

May 28, 2018

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

Security Code : 502865  
Security ID : FORBESCO

**Compliance of Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

Dear Sir,

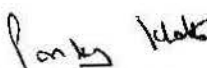
In compliance with the requirements of Regulations 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we would like to inform you that the Board of Directors at its meeting held on May 28, 2018 has:-

- a. Approved the Audited Standalone & Consolidated Financial Results for the quarter and financial year ended March 31, 2018. A copy of the aforesaid Financial Results along with the Reports by Statutory Auditors of the Company and declaration with regard to Auditor's Report with unmodified opinion on Standalone and Consolidated Financial Results (Refer Annexure "A") is enclosed.
- b. Recommended Dividend of Rs. 2.50 (Rupees two and fifty Paise) per Equity Share of Rs. 10 each for the Financial Year ended March 31, 2018, which if approved by the Shareholders of the Company at the ensuing Annual General Meeting will be paid within the prescribed statutory timelines.

The Board Meeting commenced at 3.00 P.M and concluded at 9.15 P.M.

Kindly take the above information on your record.

Yours faithfully,  
For Forbes & Company Limited

  
Pankaj Khattar  
Head Legal and Company Secretary

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**Statement of Standalone Financial Results for the quarter and year ended 31st March, 2018**
*(Rs. in Lakhs)*

Particulars	Quarter ended			Year ended	
	31.03.2018 (Refer Note 9)	31.12.2017 (Unaudited)	31.03.2017 (Refer Note 9)	31.03.2018 (Audited)	31.03.2017 (Audited)
<b>1 Income</b>					
a) Revenue from operations	10,030	6,393	14,482	29,781	28,347
b) Other income	213	72	744	717	1,371
<b>Total Income (a + b)</b>	<b>10,243</b>	<b>6,465</b>	<b>15,226</b>	<b>30,498</b>	<b>29,718</b>
<b>2 Expenses</b>					
a) Real estate development costs	1,941	1,345	6,949	6,404	8,821
b) Cost of materials consumed	2,102	1,883	1,552	6,792	5,903
c) Excise duty	-	-	463	411	1,715
d) Purchases of stock-in-trade	-	3	8	16	34
e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	288	(732)	(1,324)	(779)	(3,358)
f) Employee benefits expense	931	1,047	1,115	4,260	4,410
g) Finance costs	280	303	276	1,173	1,235
h) Depreciation and amortisation expense	207	199	180	796	598
i) Other expenses	2,156	1,474	2,634	6,818	7,017
<b>Total expenses</b>	<b>7,905</b>	<b>5,522</b>	<b>11,853</b>	<b>25,891</b>	<b>26,375</b>
<b>3 Profit/(Loss) from continuing operations before exceptional items and tax (1-2)</b>	<b>2,338</b>	<b>943</b>	<b>3,373</b>	<b>4,607</b>	<b>3,343</b>
<b>4 Exceptional income (Net) (Refer Note 5)</b>	-	-	(50)	-	1,120
<b>5 Profit from continuing operations before tax (3+4)</b>	<b>2,338</b>	<b>943</b>	<b>3,323</b>	<b>4,607</b>	<b>4,463</b>
<b>6 Tax expense</b>					
a) Current tax	540	210	87	1,050	577
b) Deferred tax	(479)	51	(1,079)	(533)	(1,079)
	<b>61</b>	<b>261</b>	<b>(992)</b>	<b>517</b>	<b>(502)</b>
<b>7 Profit for the period / year from continuing operations (5-6)</b>	<b>2,277</b>	<b>682</b>	<b>4,315</b>	<b>4,090</b>	<b>4,965</b>
<b>8 Profit before tax from discontinued operations (Refer Note 6)</b>	-	-	-	-	4,826
<b>9 Tax expenses of discontinued operations</b>					
a) Current tax	-	-	623	-	623
b) Deferred tax	-	-	(493)	-	(493)
	-	-	130	-	130
<b>10 Profit for the period / year from discontinued operations (8-9)</b>	-	-	(130)	-	4,696
<b>11 Profit for the period / year (7+10)</b>	<b>2,277</b>	<b>682</b>	<b>4,185</b>	<b>4,090</b>	<b>9,661</b>
<b>12 Other Comprehensive Income</b>					
(i) Items that will not be reclassified to Statement of Profit or Loss					
Remeasurement of the defined benefit plans	1	-	7	4	(67)
(ii) Income tax relating to items that will not be reclassified to Statement of Profit or Loss					
Deferred tax	(1)	-	23	(1)	23
<b>Other Comprehensive Income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>3</b>	<b>(44)</b>
<b>13 Total Comprehensive Income for the period / year (11+12)</b>	<b>2,277</b>	<b>682</b>	<b>4,215</b>	<b>4,093</b>	<b>9,617</b>
<b>14 Paid-up equity share capital</b> (Face Value of Rs. 10 each)	<b>1,290</b>	<b>1,290</b>	<b>1,290</b>	<b>1,290</b>	<b>1,290</b>
<b>15 Other equity (excluding Revaluation Reserve)</b>				<b>26,566</b>	<b>22,861</b>
<b>16 Debenture Redemption Reserve</b>				<b>2,500</b>	<b>2,500</b>
<b>17 Basic and diluted earnings per equity share (for continuing operation)</b>	<b>Rs.17.65</b>	<b>Rs.5.29</b>	<b>Rs.33.45</b>	<b>Rs.31.71</b>	<b>Rs.38.49</b>
<b>18 Basic and diluted earnings per equity share (for discontinued operation)</b>	<b>Rs.0.00</b>	<b>Rs.0.00</b>	<b>Rs.(1.01)</b>	<b>Rs.0.00</b>	<b>Rs.36.41</b>
<b>19 Basic and diluted earnings per equity share (for continuing and discontinued operation)</b> (Quarter figures not annualised)	<b>Rs.17.65</b>	<b>Rs.5.29</b>	<b>Rs.32.45</b>	<b>Rs.31.71</b>	<b>Rs.74.90</b>
<b>20 Net worth</b>				<b>27,856</b>	<b>24,151</b>
<b>21 Paid-up debt capital</b>				<b>9,979</b>	<b>9,964</b>
<b>22 Debt Equity Ratio</b>				<b>0.36</b>	<b>0.42</b>
<b>23 Debt Service Coverage Ratio</b>				<b>4.23</b>	<b>1.07</b>
<b>24 Interest Service Coverage Ratio</b>				<b>4.51</b>	<b>8.70</b>

