22,009</b>	<b>23,412</b>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
<b>a) Financial liabilities:</b>		
i) Borrowings	6,845	6,226
ii) Lease Liabilities	320	-
iii) Other financial liabilities	177	230
	<b>7,342</b>	<b>6,456</b>
b) Provisions	554	561
<b>Total Non-current liabilities</b>	<b>7,896</b>	<b>7,017</b>
<b>2 Current liabilities</b>		
<b>a) Financial liabilities:</b>		
i) Borrowings	7,502	5,313
ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises; and	592	439
b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,137	4,149
iii) Lease Liabilities	66	-
iv) Other financial liabilities	5,356	6,630
	<b>17,653</b>	<b>16,531</b>
b) Other current liabilities	32,872	27,097
c) Provisions	504	500
d) Current tax liabilities (net)	62	62
<b>Total Current Liabilities</b>	<b>51,091</b>	<b>44,190</b>
<b>Total Liabilities</b>	<b>58,987</b>	<b>51,207</b>
<b>Total Equity and Liabilities</b>	<b>80,996</b>	<b>74,619</b>



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2. Statement of Standalone Unaudited Cash flows for the half year ended 30<sup>th</sup> September, 2019

	Half year Ended 30.09.2019 Rs. in Lakhs	Half year Ended 30.09.2018 Rs. in Lakhs
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	(601)	567
Adjustments for -		
Depreciation and amortisation expense	579	466
Interest income earned on financial assets that are not designated as at fair value through profit or loss	(20)	(35)
Finance costs	621	596
Dividend Income from long-term investments *		
(Gain)/ loss on disposal of property, plant and equipment	(186)	4
(Gain) on disposal of current investments		(91)
Provision for doubtful trade receivables	31	26
Provision for doubtful loans and advances		52
Trade receivables written off	5	
Advances written off *		
Gain on fair value of long-term investments in a subsidiary company	(76)	(68)
Net gain arising on financial assets designated as at FVTPL	(51)	(41)
Credit balances/ excess provision written back	(7)	(733)
Net unrealised exchange loss	(11)	(15)
	<b>885</b>	<b>161</b>
Exceptional items:		
- Expected out flow for disputed matter		1,044
	<b>885</b>	<b>1,205</b>
<b>Operating profit before working capital changes</b>	<b>284</b>	<b>1,772</b>
<b>Changes in working capital:</b>		
(Increase)/ decrease in trade and other receivables	1,389	(888)
(Increase) in inventories	(4,067)	(2,952)
(Increase) in other assets	(840)	(39)
Increase/ (decrease) in trade and other payables	167	(169)
Increase/ (decrease) in provisions	(27)	1,043
Increase in other liabilities	5,775	6,358
	<b>2,397</b>	<b>3,353</b>
<b>Cash inflow / (outflow) from operations</b>	<b>2,681</b>	<b>5,125</b>
Income taxes paid (net of refunds)	(142)	411
<b>(a) Net cash flow Inflow from operating activities</b>	<b>2,539</b>	<b>5,536</b>
<b>Cash flows from Investing activities:</b>		
Payments for tangible and intangible assets (net of capital creditors and including capital advances, capital work-in-progress and intangible assets under development)	(2,526)	(529)
Proceeds from disposal of property, plant and equipment	191	2
Payment for disputed matters		(1,044)
Purchase of current investments		(5,893)
Proceeds from sale of current investments		2,448
Inter corporate deposit given to related parties	(317)	(700)
Inter corporate deposit given to related parties realised	15	
Bank balances not considered as cash and cash equivalents	(13)	42
Interest received	19	30
Dividend received *		
<b>(b) Net cash outflow from investing activities</b>	<b>(2,631)</b>	<b>(5,644)</b>

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	Half year Ended 30.09.2019 Rs. in Lakhs	Half year Ended 30.09.2018 Rs. in Lakhs
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	3,246	6,000
Repayment of long-term borrowings	(4,152)	(6,000)
Proceeds from short-term borrowings	-	12,000
Repayment of short-term borrowings	-	(13,944)
Net Increase in cash credit and overdraft balances	2,189	1,757
Finance costs paid	(668)	(597)
Payment of Lease Liabilities	(47)	-
Dividend paid on equity shares	(632)	(312)
Tax on dividend	(133)	(66)
<b>(c) Net cash outflow from financing activities</b>	<b>(197)</b>	<b>(1,162)</b>
<b>(d) Net decrease in cash and cash equivalents (a + b + c)</b>	<b>(289)</b>	<b>(1,270)</b>
<b>(e) Cash and cash equivalents as at the commencement of the period</b>	<b>824</b>	<b>2,168</b>
<b>(f) Cash and cash equivalents as at the end of the period (d + e)</b>	<b>535</b>	<b>898</b>

**Reconciliation of cash and cash equivalents as per the cash flow statements**

**Cash and cash equivalents as per above comprise of the following**

	As at 30.09.2019 Rs. in Lakhs	As at 30.09.2018 Rs. in Lakhs
Balances with bank		
- In current accounts	451	877
- In EEFC Accounts	81	18
- In deposit accounts (with original maturity upto 3 months)	1	-
Cash on hand	2	3
<b>Balances as per statement of cash flows</b>	<b>535</b>	<b>898</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 on Statement of Cash Flows.
- Previous period figures have been regrouped/ reclassified, wherever necessary to conform to current period classification.
- Other bank balances at the end of the period includes: (i) earmarked balances towards unpaid dividends Rs. 30 Lakhs (Previous period Rs. 11 Lakhs) and (ii) margin money deposits includes Rs. 147 Lakhs (Previous period Rs. 65 Lakhs) as security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Company.

\* Amount is below rounding off norms of the Company.

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3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 14<sup>th</sup> November, 2019 and have been subjected to a Limited Review by the statutory auditors of the Company in terms of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The above financial results of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed and Section 133 of Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
5. Exceptional items:

(Rs. in Lakhs)

	Quarter ended			Half year ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(i) Expected outflow for disputed matter	-	-	(1,044)	-	(1,044)	(1,056)
(ii) Gain on transfer of interest	-	-	-	-	-	85
<b>TOTAL</b>	-	-	(1,044)	-	(1,044)	(971)

- (i) The Company had received Rs. 1,017 Lakhs in the year ended 31<sup>st</sup> March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai towards principal and interest towards loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of Rs. 365 Lakhs in earlier years which was reversed on receipt of Rs. 1,017 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31<sup>st</sup> March, 2016. The Management, basis the belief that it was a remote future possibility that Rs. 1,017 Lakhs would become refundable upon the final outcome of this matter, accounted for the receipt as explained above.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of Rs. 1,017 Lakhs with interest. Consequently, the Company refunded Rs. 1,056 Lakhs [including interest calculated from the date of the order till the date of payment aggregating Rs. 39 Lakhs] and recorded this as an exceptional expense. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, which was appealed by the Company.

