



FORBES & COMPANY LIMITED

Registered Office : Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001, India.
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Date: 5th November, 2012

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

Dear Sirs,

PART I - Statement of Unaudited Financial Results for the quarter and half year ended 30th September, 2012

(₹ in lakhs)

Particulars	Quarter ended			Half year ended		Previous year ended
	30.09.2012 (Unaudited)	30.06.2012 (Unaudited)	30.09.2011 (Unaudited)	30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	31.03.2012 (Audited)
1 Income from operations						
a) Net sales / Income from operations (net of excise duty)	5,673	6,030	6,144	11,703	12,478	26,676
b) Other operating income	280	351	406	631	860	1,734
Total Income from operations (net)	5,953	6,381	6,550	12,334	13,338	28,410
2 Expenses						
a) Cost of materials consumed	1,784	1,050	1,081	2,834	2,205	5,355
b) Purchases of stock-in-trade	215	230	172	435	297	586
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(974)	(217)	59	(1,191)	227	150
d) Employee benefits expense	1,197	1,053	1,092	2,250	2,059	4,050
e) Depreciation and amortisation expense	349	287	306	636	609	1,211
f) Charter hire charges (see Note 2)	-	-	-	-	1,063	1,063
g) Transportation, freight, hire charges and other operating costs relating to Shipping and Logistics division	1,613	1,814	1,741	3,427	3,213	6,739
h) Other expenses	2,450	1,805	1,892	4,255	3,543	7,920
Total expenses	6,634	6,012	6,343	12,646	13,210	27,074
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(681)	369	207	(312)	128	1,336
4 Other income	318	74	78	392	116	284
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(363)	443	285	80	244	1,620
6 Finance costs	261	271	293	532	591	1,300
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(624)	172	(8)	(452)	(347)	320
8 Exceptional Items (see Note 1)	(19)	6,050	10	6,031	10	153
9 Profit / (Loss) from ordinary activities before tax (7+8)	(643)	6,222	2	5,579	(337)	473
10 Tax expense / (credit) - Current tax	(160)	960	-	800	-	-
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	(483)	5,262	2	4,779	(337)	473
12 Extraordinary items (net of tax expense)	(483)	5,262	2	4,779	(337)	473
13 Net Profit / (Loss) for the period / year (11+12)	(483)	5,262	2	4,779	(337)	473
14 Paid-up equity share capital (Face Value of ₹ 10 each)	1,290	1,290	1,290	1,290	1,290	1,290
15 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						12,400
16 Basic and diluted Earnings per share (Face Value of ₹ 10 each) (Quarterly and half yearly figures not annualised)	₹ (3.74)	₹ 40.80	₹ 0.02	₹ 37.05	₹ (2.62)	₹ 3.66
Note: Chartering loss arising from the stand by charter agreement as stated in Note 2 included in these results					513	513

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PART II - Select Information for the quarter and half year ended 30th September, 2012

Particulars	Quarter ended			Half year ended		Previous year ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of shares	3436925	3436925	3436925	3436925	3436925	3436925
- Percentage of shareholding	26.65%	26.65%	26.65%	26.65%	26.65%	26.65%
2 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
b) Non-encumbered						
- Number of shares	9461691	9461691	9461691	9461691	9461691	9461691
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	73.35%	73.35%	73.35%	73.35%	73.35%	73.35%

Particulars	3 months ended 30.09.2012
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	12 *
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	12 *

* Related to court cases




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Reporting of Segment wise Revenue, Results and Capital Employed

(₹ in lakhs)