**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 Interest and Tax + Depreciation and Amortisation expenses + Impairment in value of investment (-) Profit on sale of investment / (Interest + Principle Repayment of Long Term Borrowings)**
**Interest Service Coverage Ratio = Profit for the year before Interest and Tax + Depreciation and Amortisation Expenses + Impairment in value of investment (-) Profit on sale of investment / (Interest Expense)**
**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 three operating segments viz., Engineering, Shipping and Logistics Services and Real Estate.

(Rs. in Lakhs)

	Quarter ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	(Refer Note 9)	(Unaudited)	(Refer Note 9)	(Audited)	(Audited)
<b>1 Segment Revenue</b>					
(a) Engineering	5,309	4,857	4,667	18,597	17,363
(b) Real Estate	4,721	1,536	9,820	11,186	11,018
(c) Shipping and Logistics Services (Discontinued operation)	-	-	-	-	806
<b>Total</b>	<b>10,030</b>	<b>6,393</b>	<b>14,487</b>	<b>29,783</b>	<b>29,187</b>
Less: Inter Segment Revenue	-	-	5	2	34
<b>Total income from operations (net)</b>	<b>10,030</b>	<b>6,393</b>	<b>14,482</b>	<b>29,781</b>	<b>29,153</b>
<b>2 Segment Results [Profit before Tax and Interest from each Segment (including exceptional items related to segments)]</b>					
(a) Engineering	841	893	540	2,342	1,803
(b) Real Estate	2,054	555	4,465	4,563	5,280
(c) Shipping and Logistics Services (Discontinued operation)	-	-	-	-	4,826
<b>Total segment results</b>	<b>2,895</b>	<b>1,448</b>	<b>5,005</b>	<b>6,905</b>	<b>11,909</b>
Less: Finance costs	(280)	(303)	(276)	(1,173)	(1,235)
<b>Balance</b>	<b>2,615</b>	<b>1,145</b>	<b>4,729</b>	<b>5,732</b>	<b>10,674</b>
Less: Unallocable expenses net of unallocable income	(277)	(202)	(1,406)	(1,125)	(1,385)
<b>Profit from ordinary activities before tax</b>	<b>2,338</b>	<b>943</b>	<b>3,323</b>	<b>4,607</b>	<b>9,289</b>
<b>3 Segment Assets</b>					
(a) Engineering	11,968	11,354	10,537	11,968	10,537
(b) Real Estate	13,789	14,672	11,853	13,789	11,853
(c) Shipping and Logistics Services (Discontinued operation)	-	-	-	-	-
(d) Unallocated	28,138	26,935	27,512	28,138	27,512
<b>Total Assets</b>	<b>53,895</b>	<b>52,961</b>	<b>49,902</b>	<b>53,895</b>	<b>49,902</b>
<b>4 Segment liabilities</b>					
(a) Engineering	4,395	4,002	3,806	4,395	3,806
(b) Real Estate	8,495	8,953	6,846	8,495	6,846
(c) Shipping and Logistics Services (Discontinued operation)	-	-	-	-	-
(d) Unallocated	13,149	14,427	15,030	13,149	15,030
<b>Total Liabilities</b>	<b>26,039</b>	<b>27,382</b>	<b>25,682</b>	<b>26,039</b>	<b>25,682</b>

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**NOTES:**

- These results for the quarter and year ended March 31, 2018 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on Monday 28th May, 2018. The above results for the year ended March 31, 2018 have been audited by M/s Price Waterhouse Chartered Accountants LLP statutory auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The previous year results were audited by previous auditors Deloitte Haskins & Sells LLP.
- 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 thereunder and the other accounting principles generally accepted in India.
- Standalone Statement of assets, liabilities and equity**