The Company had separately filed its Affidavit of Claim for Rs. 325 Lakhs along with interest at the bank rate with the Official Liquidator. However, since this filing was beyond the time period of filing affidavit, the Company was directed by the Official Liquidator to file for condonation of delay with the High Court. The Hon'ble High Court vide Order dated 8<sup>th</sup> April, 2019 condoned the delay in filing of the claim before the Official Liquidator and directed the Official Liquidator to adjudicate the claim within a period of six months. The adjudication of the claim is pending with the official liquidator.

- (ii) The real estate development operations under "Project Vicinia" was being executed at a plot of land situated at Chandivali, Mumbai as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011 for the then existing dispute. Subject to compliance with the terms of the said development agreement, VRIL was entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index in Project Vicinia.

During the year and the quarter ended 31<sup>st</sup> March, 2019, considering delays in making critical payments by VRIL, to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently the matter was referred to arbitration and vide the arbitration award dated 25<sup>th</sup> February, 2019 the Company was directed to pay an amount of Rs. 15,300 Lakhs to VRIL for restitution and that on payment of aforesaid amount, VRIL would have no interest, rights, title or any claim in respect of Project Vicinia.



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Additionally, the Company entered into a Business Transfer Agreement ("BTA") with Paikar Real Estates Private Limited (hereinafter known as "PREPL"), (a fellow subsidiary) dated 27<sup>th</sup> February, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where is basis as a going concern for an aggregate consideration of Rs. 15,500 Lakhs. The board of directors and shareholders' approved this transaction with PREPL on 27<sup>th</sup> February, 2019 and 29<sup>th</sup> March, 2019 respectively. As per the terms of BTA, the Company did not have ability to control or rights to variable returns over VRIL's interest in the Project Vicinia which the Company got pursuant to the arbitration award.

Subsequently, on receipt of the consideration from PREPL, the Company made payment of Rs. 15,300 Lakhs to VRIL on 2<sup>nd</sup> March, 2019 as per terms stated in the arbitration award and consequently, VRIL's interest in the development agreement was transferred to PREPL.

The Company and PREPL are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the specified land being developed.

Pursuant to the aforesaid transaction, the Company incurred legal and administrative costs aggregating Rs. 115 Lakhs which have been netted off against the gain on the aforesaid transfer and reflected the net gain on this transaction, aggregating Rs. 85 Lakhs as an exceptional item during the quarter and year ended 31<sup>st</sup> March, 2019.

6. Details of Redeemable Non-Convertible Debentures are as follows:

S.No.	Particulars	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
1	980FCL20 (Face Value Rs. 6,000 Lakhs)	Refer Note (a) below	Refer Note (a) below	Refer Note (a) below	Refer Note (a) below
2	910FORBES19 (Face Value Rs. 4,000 Lakhs)	Refer Note (b) below	Refer Note (b) below	Refer Note (b) below	Refer Note (b) below

All the interests due and redemption of principal were paid on due dates.

The Company has a credit rating of ICRA A (Negative) [previously ICRA A+ (Negative)].

Notes:

(a) The holders of Redeemable Non-Convertible Debentures have exercised the put option for redemption of the entire principal amount of the Redeemable Non-Convertible Debentures of the Company aggregating Rs. 6,000 Lakhs due on 10<sup>th</sup> September, 2018 which had been paid on due date during the quarter ended 30<sup>th</sup> September, 2018.

(b) The Redeemable Non-Convertible Debentures of the Company aggregating Rs. 4,000 Lakhs due on 22<sup>nd</sup> July, 2019 have been paid on the due date during the quarter ended 30<sup>th</sup> September, 2019.

7. Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28<sup>th</sup> March, 2018 was effective from accounting period beginning on or after 1<sup>st</sup> April, 2018 and replaced the then existing revenue recognition standards. The application of Ind AS 115 had significant bearing on the Company's accounting for recognition of revenue from real estate development projects.

The Company had applied the modified retrospective approach as on 1<sup>st</sup> April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1<sup>st</sup> April, 2018.





Had the company continued application of earlier standards for revenue recognition for its real estate projects instead of Ind AS 115, the following line items would have been higher by amounts as disclosed below:

Financial Statement Line Item	(Rs. in Lakhs)					
	Quarter ended			Half year ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
Revenue	3,196	2,445	840	5,641	2,933	8,880
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,772	1,365	528	3,137	1,720	5,196
Net profit before tax	1,424	1,080	312	2,504	1,213	3,684

Additionally, as at 30<sup>th</sup> September, 2019, real estate work-in-progress included in inventory is higher by Rs. 19,497 Lakhs and advances from customers included in other current liabilities is higher by Rs. 30,303 Lakhs and unbilled revenue included in other financial assets is lower by Rs. 2,934 Lakhs.

Further, certain indirect costs (e.g. Selling expenses, commission & brokerage, advertisement and sales promotion, depreciation and other administrative expenses) pertaining to real estate development project for the period ended 30<sup>th</sup> September, 2019 aggregating Rs. 313 Lakhs (quarter ended 30<sup>th</sup> September, 2019 aggregating Rs. 149 Lakhs and quarter ended 30<sup>th</sup> June, 2019 aggregating Rs. 164 Lakhs) are being recognized as an expense in the Statement of Profit and Loss as and when incurred.

8. On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 ("Rules") had notified Ind AS 116 which replaced the existing lease standard, Ind AS 17. The provisions of the Rules came into force on 1<sup>st</sup> April, 2019.

The Company had taken the choice to adopt Ind AS 116 retrospectively by giving the cumulative impact of transition at the date of initial application of the standard i.e. 1<sup>st</sup> April, 2019. Accordingly, on the initial date of application, the Company had recognized the right of use of assets at an amount equal to the lease liability, adjusted by the amount of any prepaid rent relating to that lease recognised in the Balance Sheet immediately prior to 1<sup>st</sup> April, 2019. The adoption of this standard did not have any material impact on the loss for the period as compared to previous period.

Right of use of assets and correspondingly lease liabilities of Rs. 338 Lakhs had been recognised for the leased premises on 1<sup>st</sup> April, 2019.

Had the Company continued application of earlier standards instead of Ind AS 116, rent expense (included in Other Expenses) would be higher by Rs. 47 Lakhs for the half year ended 30<sup>th</sup> September, 2019 (Rs. 24 Lakhs for the quarter ended 30<sup>th</sup> September, 2019 and Rs. 23 Lakhs for the quarter ended 30<sup>th</sup> June, 2019), Finance Costs would be lower by Rs. 16 Lakhs for the half year ended 30<sup>th</sup> September, 2019 (Rs. 8 Lakhs for the quarter ended 30<sup>th</sup> September, 2019 and Rs. 8 Lakhs for the quarter ended 30<sup>th</sup> June, 2019) and depreciation expense would be lower by Rs. 40 Lakhs for the half year ended 30<sup>th</sup> September, 2019 (Rs. 20 Lakhs for the quarter ended 30<sup>th</sup> September, 2019 and Rs. 20 Lakhs for the quarter ended 30<sup>th</sup> June, 2019).

