

BATLIBOI & PUROHIT

Chartered Accountants

INDEPENDENT AUDITORS' REPORT ON FINANCIAL RESULTS PURSUANT TO THE REGULATION 52 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE BOARD OF DIRECTORS OF FORBES TECHNOSYS LIMITED

1. We have audited the accompanying statement of financial results of **Forbes Technosys Limited** ('the Company') for the year ended March 31, 2019 ('the Statement'), being submitted by the Company pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

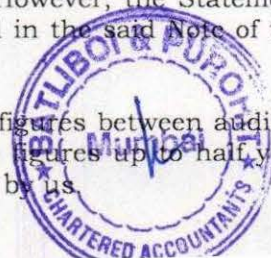
This Statement has been prepared on the basis of the audited financial statements for the year ended March 31, 2019, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement 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 Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2019.
4. We draw attention to Note 5 of the Statement which indicates that the Company has accumulated losses of Rs. 8,244.88 Lakhs as on March 31, 2019 and its current liabilities exceed its current assets by Rs. 4,937.76 lakhs as on that date. However, the Statement has been prepared on a going concern basis for the reasons stated in the said Note of the Statement. Our opinion is not modified in respect of this matter.
5. The figures for the half year ended March 31, 2019 are balancing figures between audited figures in respect of full financial year and published year to date figures up to half year ended September 30, 2018 which were subjected to a limited review by us.

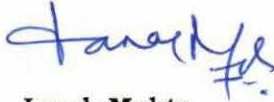


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6. The audited figures for the year ended March 31, 2018 as reported in the Statement, were audited by another firm of chartered accountants who issued an unmodified audit opinion in their report dated May 03, 2018.

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No. 101048W



Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Dated: May 6, 2019



FORBES TECHNOSYS LIMITED

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Tel No. 022 - 40639595 Fax : 022 - 40639516 Website : www.forbestechnosys.com
Email : vinayak.prasad@forbestechnosys.com

Audited Financial Results for six month / year ended March 31, 2019

(Rs. in lakhs except per share data)

Sr. No.	Particulars	Six months ended March 31, 2019	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
		(ref. note 2)	(ref. note 2)	Audited	Audited
		Audited	Audited	Audited	Audited
1.	Revenue				
	(a) Revenue from operations	7,189.88	5,914.67	12,385.34	13,161.35
	(b) Other income	24.38	18.07	27.95	71.26
	(c) Total income	7,214.26	5,932.74	12,413.29	13,232.61
2.	Expenses				
	(a) Cost of materials consumed	2,266.36	1,236.20	2,986.11	2,310.67
	(b) Purchases of stock-in-trade (traded goods)	1,895.69	1,651.94	3,405.41	4,875.04
	(c) Changes in inventories of finished goods and stock-in-trade (traded goods)	(772.81)	64.92	(643.73)	418.20
	(d) Excise duty on sale of goods	-	-	-	105.57
	(e) Employee benefits expense	600.77	515.53	1,297.10	1,143.08
	(f) Finance costs	677.34	551.99	1,307.38	1,095.63
	(g) Depreciation and amortisation expense	378.22	375.71	755.32	786.78
	(h) Other expenses	1,588.00	2,047.91	3,294.86	3,698.04
	Total expenses	6,633.57	6,444.20	12,402.43	14,433.01
3.	Profit / (Loss) before tax (1-2)	580.69	(511.46)	10.86	(1,200.40)
4.	Tax expense				
	Current tax	-	-	-	-
	Tax Adjustment in respect of prior years	-	32.62	-	32.62
	Deferred tax	-	-	-	-
5.	Profit / (Loss) for the period (3-4)	580.69	(544.08)	10.86	(1,233.02)
6.	Other comprehensive income				
	(a) Remeasurement gain/(loss) of the defined benefit plans	(7.60)	(7.44)	(7.60)	(7.44)
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income for the period	(7.60)	(7.44)	(7.60)	(7.44)
7.	Total comprehensive profit/(loss) for the period (5+6)	573.09	(551.52)	3.26	(1,240.46)
8.	Paid-up equity share capital (Face Value of the Rs. 10 per Share)	2,689.72	2,689.72	2,689.72	2,689.72
9.	Other equity	(130.77)	(1,098.28)	(130.77)	(1,098.28)
10.	Paid-up debt capital / Outstanding debt	8,837.90	10,062.88	8,837.90	10,062.88
11.	Debenture redemption reserve (Refer Note 3)	-	-	-	-
12.	Basic earnings per share (EPS) (Face Value of the Rs. 10 per Share) (Six months figures not annualised)	2.16	(2.02)	0.04	(4.58)
	Diluted earnings per share (EPS) (Face Value of the Rs. 10 per Share) (Six months figures not annualised)	0.66	(2.02)	0.01	(4.58)
13.	Debt Equity Ratio	3.45	6.32	3.45	6.32
14.	Debt Service Coverage Ratio (DSCR)	0.87	0.01	0.49	(0.02)
15.	Interest Service Coverage Ratio (ISCR)	1.88	0.08	1.41	(0.10)