Particulars	(Rs. in Lakhs)	
	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
<b>Assets</b>		
<b>1 Non-current assets</b>		
a) Property, Plant and Equipment	4,982	4,390
b) Capital work-in-progress	106	250
c) Investment Property	2,543	2,505
d) Other Intangible assets	97	58
e) Intangible assets under development	86	23
f) <b>Financial Assets:</b>		
i) Investments	20,625	19,317
ii) Loans	125	162
iii) Other financial assets	1	5
	<u>20,751</u>	<u>19,484</u>
g) <b>Tax assets</b>		
i) Deferred tax assets (net)	2,126	1,595
ii) Income tax assets (net)	2,113	3,032
	<u>4,239</u>	<u>4,627</u>
h) Other non-current assets	804	689
<b>Total Non-current assets</b>	<u>33,608</u>	<u>32,026</u>
<b>2 Current assets</b>		
a) Inventories	8,790	7,395
b) <b>Financial Assets:</b>		
i) Trade receivables	3,862	3,942
ii) Cash and cash equivalents	2,168	1,657
iii) Bank balances other than (ii) above	118	66
iv) Loans	40	18
v) Other financial assets	4,822	3,902
	<u>11,010</u>	<u>9,585</u>
c) Other current assets	484	895
	<u>11,494</u>	<u>10,480</u>
Assets classified as held for sale	2	-
<b>Total Current assets</b>	<u>20,286</u>	<u>17,875</u>
<b>Total Assets</b>	<u>53,894</u>	<u>49,901</u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
a) Equity share capital	1,290	1,290
b) Other equity	26,566	22,861
<b>Total Equity</b>	<u>27,856</u>	<u>24,151</u>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
a) <b>Financial liabilities:</b>		
i) Borrowings	8,208	9,999
ii) Other financial liabilities	515	414
	<u>8,723</u>	<u>10,413</u>
b) Provisions	1,174	1,217
c) Other non-current liabilities	-	22
<b>Total Non-current liabilities</b>	<u>9,897</u>	<u>11,752</u>
<b>2 Current liabilities</b>		
a) <b>Financial liabilities:</b>		
i) Borrowings	6,891	4,920
ii) Trade payables	3,930	4,323
iii) Other financial liabilities	2,545	611
	<u>13,366</u>	<u>9,854</u>
b) Other current liabilities	1,790	1,999
c) Provisions	468	453
d) Current tax liabilities (net)	517	1,692
<b>Total Current Liabilities</b>	<u>16,141</u>	<u>13,998</u>
<b>Total Liabilities</b>	<u>26,038</u>	<u>25,750</u>
<b>Total Equity and Liabilities</b>	<u>53,894</u>	<u>49,901</u>

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4. Consequent to the Introduction of Goods & Service Tax (GST) with effect from July 1, 2017 (effective date), Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with the Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from operations are required to be disclosed net of GST / VAT etc. and inclusive of Excise Duty. Accordingly, the figures for the period's upto June 30, 2017 are not comparable with the periods thereafter.

5. Exceptional items:

(Rs. in Lakhs)

		Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Refer Note 9)	(Unaudited)	(Refer Note 9)	(Audited)	(Audited)
(i)	Loss on Capital Reduction of investment in equity shares of subsidiary	-	-	-	-	(1,931)
(ii)	Termination benefits and one time settlement with employees	-	-	(50)	-	(79)
(iii)	Reversal for impairment in the value of investments	-	-	-	-	2,380
(iv)	Profit on sale of investment	-	-	-	-	750
	<b>TOTAL</b>	-	-	(50)	-	1,120

During the year ended March 31, 2017, post approval by the Honorable Bombay High Court vide order dated December 2, 2016, Company had recognized Rs.1,931 Lakhs as loss on capital reduction of investment in equity shares in Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), a subsidiary of the Company and correspondingly, reversed the impairment provisions of Rs.2,380 Lakhs. The same has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2017.

The Board of Directors of the Company at its meeting held on October 12, 2016, had approved sale of its entire shareholding (50.001%) in Forbes Bumi Armada Offshore Limited (FBAOL), a joint venture with Bumi Armada Berhad to Shapoorji Pallonji Oil and Gas Private Limited ("SPOGPL") at a price of Rs.1,250 Lakhs. The Company had executed "Share Transfer Agreement" and transferred the entire shareholding to SPOGPL and recognized profit of Rs.750 Lakhs during the previous year ended March 31, 2017. The same has been disclosed as an exceptional item in the Statement of Profit and Loss for the previous year ended March 31, 2017.

6. In January 2016, the Board had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Company had executed an Agreement to transfer assets dated April 18, 2016 pertaining to its Logistics business and simultaneously completed the transaction. Also the Company had completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit from discontinued operations (net) as reflected in the Statement of Profit and Loss for the year ended March 31, 2017 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business aggregating Rs. 5,459 Lakhs and Rs. 331 Lakhs respectively.
7. Details of Redeemable Non-Convertible Debentures are as follows :-

S.No.	Particulars	Previous Due Date (October 1, 2017 to March 31, 2018)		Next Due Date	
		Principal	Interest	Principal	Interest
1	980FCL20 (Face Value Rs. 6,000 Lakhs)	-	March 12, 2018	September 10, 2018	September 10, 2018
2	910FORBES19 (Face Value Rs. 4,000 Lakhs)	-	January 22, 2018	July 22, 2019	July 20, 2018

All the interests due were paid on due dates.

The Company has a credit rating of "ICRA AA-/(negative)".

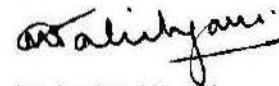
The Redeemable Non-Convertible Debentures of the Company aggregating to face value of Rs.10,000 Lakhs as at 31<sup>st</sup> March, 2018 are secured by mortgage, pari passu basis, of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities and the asset cover thereof exceeds 1.25 times of the principal amount of the said debentures.