9. The shareholders of the Company have approved a dividend Rs. 2.50 (25%) per equity share for the year ended 31<sup>st</sup> March, 2019 and an additional Special Centenary Year Dividend of Rs. 2.50 (25%) per equity share in the Annual General Meeting held on 26<sup>th</sup> September, 2019. Accordingly, the Company has paid dividend of Rs. 765 Lakhs (including dividend distribution tax of Rs. 133 Lakhs) during the quarter ended 30<sup>th</sup> September, 2019.
10. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification / disclosure.

Mumbai,  
14<sup>th</sup> November, 2019



For Forbes & Company Limited

*Mahesh Tahilyani*

(Mahesh Tahilyani)  
Managing Director  
DIN : 01423084

# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Forbes & Company Limited  
Forbes' Building  
Charanjit Rai Marg  
Fort, Mumbai - 400 001

1. We have reviewed the unaudited financial results of Forbes & Company Limited (the "Company") for the quarter and the half year ended September 30, 2019, which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2019', the statement of assets and liabilities as on that date and the statement of cash flows for the half-year ended on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. Attention is drawn to the fact that the statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in the Statement have been approved by the Company's Board of Directors, but have not been subjected to review. The 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 in accordance with the Standard on Review Engagement (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.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



**Sarah George**  
Partner  
Membership Number: 045255  
UDIN: 19045255AAAACE8390

Place: Mumbai  
Date: November 14, 2019

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

**Statement of Consolidated Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2019**

(Rs. in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
<b>1 Income</b>						
Revenue from operations (Refer Note 10 below)	72,593	70,988	74,560	1,43,581	1,42,214	2,85,342
Other income	612	857	877	1,469	1,632	3,766
<b>Total Income</b>	<b>73,205</b>	<b>71,845</b>	<b>75,437</b>	<b>1,45,050</b>	<b>1,43,846</b>	<b>2,89,108</b>
<b>2 Expenses</b>						
Real estate development costs	1,542	1,402	1,404	2,944	2,565	7,555
Cost of materials consumed	22,929	19,397	21,051	42,326	37,916	75,930
Purchases of stock-in-trade	9,136	7,142	7,439	16,278	13,633	26,629
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6,437)	(2,184)	(1,775)	(8,621)	355	(3,588)
Employee benefits expense	18,421	17,018	18,813	35,439	35,668	68,627
Finance costs	2,224	2,278	2,657	4,502	5,412	8,938
Depreciation and amortisation expense	2,394	2,324	2,269	4,718	4,256	7,705
Other expenses	24,488	24,370	25,159	48,858	47,203	95,913
<b>Total expenses</b>	<b>74,697</b>	<b>71,747</b>	<b>77,017</b>	<b>1,46,444</b>	<b>1,47,008</b>	<b>2,87,709</b>
<b>3 Profit/ (Loss) before exceptional items, Share of net profit of investment accounted for using equity method and tax</b>	<b>(1,492)</b>	<b>98</b>	<b>(1,580)</b>	<b>(1,394)</b>	<b>(3,162)</b>	<b>1,399</b>
<b>4 Share of Profit of Associates / Joint ventures (net)</b>	<b>235</b>	<b>355</b>	<b>-</b>	<b>590</b>	<b>165</b>	<b>722</b>
<b>5 Profit / (Loss) before exceptional items and tax</b>	<b>(1,257)</b>	<b>453</b>	<b>(1,580)</b>	<b>(804)</b>	<b>(2,997)</b>	<b>2,121</b>
<b>6 Exceptional items (Net) (Refer Note 5 below)</b>	<b>(14,997)</b>	<b>-</b>	<b>(1,044)</b>	<b>(14,997)</b>	<b>(1,044)</b>	<b>(971)</b>
<b>7 Profit/ (Loss) before tax</b>	<b>(16,254)</b>	<b>453</b>	<b>(2,624)</b>	<b>(15,801)</b>	<b>(4,041)</b>	<b>1,150</b>
<b>8 Tax expense</b>						
Current tax	472	438	417	910	730	2,637
Deferred tax	90	(19)	(142)	71	(208)	(1,189)
	562	419	275	981	522	1,448
<b>9 Profit/ (Loss) after tax</b>	<b>(16,816)</b>	<b>34</b>	<b>(2,899)</b>	<b>(16,782)</b>	<b>(4,563)</b>	<b>(298)</b>
<b>10 Other Comprehensive Income/ (Loss)</b>						
<b>A (i) Items that will not be reclassified to statement of profit or loss</b>						
(a) Remeasurement of the defined benefit plans	15	(59)	(24)	(44)	5	(63)
(b) Equity instruments through other comprehensive income	-	-	-	-	-	(89)
(c) Income Tax relating to the above items	3	5	10	8	-	54
<b>B (i) Items that may be reclassified to statement of profit or loss</b>						
(a) Exchange differences in translating the financial statements of foreign operations	(25)	(499)	(870)	(524)	63	395
<b>Other Comprehensive Income / (Loss) (net of tax)</b>	<b>(7)</b>	<b>(553)</b>	<b>(884)</b>	<b>(560)</b>	<b>68</b>	<b>297</b>
<b>11 Total Comprehensive Income / (Loss) for the period / year</b>	<b>(16,823)</b>	<b>(519)</b>	<b>(3,783)</b>	<b>(17,342)</b>	<b>(4,495)</b>	<b>(1)</b>
<b>12 Profit/ (Loss) for the year attributable to:-</b>						
<b>(i) Owners of the Company</b>	<b>(16,499)</b>	<b>344</b>	<b>(2,470)</b>	<b>(16,155)</b>	<b>(3,814)</b>	<b>697</b>
<b>(ii) Non controlling interests</b>	<b>(317)</b>	<b>(310)</b>	<b>(429)</b>	<b>(627)</b>	<b>(749)</b>	<b>(995)</b>
	<b>(16,816)</b>	<b>34</b>	<b>(2,899)</b>	<b>(16,782)</b>	<b>(4,563)</b>	<b>(298)</b>
<b>13 Other comprehensive income/ (loss) for the year attributable to:-</b>						
<b>(i) Owners of the Company</b>	<b>(7)</b>	<b>(553)</b>	<b>(884)</b>	<b>(560)</b>	<b>68</b>	<b>293</b>
<b>(ii) Non controlling interests</b>	<b>(7)</b>	<b>(553)</b>	<b>(884)</b>	<b>(560)</b>	<b>68</b>	<b>297</b>
<b>14 Total comprehensive income/ (loss) for the year attributable to:-</b>						
<b>(i) Owners of the Company</b>	<b>(16,506)</b>	<b>(209)</b>	<b>(3,354)</b>	<b>(16,715)</b>	<b>(3,746)</b>	<b>990</b>
<b>(ii) Non controlling interests</b>	<b>(317)</b>	<b>(310)</b>	<b>(429)</b>	<b>(627)</b>	<b>(749)</b>	<b>(991)</b>
	<b>(16,823)</b>	<b>(519)</b>	<b>(3,783)</b>	<b>(17,342)</b>	<b>(4,495)</b>	<b>(1)</b>
<b>15 Paid-up equity share capital</b> (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290	1,290
<b>16 Other equity (excluding Revaluation Reserve)</b>						25,074
<b>17 Basic and diluted earnings per equity share attributable to owners of the Company (after exceptional items)</b>	<b>Rs. (129.58)</b>	<b>Rs. 2.70</b>	<b>Rs. (19.40)</b>	<b>Rs. (126.88)</b>	<b>Rs. (29.95)</b>	<b>Rs. 5.47</b>

(Quarter and half year figures not annualised)

See accompanying notes to the consolidated financial results

Contd.

### Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified the following operating segments viz., Health, Hygiene, Safety Products and its Services, Engineering, Shipping and Logistics Services, IT Enabled Services and Products and Real Estate  
The Group has reclassified the segment disclosure as prescribed under Ind AS 108 and accordingly previous year disclosure has been restated.

(Rs. in Lakhs)

	Quarter ended			Half year ended		Year ended
	30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
<b>1 Segment Revenue</b>						
(a) Health, Hygiene, Safety Products and its services	64,136	59,760	63,111	1,23,896	1,19,979	2,38,843
(b) Engineering	4,043	5,095	5,275	9,138	10,480	20,913
(c) Real Estate	483	490	475	973	939	1,919
(d) IT Enabled Services and Products	1,261	2,774	2,749	4,035	5,195	12,385
(e) Shipping and Logistics Services	2,705	2,901	2,985	5,606	5,685	11,414
(f) Others	8	9	8	17	20	33
<b>Total</b>	<b>72,636</b>	<b>71,029</b>	<b>74,603</b>	<b>1,43,665</b>	<b>1,42,298</b>	<b>2,85,507</b>
Less: Inter Segment Revenue	(43)	(41)	(43)	(84)	(84)	(165)
<b>Total Income from operations (net)</b>	<b>72,593</b>	<b>70,988</b>	<b>74,560</b>	<b>1,43,581</b>	<b>1,42,214</b>	<b>2,85,342</b>
<b>2 Segment Results [(Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]</b>						
(a) Health, Hygiene, Safety Products and its services	12,735	1,740	499	(10,995)	1,793	5,754
(b) Engineering	(251)	148	762	(103)	1,307	2,673
(c) Real Estate	227	449	155	676	369	333
(d) IT Enabled Services and Products	(921)	761	902	(160)	1,596	4,838
(e) Shipping and Logistics Services	(325)	439	(962)	114	(1,740)	207
(f) Others	(8)	(7)	(7)	(15)	(14)	(31)
<b>Total segment results</b>	<b>(14,013)</b>	<b>3,530</b>	<b>1,349</b>	<b>(10,483)</b>	<b>3,311</b>	<b>13,774</b>
Add: Share of profit of joint ventures and associates accounted for using equity method	235	355	-	590	165	722
Less: Finance costs	(2,224)	(2,278)	(2,657)	(4,502)	(5,412)	(8,938)
<b>Balance</b>	<b>(16,002)</b>	<b>1,607</b>	<b>(1,308)</b>	<b>(14,395)</b>	<b>(1,936)</b>	<b>5,558</b>
Add: Unallocable income / (expense) (net)	(252)	(1,154)	(1,316)	(1,406)	(2,105)	(4,408)
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>(16,254)</b>	<b>453</b>	<b>(2,624)</b>	<b>(15,801)</b>	<b>(4,041)</b>	<b>1,150</b>
<b>3 Segment Assets</b>						
(a) Health, Hygiene, Safety Products and its services	1,66,414	1,69,520	1,78,818	1,66,414	1,78,818	1,64,613
(b) Engineering	16,464	16,001	12,656	16,464	12,656	14,064
(c) Real Estate	31,987	30,583	24,045	31,987	24,045	28,650
(d) IT Enabled Services and Products	20,983	21,275	22,575	20,983	22,575	22,385
(e) Shipping and Logistics Services	38,235	40,646	42,131	38,235	42,131	40,478
(f) Others	9	17	23	9	23	17
(g) Unallocated	18,583	19,488	21,493	18,583	21,493	17,713
<b>Total Assets</b>	<b>2,92,675</b>	<b>2,97,530</b>	<b>3,01,741</b>	<b>2,92,675</b>	<b>3,01,741</b>	<b>2,87,920</b>
<b>4 Segment liabilities</b>						
(a) Health, Hygiene, Safety Products and its services	1,67,463	1,56,127	1,69,859	1,67,463	1,69,859	1,50,955
(b) Engineering	8,969	6,129	3,544	8,969	3,544	4,297
(c) Real Estate	38,192	35,564	28,048	38,192	28,048	32,678
(d) IT Enabled Services and Products	3,290	3,188	3,189	3,290	3,189	3,465
(e) Shipping and Logistics Services	25,813	27,598	29,752	25,813	29,752	27,420
(f) Others	3	3	4	3	4	3
(g) Unallocated	29,781	32,131	33,948	29,781	33,948	31,815
<b>Total Liabilities</b>	<b>2,73,511</b>	<b>2,60,740</b>	<b>2,68,344</b>	<b>2,73,511</b>	<b>2,68,344</b>	<b>2,50,633</b>

#### Notes on Segment Information:

- Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- Details of product categories included in each segment comprises:
  - Health, Hygiene, Safety Products and its services includes manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguisher etc.
  - Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers, and Marking Systems.
  - Real Estate includes income from renting out investment properties and revenue from real estate development project.
  - IT Enabled Services and Products includes trading of note counting machines, electronic cash register, point of sale machine, manufacturing of different types of kiosks, Forbes Xpress consisting of sale of mobile recharge, bill payments and money transfer, transaction network and services comprising of maintenance, servicing and support services for kiosks and other devices.
  - Shipping and Logistics Services segment carries on business of ship owners, charterers etc.
  - Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.
  - Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.
- Other income/ expense allocable to respective segments has been considered as part of Segment Results

\* Includes a non-cash charge of impairment of goodwill of Rs 14,997 Lakhs.



Notes to the statement of consolidated unaudited financial results for the quarter and half year ended 30<sup>th</sup> September, 2019