Paid up Debt Capital = Non-Current borrowings (including current maturities of principal amount)

EPS = Earnings attributable to Equity Shareholders / Weighted Average No. of Equity Shares

Debt Equity Ratio = Non-Current borrowings (including current maturities) / (Equity Share Capital + Other Equity)

DSCR = Earnings before Interest and Tax / (Interest including interest capitalised + Principal Repayment of Non - Current borrowings)

ISCR = Earnings before Interest and Tax / Interest expense including interest capitalised

Notes:

- The above Financial Results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on May 6, 2019.
- Financial results for all the period presented have been prepared in accordance with the recognition and measurement principles of Ind AS. The figures for the six months ended March 31, 2019 and corresponding six months ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and year to date figures up to the first six months ended of the respective financial year.
- The Company has not created Debenture Redemption Reserve due to negative retained earnings
- Ind As 115 'Revenue from Contracts with Customers' has been notified by the Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018 and replaces the existing revenue recognition standards.

The Company has applied the modified retrospective approach with effect from April 01, 2018. The Company has recorded an opening impact of loss aggregating to Rs. 17.57 lakhs in retained earnings towards the reversal of sale of Rs. 165.38 lakhs for which control was not transferred to customer as on March 31, 2018. Accordingly, the comparatives have not been restated and hence, the current period figures are not comparable with the previous period figures.

- The Company has accumulated losses of Rs. 8,244.88 lakhs and its current liabilities exceeded current assets by Rs. 4,937.76 lakhs as at the March 31, 2019. However, as at March 31, 2019, the Company has a positive networth of Rs. 2,558.95 Lakhs. The Company has made a profit before tax of Rs. 10.86 lakhs in the current year, as compared to a loss before tax of Rs. 1,200.40 lacs in the previous year. In addition, the Holding Company has infused capital of Rs. 1,000 lakhs in the Company during the current year. The Company is confident of refinancing or meeting repayment of the borrowings maturing in the next 12 months, either from internal accruals or from financial support from the Holding Company. The continuity of the operations of the Company is dependent upon the continued operational and financial support of the Holding Company namely Forbes and Company Limited. Based on the reasons stated above, and such operational and financial support from the Holding Company, the above Financial Results have been prepared on a going concern basis.
- Figures of the previous year/period have been reclassified / re-arranged / regrouped, where necessary to confirm to the presentation adopted in this statement.



Mumbai, May 6, 2019

For Forbes Technosys Limited



Particulars	As on March 31, 2019	As on March 31, 2018
	Audited	Audited
ASSETS		
1 Non-Current Assets		
a) Property, plant and equipment	227.56	408.41
b) Other intangible assets	3,637.03	1,899.95
c) Intangible assets under development	8,324.76	9,278.35
d) Financial assets:		
i) Other financial assets	23.40	33.59
e) Other non-current assets	524.28	394.84
Total Non-Current Assets	12737.03	12,015.14
2 Current assets		
a) Inventories	3,744.19	3,158.68
b) Financial assets:		
i) Trade receivables	6,059.42	5,563.83
ii) Cash and cash equivalents	427.47	209.60
iii) Bank balances other than (ii) above	63.57	54.20
iv) Others financial assets	132.98	175.28
c) Other current assets	769.58	414.63
Total Current Assets	11,197.21	9,576.22
Total Assets	23,934.24	21,591.36
EQUITY AND LIABILITIES		
EQUITY		
a) Equity share capital	2,689.72	2,689.72
b) Other equity	(130.77)	(1,098.28)
Total Equity	2,558.95	1,591.44
LIABILITIES		
1 Non-Current Liabilities		
a) Financial liabilities:		
i) Borrowings	5,002.88	8,290.87
b) Provisions	237.44	272.83
Total Non-Current Liabilities	5,240.32	8,563.70
2 Current Liabilities		
a) Financial liabilities:		
i) Borrowings	7,120.37	5,043.36
ii) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	543.88	380.33
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,642.11	2,779.68
iii) Other financial liabilities	3,994.11	2,024.61
b) Provisions	117.37	138.46
c) Other current liabilities	717.13	1,069.79
Total Current Liabilities	16,134.97	11,436.22
Total Liabilities	21,375.29	19,999.92
Total Equity and Liabilities	23,934.24	21,591.36