8. The Board of Directors of the Company has recommended a dividend of Rs.2.50 (25%) per equity share for the year ended March 31, 2018, subject to approval of shareholders.
9. The figures of the quarter ended March 31, 2018 and March 31, 2017 are balancing figures between the audited figures in respect of the full financial year ended on March 31, 2018 and March 31, 2017 as reported in these financial results and the unaudited published year to date figures up to third quarter ended on December 31, 2017 and December 31, 2016 respectively, which were subjected to Limited Review by the Statutory Auditors.
10. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification.

Mumbai,  
28<sup>th</sup> May, 2018

For Forbes & Company Limited



(Mahesh Tahilyani)  
Managing Director  
DIN : 01423084



May 28, 2018

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

Security Code : 502865  
Security ID : FORBESCO

**Declaration with respect to Audit Report with unmodified opinion to the Audited Standalone and Consolidated Financial Results for the quarter/year ended March 31, 2018.**

Dear Sir,

We hereby declare that with respect to Audited Standalone and Consolidated Financial Results for the quarter and Financial Year ended March 31, 2018, approved by the Board of Directors of the Company at their meeting held on May 28, 2018, the Statutory Auditors, Price Waterhouse Chartered Accountants LLP have not expressed any modified opinion(s) in their Standalone and Consolidated Audit Reports.

The above declaration is made pursuant to the Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Kindly take the above information on your record.

Yours faithfully

For Forbes & Company Limited

  
Pankaj Khattar  
Head Legal and Company Secretary

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# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

### Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

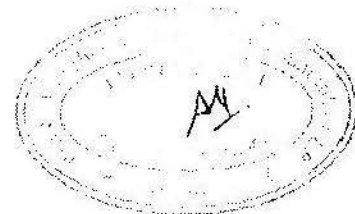
1. We have audited the accompanying standalone financial statements of Forbes & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028

T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

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).



# Price Waterhouse Chartered Accountants LLP

**INDEPENDENT AUDITORS' REPORT**  
**To the Members of Forbes & Company Limited**  
**Report on the Financial Statements**  
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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 25, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



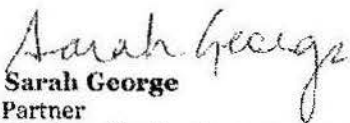
# Price Waterhouse Chartered Accountants LLP

**INDEPENDENT AUDITORS' REPORT**  
**To the Members of Forbes & Company Limited**  
**Report on the Financial Statements**  
**Page 3 of 3**

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- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Notes 19A and 39;
  - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

  
**Sarah George**  
Partner  
Membership Number: 045255

Place: Mumbai  
Date: May 28, 2018

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

Date: 28<sup>th</sup> May, 2018

Dear Sirs,

**Statement of Consolidated Financial Results for the year ended 31 March, 2018**

₹ in Lakhs

Particulars	Year ended	
	31.03.2018 (Audited)	31.03.2017 (Audited)
<b>1 Income</b>		
a) Revenue from operations	2,82,808	3,02,346
b) Other income	2,967	5,155
<b>Total Income (a + b)</b>	<b>2,85,775</b>	<b>3,07,501</b>
<b>2 Expenses</b>		
a) Real estate development costs	6,404	8,821
b) Cost of materials consumed	67,605	72,320
c) Excise duty on sale of goods	521	2,491
d) Purchases of stock-in-trade	36,669	51,302
e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,482)	(7,620)
f) Employee benefits expense	68,964	67,916
g) Finance costs	9,556	7,441
h) Depreciation and amortisation expense	7,705	7,065
i) Other expenses	91,186	96,471
<b>Total expenses</b>	<b>2,87,128</b>	<b>3,06,207</b>
<b>3 Profit before exceptional items and tax (1-2)</b>	<b>(1,353)</b>	<b>1,294</b>
<b>4 Exceptional Items - Income/ (Expenses)</b>	<b>-</b>	<b>8,221</b>
<b>5 Profit/ (Loss) before tax (3+4)</b>	<b>(1,353)</b>	<b>9,515</b>
<b>6 Tax expense</b>		
a) Current tax	3,602	3,699
b) Deferred tax	(793)	(1,254)
	<b>2,809</b>	<b>2,445</b>
<b>7 Profit/ (Loss) after tax for the year from continuing operations (5-6)</b>	<b>(4,162)</b>	<b>7,070</b>
<b>8 Share of net Profit of Associates accounted for using equity method</b>	<b>-</b>	<b>-</b>
<b>9 Share of net Profit of Joint ventures accounted for using equity method</b>	<b>941</b>	<b>1,864</b>
<b>10 Profit/ (Loss) for the year (7+8+9)</b>	<b>(3,221)</b>	<b>8,934</b>
<b>11 Other Comprehensive Income</b>		
A (i) Items that will not be reclassified to profit or loss	64	(104)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(44)	49
B (i) Items that may be reclassified to profit or loss	2,699	1,057
(ii) Income tax relating to items that may be reclassified to profit or loss	-	-
	<b>2,719</b>	<b>1,002</b>
<b>12 Total Comprehensive income (10+11)</b>	<b>(502)</b>	<b>9,936</b>
<b>13 Profit for the year attributable to:-</b>		
(i) Owners of the Company	(1,944)	8,448
(ii) Non controlling interests	(1,277)	486
	<b>(3,221)</b>	<b>8,934</b>
<b>14 Other comprehensive income for the year attributable to:-</b>		
(i) Owners of the Company	2,756	1,002
(ii) Non controlling Interests	(37)	-
	<b>2,719</b>	<b>1,002</b>
<b>15 Total comprehensive income for the year attributable to:-</b>		
(i) Owners of the Company	812	9,450
(ii) Non controlling interests	(1,314)	486
	<b>(502)</b>	<b>9,936</b>
<b>Basic and diluted earnings per equity share</b>	<b>(25.30)</b>	<b>70.17</b>

See accompanying notes to the consolidated financial results.