1. Consolidated Statement of Assets and Liabilities as at 30<sup>th</sup> September, 2019

Particulars	(Rs. in Lakhs)	
	As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)
<b>Assets</b>		
<b>1 Non-current assets</b>		
a) Property, Plant and Equipment	53,507	55,275
b) Right-of-use assets	4,668	-
c) Capital work-in-progress	2,697	410
d) Investment Properties	2,535	2,565
e) Goodwill	34,073	49,840
f) Other Intangible assets	6,014	5,670
g) Intangible assets under development	7,932	8,324
h) <b>Financial Assets:</b>		
i) Investments	8,552	8,074
ii) Trade receivables	4,363	5,301
iii) Loans	3,386	3,326
iv) Other financial assets	1,168	3,454
	<u>17,469</u>	<u>20,155</u>
i) <b>Tax assets</b>		
i) Deferred tax assets (net)	6,286	6,652
ii) Income tax assets (net)	6,474	6,131
	<u>12,760</u>	<u>12,783</u>
j) Other non-current assets	7,239	6,427
<b>Total Non-current assets</b>	<u>1,48,894</u>	<u>1,61,449</u>
<b>2 Current assets</b>		
a) Inventories	68,731	59,653
b) <b>Financial Assets:</b>		
i) Investments	1,522	2
ii) Trade receivables	51,366	46,511
iii) Cash and cash equivalents	6,627	7,056
iv) Bank balances other than (iii) above	2,217	433
v) Loans	321	329
vi) Other financial assets	1,139	1,133
	<u>63,192</u>	<u>55,464</u>
c) Other current assets	11,858	11,350
	<u>75,050</u>	<u>66,814</u>
Assets classified as held for sale	-	4
<b>Total Current assets</b>	<u>1,43,781</u>	<u>1,26,471</u>
<b>Total Assets</b>	<u>2,92,675</u>	<u>2,87,920</u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
a) Equity share capital	1,290	1,290
b) Other equity	7,578	25,074
Equity attributable to owners of the Company	<u>8,868</u>	<u>26,364</u>
Non-controlling interests	10,296	10,923
<b>Total Equity</b>	<u>19,164</u>	<u>37,287</u>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
a) <b>Financial liabilities:</b>		
i) Borrowings	40,170	57,852
ii) Lease Liabilities	2,981	-
iii) Other financial liabilities	4,383	4,668
	<u>47,534</u>	<u>62,520</u>
b) Provisions	1,002	1,049
c) Deferred tax liabilities (net)	208	486
d) Other non-current liabilities	10,713	12,036
	<u>59,457</u>	<u>76,091</u>
<b>Total Non-current liabilities</b>	<u>59,457</u>	<u>76,091</u>
<b>2 Current liabilities</b>		
a) <b>Financial liabilities:</b>		
i) Borrowings	40,302	28,897
ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises; and	3,391	1,895
b) total outstanding dues of creditors other than micro enterprises and small enterprises	38,068	39,134
iii) Lease Liabilities	1,782	-
iv) Other financial liabilities	47,441	38,409
	<u>1,30,984</u>	<u>1,08,335</u>
b) Provisions	4,782	3,101
c) Current tax liabilities (net)	464	500
d) Other current liabilities	77,824	62,606
	<u>2,14,054</u>	<u>1,74,542</u>
<b>Total Current Liabilities</b>	<u>2,14,054</u>	<u>1,74,542</u>
<b>Total Liabilities</b>	<u>2,73,511</u>	<u>2,50,633</u>
<b>Total Equity and Liabilities</b>	<u>2,92,675</u>	<u>2,87,920</u>

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2. Statement of Consolidated Unaudited Cash flows for the half year ended 30<sup>th</sup> September, 2019

(Rs. in Lakhs)

	Half Year Ended 30.09.2019 (Unaudited)	Half Year Ended 30.09.2018 (Unaudited)
<b>Cash flows from operating activities</b>		
Loss before tax	(15,801)	(4,041)
Adjustments for -		
Depreciation and amortisation expense	4,718	4,256
Share of profit of joint ventures and associates accounted for using equity method	(590)	(165)
Interest income earned on financial assets that are not designated as at fair value through profit or loss	(110)	(65)
Finance costs	4,502	5,412
Dividend Income *	-	-
(Gain) on disposal of property, plant and equipment	(311)	(60)
(Gain) on disposal/ fair value of current investments	(25)	(200)
Provision/ written off (net) for trade receivables and advances	379	411
Credit balances/ excess provision written back	(78)	(739)
Net foreign exchange gain/ (loss) including effect of exchange difference on consolidation of foreign entities	829	251
	<b>9,314</b>	<b>9,101</b>
Exceptional items:		
- Impairment loss on Goodwill	14,997	-
- Expected out flow for disputed matter	-	1,044
	<b>14,997</b>	<b>1,044</b>
	<b>24,311</b>	<b>10,145</b>
<b>Operating profit before working capital changes</b>	<b>8,510</b>	<b>6,104</b>
Changes in working capital:		
(Increase) in trade and other receivables	(4,311)	(13,955)
(Increase) in inventories	(9,078)	(758)
(Increase) in other loans and advances	(252)	(30)
(Increase)/Decrease in other financial assets	2,328	(4,433)
(Increase) in other assets	(1,692)	(178)
Increase/ (Decrease) in trade and other payables	522	(3,415)
Increase/ (Decrease) in other financial liabilities	(1,251)	6,188
Increase in provisions	1,591	3,055
Increase in other liabilities	13,896	14,543
	<b>1,753</b>	<b>1,017</b>
<b>Cash generated from operations</b>	<b>10,263</b>	<b>7,121</b>
Income taxes paid (net of refunds)	(1,280)	11
<b>(a) Net cash flow generated from operating activities</b>	<b>8,983</b>	<b>7,132</b>
<b>Cash flows from investing activities:</b>		
Payments for tangible and intangible assets (net of capital creditors and including capital advances, capital work-in-progress and intangible assets under development)	(3,662)	(2,795)
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	338	1,904
Payment for disputed matters	-	(1,044)
Purchase of current investments	(7,000)	(7,341)
Proceeds from sale of current investments	5,504	2,526
Bank balances not considered as cash and cash equivalents	(1,799)	201
Interest received	109	62
Dividend received *	-	-
<b>(b) Net cash flow (used in) investing activities</b>	<b>(6,510)</b>	<b>(6,487)</b>

\* Amount is below rounding off norms of the Group.

Contd ...



(Rs. in Lakhs)

	Half Year Ended 30.09.2019 (Unaudited)	Half Year Ended 30.09.2018 (Unaudited)
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	3,246	6,000
Repayment of long-term borrowings	(11,557)	(8,323)
Proceeds from short-term borrowings	1,700	12,000
Repayment of short-term borrowings	-	(13,944)
Net increase/ (decrease) in Cash credit facilities, Buyers Credit, Overdraft facility and Loans repayable on demand	9,579	3,058
Finance costs paid	(4,215)	(5,330)
Payment of Lease Liabilities	(922)	-
Dividend paid on equity shares	(624)	(308)
Tax on dividend	(133)	(66)
<b>(c) Net cash flow (used) in financing activities</b>	<b>(2,926)</b>	<b>(6,913)</b>
<b>(d) Net (decrease) in cash and cash equivalents (a + b + c)</b>	<b>(453)</b>	<b>(6,268)</b>
<b>(e) Cash and cash equivalents as at the commencement of the period</b>	<b>7,056</b>	<b>13,700</b>
<b>(f) Effects of exchange rate changes on cash and cash equivalents</b>	<b>24</b>	<b>169</b>
<b>(g) Cash and cash equivalents as at the end of the period (d + e + f)</b>	<b>6,627</b>	<b>7,601</b>

**Reconciliation of cash and cash equivalents as per the cash flow statements**

	As at 30.09.2019 (Unaudited)	As at 30.09.2018 (Unaudited)
<b>Cash and cash equivalents as per above comprise of the following</b>		
<b>Balances with Banks</b>		
- In current accounts	6,098	6,132
- In EEFC accounts	81	18
- In Deposits accounts (with original maturity upto 3 months)	156	29
Cheques, drafts on hand	223	1,149
Cash on hand	69	273
<b>Balances as per statement of cash flows</b>	<b>6,627</b>	<b>7,601</b>

**Notes:**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 on Statement of Cash Flows.
2. Previous period figures have been regrouped/ reclassified, wherever necessary to conform to current period classification.
3. Other bank balances at the end of the period Includes: (i) earmarked balances towards unpaid dividends Rs 30 Lakhs (Previous Period Rs 11 Lakhs) and (ii) margin money deposits includes Rs 147 Lakhs (Previous Period Rs 65 Lakhs) as security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Group.