	Quarter ended			Half year ended		Previous year ended
	30.09.2012 (Unaudited)	30.06.2012 (Unaudited)	30.09.2011 (Unaudited)	30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	31.03.2012 (Audited)
1 Segment Revenue						
(a) Engineering	3,353	3,216	3,482	6,569	7,084	15,536
(b) Shipping and Logistics Services	2,344	2,820	2,679	5,164	5,429	11,219
(c) Real Estate	256	345	389	601	826	1,655
Total	5,953	6,381	6,550	12,334	13,339	28,410
Less: Inter Segment Revenue	-	-	-	-	-	-
Total Income from operations (net)	5,953	6,381	6,550	12,334	13,339	28,410
2 Segment Results (Profit / (Loss) before Tax and finance costs from each Segment (including exceptional items related to segments))						
(a) Engineering	(320)	434	465	114	1,084	2,350
(b) Shipping and Logistics Services	97	112	(53)	209	(680)	(130)
(c) Real Estate	101	6,258	339	6,359	710	1,207
Total	(122)	6,804	751	6,682	1,114	3,427
Less: Exceptional items other than related to segments	-	-	(58)	-	(58)	(58)
	(122)	6,804	693	6,682	1,056	3,369
Less: Finance costs	(261)	(271)	(293)	(532)	(591)	(1,300)
Balance	(383)	6,533	400	6,150	465	2,069
Less: Unallocable expenses net of unallocable income	(280)	(311)	(398)	(571)	(802)	(1,596)
Profit / (Loss) before Tax	(643)	6,222	2	5,579	(337)	473
3 Capital Employed (Segment assets less segment liabilities)						
(a) Engineering	8,382	6,765	5,813	8,382	5,813	6,774
(b) Shipping and Logistics Services	3,881	2,718	3,294	3,881	3,294	2,985
(c) Real Estate	(1,372)	(1,657)	(2,361)	(1,372)	(2,361)	(1,595)
	10,891	7,826	6,746	10,891	6,746	8,164
Unallocated	22,239	17,876	16,987	22,239	16,987	19,069
Total Capital Employed	33,130	25,702	23,733	33,130	23,733	27,233



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NOTES:

1. Exceptional items:

(₹ in lakhs)

	Quarter ended			Half year ended		Previous year ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Termination benefits and one time settlement with employees	(13)	-	(58)	(13)	(58)	(75)
Profit on sale of land and building *(Including interest on delayed payment)	(6)	6,050 *	68	6,044 *	68	68
Prior period adjustment -- written down value of fixed assets written off in an earlier year, written back in previous year	-	-	-	-	-	46
Income on settlement of disputed matters	-	-	-	-	-	114
TOTAL	(19)	6,050	10	6,031	10	153

2. To secure the lenders of SCI Forbes Limited (SFL), a jointly controlled entity, amongst other undertakings, two of the joint venture partners, including the Company, had to, sign a standby charter agreement, under which, in the event the vessels were not on charter with a lender approved third party at anytime during the pendency of the loan, two vessels each would come on automatic charter to the joint venture partners at rates specified in the standby charter agreement. Immediately thereafter the global financial crisis occurred with shipping being badly hit with charter rates crashing. The lenders sought a change in some commercial terms for agreeing to approve charterers and other forms of vessel deployment. Whilst this negotiation was going on, the loan covenant had got activated and the Company (as also its other JV partner) had to take the vessels on charter at standby charter rates and deploy them on market rates resulting in the loss of ₹ 513 Lakhs during previous half year ended 30th September, 2011 and previous year ended 31st March, 2012. With effect from 1st July, 2011, the aforesaid standby charter agreement has been suspended and consequently the ships have been re-delivered by the Company as also by the joint venture partner to SFL. Non-provision of estimated loss arising from the aforesaid onerous standby charter agreements not being in accordance with the requirements of Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29) was a subject matter of a qualification in the audit report for the year ended 31st March, 2011.

3. Account balances of trade payables, trade receivables and other balances relating to the Shipping and Logistics division are in the process of detailed review and reconciliation. This was a subject matter of qualification in the audit report for the year ended 31st March, 2012 and limited review report for the quarter ended 30th June, 2012, and continues to be a subject matter of qualification in the limited review report for this quarter ended 30th September, 2012. During the current period, the Management has largely carried out detailed review of open items including reconciling balances with parties' statement of accounts wherever available and also instituted stringent process in place. The Management is of the view that presently the account balances are largely in order and the net effect on the financial results would not be material on completion of exercise.