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

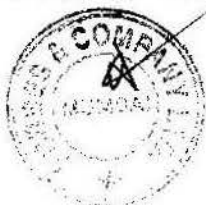
Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified the following operating segments viz., Health, Hygiene, Safety Products and its services, Engineering, Shipping and Logistics Services, IT Enabled Services and Products and Real Estate.

The Group has reclassified the segment disclosure as prescribed under Ind AS 108 and accordingly previous year disclosure has been restated.

₹ in Lakhs

	Year ended	
	31.03.2018	31.03.2017
	(Audited)	(Audited)
<b>1 Segment Revenue</b>		
(a) Health, Hygiene, Safety Products and its services	2,31,771	2,38,482
(b) Engineering	18,597	17,363
(c) Real Estate	11,284	11,107
(d) IT Enabled Services and Products	13,161	25,192
(e) Shipping and Logistics Services	8,103	10,536
(f) Others	102	151
<b>Total</b>	<b>2,83,018</b>	<b>3,02,831</b>
Less: Inter Segment Revenue	(210)	(485)
<b>Total income from operations (net)</b>	<b>2,82,808</b>	<b>3,02,346</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	2,940	3,261
(b) Engineering	2,357	1,801
(c) Real Estate	4,557	5,311
(d) IT Enabled Services and Products	101	(430)
(e) Shipping and Logistics Services	24	10,037
(f) Others	(95)	(53)
<b>Total segment results</b>	<b>9,884</b>	<b>19,927</b>
Add: Exceptional Items other than related to segments	-	(397)
Less: Finance costs	(9,556)	(7,441)
<b>Balance</b>	<b>328</b>	<b>12,089</b>
Add: Unallocable income net of (expense)	(1,681)	(2,574)
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>(1,353)</b>	<b>9,515</b>
<b>3 Segment Assets</b>		
(a) Health, Hygiene, Safety Products and its services	1,66,478	1,67,754
(b) Engineering	11,968	9,835
(c) Real Estate	14,105	11,967
(d) IT Enabled Services and Products	20,324	21,931
(e) Shipping and Logistics Services	42,206	37,598
(f) Others	25	15
(g) Unallocated	21,191	21,874
	<b>2,76,297</b>	<b>2,70,974</b>
<b>Total Assets</b>	<b>2,76,297</b>	<b>2,70,974</b>
<b>4 Segment liabilities</b>		
(a) Health, Hygiene, Safety Products and its services	1,59,426	1,58,224
(b) Engineering	4,395	3,806
(c) Real Estate	8,537	6,892
(d) IT Enabled Services and Products	2,956	2,904
(e) Shipping and Logistics Services	27,246	21,494
(f) Others	5	1
(g) Unallocated	30,228	33,022
	<b>2,32,793</b>	<b>2,26,343</b>
<b>Total Liabilities</b>	<b>2,32,793</b>	<b>2,26,343</b>

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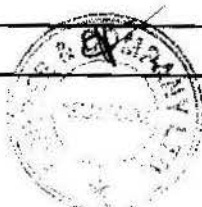


**Consolidated Statements of Assets, Liabilities and Equity**

Particulars	₹ in Lakhs	
	As at	As at
	31.03.2018	31.03.2017
	Audited	Audited
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
a) Property, Plant and Equipment	60,108	52,152
b) Capital work-in-progress	106	250
c) Investment Property	2,548	2,511
d) Goodwill	47,742	43,935
e) Other Intangible assets	3,543	4,969
f) Intangible assets under development	9,339	7,167
g) Financial Assets:		
i) Investments		
a) Investments in joint ventures	7,677	6,717
b) Other Investments	334	543
ii) Trade receivables	4,384	4,094
iii) Loans	3,305	2,801
iv) Other financial assets	1,495	1,396
h) Tax assets		
i) Deferred tax assets (net)	2,615	2,369
ii) Current tax assets (net)	6,988	7,809
i) Other non-current assets	4,119	3,091
<b>Total Non-current assets</b>	<b>1,54,303</b>	<b>1,39,804</b>
<b>2 Current assets</b>		
a) Inventories	43,611	43,785
b) Financial Assets:		
i) Investments	19	16
ii) Trade receivables	42,102	46,293
iii) Cash and cash equivalents	13,700	19,035
iv) Bank balances other than (iii) above	422	3,259
v) Loans	447	465
vi) Other financial assets	6,778	6,115
c) Other current assets	14,913	11,997
Assets classified as held for sale	2	205
<b>Total Current assets</b>	<b>1,21,994</b>	<b>1,31,170</b>
<b>Total Assets</b>	<b>2,76,297</b>	<b>2,70,974</b>
	As at	As at
	31.03.2018	31.03.2017
	Audited	Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	1,290	1,290
b) Other equity	30,291	30,105
Equity attributable to owners of the Company	31,581	31,395
Non-controlling interests	11,923	13,236
<b>Total Equity</b>	<b>43,504</b>	<b>44,631</b>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
a) Financial liabilities:		
i) Borrowings	73,532	77,452
ii) Other financial liabilities	561	850
b) Provisions	2,198	2,230
c) Deferred tax liabilities (net)	354	364
d) Other non-current liabilities	15,440	14,060
<b>Total Non-current liabilities</b>	<b>92,085</b>	<b>94,956</b>
<b>2 Current liabilities</b>		
a) Financial liabilities:		
i) Borrowings	29,914	29,169
ii) Trade payables	40,116	36,634
iii) Other financial liabilities	24,050	18,670
b) Provisions	2,344	4,009
c) Current tax liabilities (net)	706	1,858
d) Other current liabilities	43,578	41,047
<b>Total Current Liabilities</b>	<b>1,40,708</b>	<b>1,31,387</b>
<b>Total Liabilities</b>	<b>2,32,793</b>	<b>2,26,343</b>
<b>Total Equity and Liabilities</b>	<b>2,76,297</b>	<b>2,70,974</b>