\* Amount is below rounding off norms of the Group.

Contd ...



3. The above results of Forbes & Company Limited (the "Parent" or the "Company") and its subsidiaries (together referred to as "Group") and its joint ventures and associates were reviewed by the Audit Committee and thereafter approved at the meeting of the Board of Directors held on Thursday 14<sup>th</sup> November, 2019. The results for the quarter and half year ended 30<sup>th</sup> September, 2019 (excluding corresponding previous quarter and half year ended 30<sup>th</sup> September, 2018) have been reviewed by the auditors in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The above financial results of the Group, its joint ventures and associates have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed and Section 133 of Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
5. Exceptional items:

		Quarter ended			Half year ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(i)	Expected outflow for disputed matter	-	-	(1,044)	-	(1,044)	(1,056)
(ii)	Gain on transfer of interest	-	-	-	-	-	85
(iii)	Impairment of Goodwill	(14,997)	-	-	(14,997)	-	-
	<b>TOTAL</b>	<b>(14,997)</b>	-	(1,044)	<b>(14,997)</b>	(1,044)	(971)

- (i) The Company had received Rs. 1,017 Lakhs in the year ended 31<sup>st</sup> March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai towards principal and interest towards loan given to Coromandel Garments Limited ("CGL") (presently under liquidation).

The Company had made a provision of Rs. 365 Lakhs in earlier years which was reversed on receipt of Rs. 1,017 Lakhs from CGL and accounted the balance as interest income during the year ended 31<sup>st</sup> March, 2016. The Management, basis the belief that it was a remote future possibility that Rs. 1,017 Lakhs would become refundable upon the final outcome of this matter, accounted for the receipt as explained above.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of Rs. 1,017 Lakhs with interest. Consequently, the Company refunded Rs. 1,056 Lakhs [including interest calculated from the date of the order till the date of payment aggregating Rs. 39 Lakhs] and recorded this as an exceptional expense. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, which was appealed by the Company.

The Company had separately filed its Affidavit of Claim for Rs. 325 Lakhs along with interest at the bank rate with the Official Liquidator. However, since this filing was beyond the time period of filing affidavit, the Company was directed by the Official Liquidator to file for condonation of delay with the High Court. The Hon'ble High Court vide Order dated 8<sup>th</sup> April, 2019 condoned the delay in filing of the claim before the Official Liquidator and directed the Official Liquidator to adjudicate the claim within a period of six months. The adjudication of the claim is pending with the official liquidator.

- (ii) The real estate development operations under "Project Vicinia" was being executed at a plot of land situated at Chandivali, Mumbai as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011 for the then existing dispute. Subject to compliance with the terms of the said development agreement, VRIL was entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index in Project Vicinia.

During the year and the quarter ended 31<sup>st</sup> March, 2019, considering delays in making critical payments by VRIL, to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently, the matter was referred to arbitration and vide the arbitration award dated 25<sup>th</sup> February, 2019 the Company was directed to pay an amount of Rs. 15,300 Lakhs to VRIL for restitution and that on payment of the aforesaid amount, VRIL would have no interest, rights, title or any claim in respect of Project Vicinia.

Additionally, the Company entered into a Business Transfer Agreement ("BTA") with Paikar Real Estates Private Limited (hereinafter known as "PREPL"), (a fellow subsidiary) dated 27<sup>th</sup> February, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where-is basis as a going concern for an aggregate consideration of Rs. 15,500 Lakhs. The board of directors and shareholders' approved this transaction with PREPL on 27<sup>th</sup> February, 2019 and 29<sup>th</sup> March, 2019 respectively. As per the terms of the BTA, the Company did not have an ability to control or rights to variable returns over VRIL's interest in the Project Vicinia which the Company got pursuant to the arbitration award.

Subsequently, on receipt of the consideration from PREPL, the Company made payment of Rs. 15,300 Lakhs to VRIL on 2<sup>nd</sup> March, 2019 as per terms stated in the arbitration award and consequently, VRIL's interest in the development agreement was transferred to PREPL.

The Company and PREPL are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and subsequent sale of their respective individual flats for the specified land being developed.





Pursuant to the aforesaid transaction, the Company incurred legal and administrative costs aggregating Rs. 115 Lakhs which have been netted off against the gain on the aforesaid transfer and reflected the net gain on this transaction, aggregating Rs 85 Lakhs as an exceptional item during the year ended 31<sup>st</sup> March, 2019

- (iii) In Eureka Forbes Limited (EFL), (a subsidiary), during the current quarter, for certain down-stream subsidiaries in Europe "Lux group", the business projections could not be achieved due to various factors as envisaged previously. Based on assessment of revised future projections carried out by EFL management after considering current economic conditions and trends, estimated future operating results and growth rates, an amount of Rs. 14,997 Lakhs has been recorded as an exceptional item towards impairment of goodwill in the consolidated results of EFL during the quarter and half year ended 30<sup>th</sup> September, 2019. The performance of EFL Group during the current quarter and half year ended 30<sup>th</sup> September, 2019 are better than the corresponding previous period and the management are confident on Lux group being in a position meet the revised forecasts. Accordingly, the balance amount of goodwill on consolidation is considered as recoverable based on projections that are dependent on the future performance of Lux group.

6. Standalone information of the Company is as follows:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
Revenue from operations	4,500	5,557	5,725	10,057	11,368	22,728
Profit before tax	(583)	(18)	78	(601)	567	1,039
Profit after tax	(583)	(18)	122	(601)	488	1,027

Investors can view the standalone results of the Company on the Company's website ([www.forbes.co.in](http://www.forbes.co.in)) or BSE website ([www.bseindia.com](http://www.bseindia.com))

7. In Forbes Technosys Limited (FTL) (a subsidiary), pursuant to detection of certain irregularities in the business transactions, FTL appointed an independent professional agency to conduct a review of its business transactions. The said agency has identified fraudulent transactions, over past few years aggregating Rs. 569 Lakhs involving the erstwhile Chief Financial Officer of FTL (whose services have been subsequently terminated), other employees and certain third party vendors. FTL has filed a police complaint against such employees and third party vendors. The above amount has been appropriately dealt with in the books of FTL. The exposure of this irregularity is restricted to FTL books only as the role of these employees was restricted to FTL and they had no involvement in any of the other entities within the Group. Additional control mechanisms are enforced with immediate effect to ensure there are no such instances in future.