4. The Company has long term investments in equity shares and preference shares aggregating ₹ 7,090 Lakhs in its Joint Venture Company, viz. SCI Forbes Limited, which has four chemical tankers (vessels) currently deployed on time charter. In the opinion of the management, the downturn in the shipping industry in the recent past is exceptional in nature and is considered to be a temporary event. The chemical business is expected to grow in near future and

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having regard to very low level of order position for purchase of new vessels, there would be better deployment of existing vessels which would improve the charter hire rates. Based on the present value of estimated future cash flow expected to arise from the continuing use of vessels and from its disposal at the end of its useful life, no provision for diminution on these investments, held as long term, is required to be made.

5. Statement of assets and liabilities

Particulars	₹ in Lakhs	
	As at 30.09.2012 Unaudited	As at 31.03.2012 Audited
I EQUITY AND LIABILITIES		
1 Shareholders' funds		
a Share capital	1,290	1,290
b Reserves and surplus	17,179	12,400
sub-total - Shareholders' funds	18,469	13,690
2 Non-current liabilities		
a Long-term borrowings	9,899	8,534
b Other long-term liabilities	3,745	3,755
c Long-term provisions	526	517
sub-total - Non-current liabilities	14,170	12,806
3 Current liabilities		
a Short-term borrowings	4,039	3,760
b Trade payables	4,230	3,483
c Other current liabilities	3,498	3,883
d Short-term provisions	949	1,215
sub-total - Current liabilities	12,717	12,341
TOTAL - EQUITY AND LIABILITIES	45,356	38,837
II ASSETS		
1 Non-current assets		
a Fixed assets	12,253	11,753
b Non-current investments	14,640	14,640
c Long-term loans and advances	3,308	2,882
sub-total - Non-current assets	30,201	29,275
2 Current assets		
a Current investments	2,462	-
b Inventories	5,061	1,853
c Trade receivables	3,337	3,808
d Cash and cash equivalents	242	1,149
e Short-term loans and advances	2,771	2,689
f Fixed assets held for sale (Free hold land)	-	4
g Other current assets	1,282	59
sub-total - Current assets	15,155	9,562
TOTAL - ASSETS	45,356	38,837

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6. Figures for the previous periods / year are re-classified / re-arranged / regrouped, wherever necessary.
7. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 5th November, 2012 and subjected to a Limited Review by the statutory auditors.

For Forbes & Company Limited



(Ashok Barat)
Managing Director

Mumbai, 5th November, 2012

9/11/12

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

1. We have reviewed the accompanying statement of Unaudited Financial Results of **FORBES & COMPANY LIMITED** ("the Company") for the quarter and half year ended 30th September, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

3. **Emphasis of Matter**

Without qualifying our review report, we continue to draw attention to Note 4 on the Statement regarding no provision having been made for diminution in the value of the Company's long term investments in equity shares and preference shares aggregating ₹ 7,090 Lakhs in its Joint Venture Company, viz. SCI Forbes Limited for the reasons stated in the said Note.

4. **Basis for Qualified Conclusion**

The accompanying unaudited financial results are subject to adjustments that may arise on completion of detailed review and reconciliation, by the Management, of account balances of trade payables, trade receivables and other balances relating to the Company's Shipping and Logistics division, the effect of which could not be determined on the loss for the quarter ended 30th September, 2012 and profit for the half year ended on that date, with consequential effect on earnings per share. Our audit report for the year ended 31st March, 2012 and limited review report for the quarter ended 30th June, 2012 contained a similar qualification. [See Note 3 on the Statement]

5. **Qualified Conclusion**

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

RLK

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

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

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



Rajesh K Hiranandani
Partner
(Membership No.: 36920)

MUMBAI, 5th November, 2012