See accompanying notes to the consolidated financial results.

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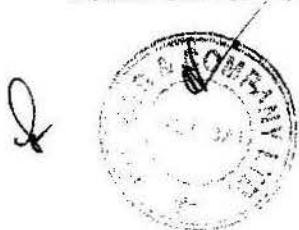


## NOTES:

1. The above result of Forbes & Company Limited and its subsidiaries (together referred to as "Group") and its joint ventures and associates for the quarter and year ended March 31, 2018 were reviewed by the Audit Committee and thereafter approved at the meeting of the Board of Directors held on Monday 28th May, 2018. The above results for the year ended March 31, 2018 have been audited by M/s Price Waterhouse Chartered Accountants LLP, the statutory auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The previous year results were audited by previous auditors Deloitte Haskins & Sells LLP.
2. Forbes Technosys Limited (FTL), a subsidiary has incurred a net loss of Rs. 1,240.46 lakhs during the current year and, its current liabilities exceeded current assets by Rs.1,860 lakhs as at the March 31, 2018. FTL has accumulated losses of Rs. 8,222.23 lakhs and the entity's net worth has been substantially eroded as at March 31, 2018. Setbacks in recent years for FTL were mainly due to the temporary impacts of demonetization, goods and service tax implementation and major dependence on ATM's which were subsidized by Reserve Bank of India. Most of these challenges are now behind FTL and the management believes that the business environment is now steady and improvising, with overall market outlook more positive. Considering improvements in demand and with the recent initiatives taken by FTL relating to increase in franchises and cost rationalization measures, the management are of the view that the decline was temporary in nature and confident of the inherent value and future prospects of this entity. Accordingly, the financials of FTL have been prepared as a going concern basis.
3. The above financial results of the Group have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
4. Consequent to the introduction of Goods & Service Tax (GST) with effect from July 1, 2017 (effective date), Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with the Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from operations are required to be disclosed net of GST / VAT etc. and inclusive of Excise Duty. Accordingly, the figures for the period's upto June 30, 2017 are not comparable with the periods thereafter.
5. The Board of Directors of the Company has recommended a dividend of Rs.2.50 (25%) per equity share for the year ended 31st March, 2018, subject to approval of shareholders.
6. Exceptional items:

		<i>(Rs. in Lakhs)</i>	
		Year ended	
		31.03.2018	31.03.2017
		(Audited)	(Audited)
(i)	Termination benefits and one time settlement with employees	-	(430)
(ii)	Gain on loss of control in subsidiary / joint control in a joint venture (refer note 9.b)	-	2,861
(iii)	Profit on sale of Logistic business	-	331
(iv)	Profit on slump sale of Veshvi & Mundra CFS	-	5,459
<b>TOTAL (I to iv)</b>		-	<b>8,221</b>

In January 2016, the Board of the parent company had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Parent Company also executed an Agreement to transfer assets dated 18th April, 2016 pertaining to its Logistics business and simultaneously completed the transaction. The Company has completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit for the year ended 31st March, 2017 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business amounting to Rs. 5,459.26 Lakhs and Rs. 331.01 Lakhs respectively. The same has been considered under profit from discontinued operations in the standalone financial results of the parent company for the year ended 31st March, 2017. However, at the group level since the segment to which these activities belong are being carried out by the Group, the income earned due to the aforesaid slump sale has been shown as an exceptional item in these consolidated financial results.



7. Standalone Information:

Particulars	(Rs. in Lakhs)	
	Year ended	
	31.03.2018	31.03.2017
Revenue from operations	29,781	28,347
Profit / (Loss) before tax (continuing & discontinued operations)	4,607	9,290
Profit / (Loss) after tax (continuing & discontinued operations)	4,090	9,661

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)).

8. During the current year, the Ministry of Corporate Affairs, Kolkata vide its orders dated 31st March, 2018 has approved the scheme of amalgamation between Aquamall Water Solutions Limited (AWSL) and Eureka Forbes Limited (EFL). The scheme was approved by the board of EFL on 18.01.2017 and AWSL on 19.01.2017 and the shareholders approved the scheme on 18.09.2017 and 16.09.2017 of the respective companies. The said order was filed with the Registrar of Companies, Kolkata on 31st March 2018 (i.e the effective date).