8. The following matters have been included in the financial results of FTL, which are reproduced as follows:

- During the period ended 30<sup>th</sup> September, 2019 the Company has incurred a total comprehensive loss of Rs. 1,710 Lakhs. The Company has accumulated losses of Rs. 9,955 Lakhs and its current liabilities exceeded current assets by Rs. 7,212 Lakhs as at 30<sup>th</sup> September, 2019. The continuity of the operations of the Company is dependent upon the continued operational and financial support of the Holding Company namely Forbes & Company Limited. Based on such operational and financial support, the above Financial Results have been prepared on a going concern basis.
- As on 30<sup>th</sup> September, 2019, the carrying amount of intangible assets under development is Rs. 7,952 Lakhs. To complete these projects for their intended use, the management is confident of availability of funds from operations and continued financial support from the Holding Company for this purpose."

The setback suffered by FTL in recent past is temporary in nature due to muted demand and stress in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom. Heightened competition and entry of several local players in the e-payments space put pressures on margin as well for FTL. The Management believes that with new initiatives, product rationalization buoyed by consistent increasing demand observed in sectors other than BFSI, this entity is well poised to reap in the benefits in the long run, despite some challenges when looked at the short term perspective.

The management are confident of the inherent value and future prospects of this entity and considering this, the overall long term scenario for FTL looks positive and stable. There are positive trends in the recent period (e.g. cost rationalization, product portfolio diversification strategies etc.) which are expected to continue in the foreseeable future and would aid business recoupment. Therefore, the Parent is rendering the necessary support in the short run and accordingly the financial results of FTL are prepared on going concern basis.

9. Certain subsidiaries in the Group have chosen to exercise the option of the lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The full impact of this change has been recognized in tax expenses for the quarter and half year ended 30<sup>th</sup> September, 2019. The impact on the Group's loss for the quarter and half year ended 30<sup>th</sup> September, 2019 is not significant.
10. Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28<sup>th</sup> March, 2018 was effective from accounting period beginning on or after 1<sup>st</sup> April, 2018 and replaced the then existing revenue recognition standards. The application of Ind AS 115 had a significant bearing on the Group's accounting for recognition of revenue from real estate development projects.



The Group had applied the modified retrospective approach as on 1<sup>st</sup> April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1<sup>st</sup> April, 2018.

Had the Group continued application of earlier standards for revenue recognition for its real estate projects instead of Ind AS 115, the following line items would have been higher by amounts as disclosed below:

Financial Statement Line Item	Quarter ended			Half year ended		(Rs. in Lakhs)
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	Year ended 31.03.2019
Revenue	3,196	2,445	840	5,641	2,933	8,880
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,772	1,365	528	3,137	1,720	5,196
Net profit before tax	1,424	1,080	312	2,504	1,213	3,684

Additionally, as at 30th September, 2019, real estate work-in-progress included in inventory is higher by Rs. 19,497 Lakhs, advances from customers included in other current liabilities is higher by Rs. 30,303 Lakhs and unbilled revenue included in other financial assets is lower by Rs. 2,934 Lakhs.

Further, certain indirect costs (e.g. Selling expenses, commission & brokerage, advertisement and sales promotion, depreciation and other administrative expenses) pertaining to real estate development project for the period ended 30th September, 2019 aggregating Rs. 313 Lakhs (quarter ended 30th September, 2019 aggregating Rs. 149 Lakhs and quarter ended 30th June, 2019 aggregating Rs. 164 Lakhs) are being recognized as an expense in the Statement of Profit and Loss as and when incurred.

11. On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 ("Rules") has notified Ind AS 116 which replaces the existing lease standard, Ind AS 17. The provisions of the Rules come into force on 1<sup>st</sup> April, 2019.

The Group has taken the choice to adopt Ind AS 116 retrospectively by giving the cumulative impact of transition at the date of initial application of the standard i.e. 1<sup>st</sup> April, 2019. Accordingly, on the initial date of application, the Group has recognized the right of use of assets at an amount equal to the lease liability, adjusted by the amount of any prepaid rent relating to that lease recognised in the Balance Sheet immediately prior to 1<sup>st</sup> April, 2019. The adoption of this standard did not have any material impact on the loss of the period as compared to previous period.

Right-of-use assets and correspondingly lease liabilities of Rs. 3,938 Lakhs have been recognised for the leased premises on 1<sup>st</sup> April, 2019.

Had the Group continued application of earlier standards instead of Ind AS 116, rent expense (included in Other Expenses) for the half year and quarter ended 30<sup>th</sup> September, 2019 would be higher by Rs. 922 Lakhs and Rs. 486 Lakhs respectively (Rs. 436 Lakhs for the quarter ended 30<sup>th</sup> June, 2019), Finance Costs for the half year and quarter ended 30<sup>th</sup> September, 2019 would be lower by Rs. 183 Lakhs and Rs. 102 Lakhs respectively (Rs. 81 Lakhs for the quarter ended 30<sup>th</sup> June, 2019) and depreciation expense for the half year and quarter ended 30<sup>th</sup> September, 2019 would be lower by Rs. 834 Lakhs and Rs. 448 Lakhs respectively (Rs. 386 Lakhs for the quarter ended 30<sup>th</sup> June, 2019).

12. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification / disclosure.

Mumbai,  
14<sup>th</sup> November, 2019



For Forbes & Company Limited

*Mahesh Tahilyan*  
(Mahesh Tahilyan)  
Managing Director  
DIN : 01423084



# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Forbes & Company Limited  
Forbes' Building  
Charanjit Rai Marg  
Fort, Mumbai - 400 001

1. We have reviewed the unaudited consolidated financial results of Forbes & Company Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), joint ventures and associate companies for the quarter and the half year ended September 30, 2019 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2019', the unaudited consolidated statement of assets and liabilities as on that date and the consolidated statement of cash flows for the half-year ended on that date (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and the corresponding period from April 1, 2018 to September 30, 2018 and the consolidated figures for the Statement of Cash flows for the period from April 1, 2018 to September 30, 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

**Parent Company:**

- Forbes & Company Limited

**Subsidiaries (Direct and Indirect):**

- Eureka Forbes Limited
- Aquaignis Technologies Private Limited
- Forbes Lux International AG
- Lux International AG



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

To the Board of Forbes & Company Limited  
Review Report on the Unaudited Consolidated Financial Results for the quarter  
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- Lux del Paraguay S.A.
- Lux Italia srl
- Lux Schweiz AG
- Lux (Deutschland) GmbH
- Lux International Services & Logistics GmbH (formerly Lux Service GmbH)
- Lux Norge A/S
- Lux Osterreich GmbH
- Lux Hungária Kereskedelmi Kft.
- LIAG Trading and Investments Limited
- Lux Aqua Paraguay SA
- Lux Welity Polska sp z oo
- EFL Mauritius Limited
- Euro Forbes Financial Services Limited
- Euro Forbes Limited
- Forbes Lux FZCO
- Forbes Facility Services Private Limited
- Forbes Enviro Solutions Limited
- Forbes Campbell Finance Limited
- Forbes Campbell Services Limited
- Forbes Technosys Limited
- Volkart Fleming Shipping and Services Limited
- Shapoorji Pallonji Forbes Shipping Limited
- Campbell Properties & Hospitality Services Limited