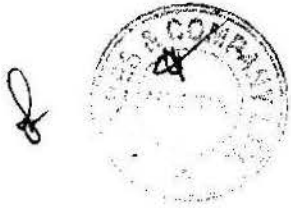
Upon, the scheme coming into effect from the appointed date 01st April 2016, the undertaking of AWSL have been transferred to and vested in EFL from the appointed date.

As this is a business Combinations of entities under common control, the amalgamation has been accounted using 'pooling of interest' method (in accordance with the approved scheme) as laid down in appendix C of Ind AS 103, Business Combination. Accordingly, the figures for the previous year ended 31st March 2017 has been restated to give effect of the Merger.

a. Business combination

Particulars	Principal activity	Date of acquisition (Appointed Date)	Proportion of voting equity interests merged (%)	Consideration transferred *
Aquamall Water Solutions Limited	Manufacturing	01/04/2016	100%	-

\* Since this is a merger of 100 % subsidiary with the parent company no consideration is transferred

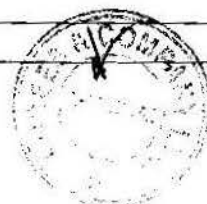


b. Assets and liabilities recognised at the date of Merger 1<sup>st</sup> April, 2016 :

(Rs. in Lakhs)

Particulars	Aquamall Water Solutions Limited	
<b>Assets</b>		
<b>Non Current Assets</b>		
Property Plant and Equipment		5,520
<b>Financial Assets</b>		
Investments	23,504	
Loans	10,339	
Other Financial Assets	1,530	35,373
<b>Tax Assets</b>		
Deferred Tax Asset (Net)	393	
Income Tax Asset (Net)	606	999
Other Non-current assets		1,376
<b>Total Non Current Assets</b>		<b>43,268</b>
<b>Current Assets</b>		
Inventories		3,771
<b>Financial Assets -</b>		
Trade Receivables	11,450	
Cash & Cash Equivalents	47	
Loans*	0	
Other Financial Assets	1	11,498
Other Current Assets		703
<b>Total Current Assets</b>		<b>15,972</b>
<b>Total Assets</b>		<b>59,240</b>
<b>Equities &amp; Liabilities</b>		
<b>Equity</b>		
Equity Share Capital	400	
Other Equity	33,960	<b>34,360</b>
<b>Non Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	10,439	
Other Financial Liabilities	524	10,963
Provisions		184
<b>Total Non Current Liabilities</b>		<b>11,147</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	3,683	
Trade and Other Payables	7,778	
Other Financial Liabilities	2,093	13,554
Provisions		1
Income Tax Liabilities (net)		10
Other Current Liabilities		168
<b>Total Current Liabilities</b>		<b>13,733</b>
<b>Total Liabilities</b>		<b>24,880</b>
<b>Total Equity and Liabilities</b>		<b>59,240</b>
Contingent Liabilities assumed on merger - Rs. 8,174 Lakhs/-		
* Amount is below rounding off norms adopted by the Group.		

2





- c. Non-controlling Interest - Not Applicable
- d. Goodwill arising on acquisition – NIL
- e. Net cash outflow on acquisition of subsidiaries – NIL

9. a. During the year,

- i. Lux /SK/s.r.o., Slovakia, a subsidiary of EFL's subsidiary Forbes International AG (formerly Forbes Lux Group AG), ceased to be a subsidiary on account of liquidation.
- ii. Lux CZ s.r.o., Czech Republic, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland, ceased to be a subsidiary on account of sale to third party.
- iii. Lux Waterline GmbH, Germany, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland, merged with Lux Deutschland GmbH w.e.f 31<sup>st</sup> December, 2017.
- iv. Brightyclean (Spain) SL, Spain, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland, ceased to be a subsidiary on account of sale to third party.
- v. Lux Professional GmbH, Germany, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland, merged with Lux Deutschland GmbH w.e.f 31<sup>st</sup> December, 2017.
- vi. Lux Osterreich Professional GmbH, Austria, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland, merged with Lux Osterreich GmbH w.e.f 31<sup>st</sup> October, 2017.
- vii. Lux International Service Kft, Hungary, a subsidiary of EFL's subsidiary Lux International AG was incorporated w.e.f. 6<sup>th</sup> January, 2017.

b. During previous year,

- i. Forbes Bumi Armada Offshore Limited, a joint venture of Company was divested w.e.f. 12<sup>th</sup> October, 2016.
- ii. Forbes Container Line Pte. Ltd. Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19<sup>th</sup> August 2016.
- iii. Lux Aqua Paraguay SA, Paraguay, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland was incorporated w.e.f. 1<sup>st</sup> December, 2016.
- iv. Lux Waterline GmbH, Germany, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland was incorporated w.e.f. 29<sup>th</sup> April, 2016.
- v. Lux Professional GmbH, Germany, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland was incorporated w.e.f. 22<sup>nd</sup> December, 2016.
- vi. Lux Professional GmbH, Austria, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland was incorporated w.e.f. 15<sup>th</sup> December, 2016.
- vii. Lux Aqua Czech s.r.o, Czech, a subsidiary of EFL's subsidiary Lux Professional International GmbH, Switzerland was incorporated w.e.f. 6<sup>th</sup> May, 2016.
- viii. Brightyclean (Spain) S.L., Spain, of EFL's subsidiary Lux Professional International GmbH, Switzerland was incorporated w.e.f. 10<sup>th</sup> August, 2016.