## Associate Companies:

- Nuevo Consultancy Services Private Limited
- Dhan Gaming Solution (India) Private Limited
- Euro P2P Direct (Thailand) Company Limited

## Joint Ventures:

- Forbes Bumi Armada Limited
- Forbes Aquatech Limited
- Forbes Concept Hospitality Services Private Limited
- Infinite Water Solutions Private Limited
- AMC Cookware (Proprietary) Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The review report on the financial results of Forbes Technosys Limited, a subsidiary of the Parent, issued by an independent firm of Chartered Accountants (vide their report dated November 6, 2019) contains the following emphasis of matters, which are reproduced by us as under:



# Price Waterhouse Chartered Accountants LLP

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"We draw attention to:

- a. Note 3 of the Statement which indicates that the Company has incurred a total comprehensive loss of Rs. 1,710.23 lakhs, during the half year ended September 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 7,212.44 lakhs. The Company has accumulated losses of Rs. 9,955.12 lakhs and its net-worth has been substantially eroded as on September 30, 2019. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Statement has been prepared on a going concern basis for the reasons stated in Note 3 of the Statement.
- b. Note 6 of the Statement, regarding completion of "Intangible Assets Under Development" for their intended use, amounting to Rs. 7,951.72 lakhs, which is dependent upon availability of funds from operations and continued financial support from Holding Company.

Our conclusion is not modified in respect of the above matters."

Notes 3 and 6 as described above are reproduced as Note 8 to the consolidated unaudited financial results for the quarter and half year ended September 30, 2019.

7. The conclusion set out in the review report on the financial results of Eureka Forbes Limited, a subsidiary of the Parent, issued by an independent firm of Chartered Accountants (vide their report dated November 11, 2019) is reproduced by us as under:

"Based on our review conducted and procedures performed as stated in paragraph [3] above and based on the consideration of the review reports of the other auditors referred to in paragraph [6] and management certified financial results referred in paragraph [7] below and read with matters reported under the heading "Matters To Be Communicated to Group Management" in Appendix D- Memorandum of Work performed, nothing has come to our attention that causes us to believe that the accompanying Financial Results in so far it relates to the figures for the quarter and half year ended September 30, 2019:

- i. have not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies;
- ii. have not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed;
- iii. contain any material misstatement; and
- iv. are not in conformity with the accounting policies followed by the Parent Company."

The matters reported under the heading "Matters To Be Communicated to Group Management" in Appendix D- Memorandum of Work performed is reproduced by us as under:

"During the current quarter, business projections for the Lux group could not be achieved



# Price Waterhouse Chartered Accountants LLP

To the Board of Forbes & Company Limited  
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due to various factors for one of the subsidiary group in Europe "Lux group" as envisaged previously. Based on the assessment of the revised future projections carried out by the company's management after considering current economic conditions and trends, estimated future operating results and growth rates, an amount of Rs. 14,997 lakhs has been charged in the statement of unaudited consolidated financial results as impairment of goodwill on consolidation during the quarter. Balance amount of goodwill on consolidation is considered as recoverable based on projections that are dependent on the future performance of the Lux group.

Forbes Lux International Ltd. and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during past years and the quarter ended 30 June 2019. Forbes Lux International Ltd's and Lux group's ability to continue as a going concern depends on the continuing financial support of its parent company, Eureka Forbes Limited located in India (EFL).

Component auditors have given Emphasis of Matters w.r.t. to the existence of a material uncertainty to continue as a going concern. Please refer the extract of Emphasis of Matter paragraph review report and Note in FLIAG and LLIAG results –

## Emphasis of Matter

We draw attention to Note 1 in the special purpose interim consolidated financial information describing the liquidity difficulties the company faced during Q2, 2019 and past years. This fact together with other matters disclosed in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about Lux International Ltd. (Group) ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

## Note 1: Financial Difficulties

Lux International Ltd. and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during the last years and the quarter ended 30 June 2019. Lux International Ltd (Group)'s ability to continue as a going concern depends on the continuing financial support of its ultimate parent company, Eureka Forbes Limited located in India (EFL). The Board of Directors of Lux International Ltd. (Group) are taking necessary steps to revive and stabilize the business of Lux Group. Further, the ultimate parent company, EFL, issued a financial support letter dated 17 December 2018, that they undertake financial support to the extend needed to keep Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 30 June 2020. If Lux International Ltd (Group) is not able to continue as a going concern, assets may have to be written down and provisions set up and fixed assets and non-current liabilities reclassified as current. The impact of these adjustments could be material and the necessary provisions would have to be followed by the Board of Directors."

8. We did not review the interim financial information/ financial results of 22 subsidiaries included in the consolidated unaudited financial results, whose interim financial information/ financial results (before eliminating intercompany transactions) reflect total assets of Rs. 275,734 Lacs and net assets of Rs. 32,176 Lacs as at September 30, 2019 and total revenues of Rs. 69,120 Lacs and Rs. 137,234 Lacs, total net loss after tax of Rs. 48,553 Lacs and Rs. 57,285 Lacs and total comprehensive loss of Rs. 48,895 Lacs and Rs. 56,936 Lacs, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs. (81) Lacs for the period from April 1, 2019 to September 30, 2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net



# Price Waterhouse Chartered Accountants LLP

To the Board of Forbes & Company Limited  
Review Report on the Unaudited Consolidated Financial Results for the quarter  
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profit after tax of Rs. 27 Lacs and Rs. 105 Lacs and total comprehensive income of Rs. 27 Lacs and Rs. 105 Lacs for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the consolidated unaudited financial results, in respect of a joint venture, whose interim financial information/ financial results have not been reviewed by us. These interim financial information/ financial results have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by such other auditors/ Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

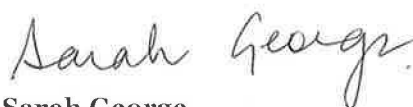
9. The consolidated unaudited financial results includes the interim financial information/ financial results of 6 subsidiaries which have not been reviewed by their auditors, whose interim financial information/ financial results (before eliminating intercompany transactions) reflect total assets of Rs. 5,332 Lacs and net assets of Rs. 4,827 Lacs as at September 30, 2019 and total revenue of Rs. 1,293 Lacs and Rs. 69 Lacs, total net profit/ (loss) after tax of Rs. (1,275) Lacs and Rs. 9 Lacs and total comprehensive loss of Rs. 1,524 Lacs and Rs. 884 Lacs for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs. (59) Lacs for the period from April 1, 2019 to September 30, 2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 252 Lacs and Rs. 521 Lacs and total comprehensive income of Rs. 252 Lacs and Rs. 521 Lacs for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the consolidated unaudited financial results, in respect of 3 associates and 4 joint ventures, based on their interim financial information/ financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information/ financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants



**Sarah George**

Partner

Membership Number: 045255

UDIN: 19045255AAAACF9097

Place: Mumbai

Date: November 14, 2019