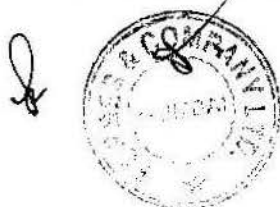
10. Details of Redeemable Non-Convertible Debentures are as follows :-

a. Issued by Forbes & Company Limited (Parent):

S.No.	Particulars	Previous Due Date (October 1, 2017 to March 31, 2018)		Next Due Date	
		Principal	Interest	Principal	Interest
1	980FCL20 (Face Value Rs. 6,000 Lakhs)	-	March 12, 2018	September 10, 2018	September 10, 2018
2	910FORBES19 (Face Value Rs. 4,000 Lakhs)	-	January 22, 2018	July 22, 2019	July 20, 2018

All the interests due were paid on due dates.

The Company has a credit rating of "ICRA AA-/(negative)".



The Redeemable Non-Convertible Debentures of the Parent aggregating to face value of Rs.10,000 Lakhs as at 31<sup>st</sup> March, 2018 are secured by mortgage, pari passu basis, of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities and the asset cover thereof exceeds 1.25 times of the principal amount of the said debentures.

b. Issued by Forbes Technosys Limited (a Subsidiary):

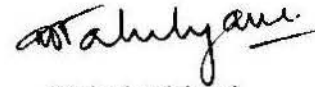
S.No.	Particulars	Previous Due Date (October 1, 2017 to March 31, 2018)		Next Due Date	
		Principal	Interest	Principal	Interest
1	INE465R08032 (Face Value Rs. 10 Lakhs No. 250)	-	March 20, 2018	March 20, 2020	June 20, 2018
2	INE465R08040 (Face Value Rs. 10 Lakhs No. 350)	-	January 18, 2018	October 18, 2020	April 18, 2018

All the interests due were paid on due dates.

The Company has a credit rating of "ICRA AA-/(negative)".

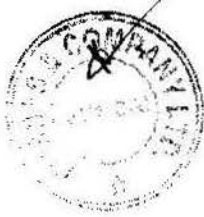
11. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification.

For Forbes & Company Limited



(Mahesh Tahilyani)  
Managing Director  
DIN: 01423084

Mumbai, 28<sup>th</sup> May, 2018




# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

### Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Forbes & Company Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and associate companies; (refer Note 2.2 to the attached consolidated Ind AS financial statements), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its joint ventures and associates in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and associates, respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.



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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

## INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

Report on the Consolidated Ind AS Financial Statements

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4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its joint ventures and associates as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Material Uncertainty related to Going Concern

8. The audit report on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated May 3, 2018 contains the following remark, which is reproduced by us as under:

"We draw attention to Note 33 which indicates that, the Company has incurred a net loss of Rs. 1,240.46 Lakhs during the current year and, the Company's current liabilities exceeded its current assets by Rs. 1,860.00 Lakhs as at March 31, 2018. The Company has accumulated losses of Rs. 8,222.23 Lakhs and its net worth has been substantially eroded as at March 31, 2018. 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 financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note."

Our opinion is not modified in respect of this matter.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

Report on the Consolidated Ind AS Financial Statements

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### Other Matters

9. We did not audit the financial statements of 31 subsidiaries whose financial statements reflect total assets of Rs. 251,360.13 Lakhs and net assets of Rs. 43,204.98 Lakhs as at March 31, 2018, total revenue of Rs. 255,928.83 Lakhs, total comprehensive income (comprising of net loss and other comprehensive income) of Rs. (-)2,644.77 Lakhs and net cash outflows amounting to Rs. 8,735.16 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include Group's share of total comprehensive income (comprising of net profit and other comprehensive income) of Rs. 940.68 Lakhs and Rs. Nil Lakhs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of 7 joint ventures and 2 associate companies, respectively whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint ventures and associates companies, is based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

10. The consolidated Ind AS financial statements of the Group, its joint ventures and associate companies for the year ended March 31, 2017, were audited by another firm of Chartered Accountants under the Companies Act, 2013, who, vide their report dated May 25, 2017, expressed a qualified opinion on those financial statements in respect of an Indian subsidiary, namely, Eureka Forbes Limited ("EFL"), whose consolidated Ind AS financial statements were audited by other auditors, where the other auditors have qualified their opinion stating that certain trade receivables aggregating Rs. 5,031.94 Lakhs have been excluded for the purpose of determining loss allowance as required under Ind AS 109 - Financial Instruments.

The auditors of EFL have, for the year ended March 31, 2018, issued an unmodified opinion on the financial statements of EFL in respect of the aforesaid matter.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

Report on the Consolidated Ind AS Financial Statements

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- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, joint ventures and associate companies incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, joint ventures and associate companies incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint ventures and associate companies incorporated in India, none of the directors of the Group, its joint ventures and associate companies incorporated in India are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies included in the Group, its joint ventures and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group, its joint ventures and associates - Refer Note 21A and 40 to the consolidated Ind AS financial statements.
  - ii. The Group, its joint ventures and associate companies had long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Group, its joint ventures and associate companies did not have any long-term derivative contracts as at March 31, 2018.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

Report on the Consolidated Ind AS Financial Statements

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries included in the Group, its joint ventures and associate companies incorporated in India during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants



**Sarah George**

Partner

Membership Number: 045255

Place: Mumbai

Date: May 28, 2018