

BATLIBOI & PUROHIT

Chartered Accountants

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF FORBES TECHNOSYS LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of **Forbes Technosys Limited** ('the Company') for the half year ended on September 30, 2018 ('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, 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 for 'Interim Financial Reporting' (Ind AS 34), 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 issue a report on the Statement based on our review.

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

3. Basis for Qualified Conclusion

As explained in Note 4 of the Statement, the Company is in the process of implementing and assessing the impact of the transition to Ind AS 115 - 'Revenue from Contracts with Customers', which is applicable to the Company with effect from April 01, 2018. The implementation and transition has not been completed as on September 30, 2018, hence we are unable to comment on the impact thereof on the financial results for the half year ended September 30, 2018 and the Balance Sheet as on that date.

4. Qualified Conclusion

Based on our review conducted as stated above, except for the possible effects of the matter stated in the paragraph 3 - 'Basis for Qualified Conclusion' above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with relevant rules thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As amended), to the extent applicable, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material Uncertainty related to Going Concern

We draw attention to the Note 3 of the Statement which indicates that the Company has incurred a total comprehensive loss of Rs. 569.83 lakhs, during the half year ended September 30, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 3,435.71 lakhs. The Company has accumulated losses of Rs. 8,792.07 and its net-worth has been substantially eroded as on September 30, 2018. These



Chartered Accountants

conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Statement has been prepared on a going concern basis for the reasons stated in the said Note of the Statement. The figures stated in this paragraph are subject to the possible effects of the matter stated in the paragraph 3 – 'Basis for Qualified Conclusion' above.

Our conclusion is not modified in respect of this matter.

6. The reviewed figures for the corresponding half year ended on September 30, 2017, as reported in the Statement, were reviewed by another firm of chartered accountants who issued a modified conclusion in their report dated November 13, 2017 in respect of non-provision of Goods and Services Tax liability on mobile recharge service and amount thereof was not ascertained.

Our conclusion is not modified in respect of this matter for the current period.

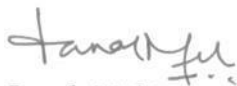
7. The audited figures for the year ended on March 31, 2018, as reported in the Statement, were audited by another firm of chartered accountants who issued an unmodified audit opinion in their report dated May 03, 2018.

Our conclusion is not modified in respect of this matter.

For BATLIBOI & PUROHIT

Chartered Accountants

Firm Reg No. 101048W

**Janak Mehta**

Partner

Membership No. 116976

Place: Mumbai

Dated: November 13, 2018



FORBES TECHNOSYS LIMITED

CIN : U29290MH1991PLC062425

Registered office: Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001
Tel No. 022 - 40639595 Fax : 022 - 40639516 Website : www.forbestechnosys.com
Email : ajay.singh@forbestechnosys.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR HALF YEAR ENDED SEPTEMBER 30, 2018

(Rs. in lakhs except per share data)

Sr. No.	Particulars	Half Year ended September 30, 2018	Half Year ended September 30, 2017	Year ended March 31, 2018
		Unaudited	Unaudited	Audited
1.	Revenue			
	(a) Revenue from operations	5,195.46	7,246.68	13,161.35
	(b) Other income	3.57	53.19	71.26
	(c) Total income	5,199.03	7,299.87	13,232.61
2.	Expenses			
	(a) Cost of materials consumed	719.75	1,063.06	2,310.67
	(b) Purchases of stock-in-trade (traded goods)	1,509.72	3,223.10	4,875.04
	(c) Changes in inventories of finished goods and stock-in-trade (traded goods)	129.08	353.28	418.20
	(d) Excise duty on sale of goods	-	116.98	105.57
	(e) Employee benefits expense	696.33	627.55	1,143.08
	(f) Finance costs	630.02	543.64	1,095.63
	(g) Depreciation and amortisation expense	377.10	411.07	786.78
	(h) Other expenses	1,706.86	1,650.13	3,698.04
	(i) Total expenses	5,768.86	7,988.81	14,433.01
3.	Loss before tax (1-2)	(569.83)	(688.94)	(1,200.40)
4.	Tax expense	-	-	-
5.	Loss for the period (3-4)	(569.83)	(688.94)	(1,200.40)
6.	Other comprehensive income			
	(a) Remeasurement gain/(loss) of the defined benefit plans	-	-	(7.44)
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	(32.62)
	(c) Total other comprehensive income for the period	-	-	(40.06)
7.	Total comprehensive loss for the period (5+6)	(569.83)	(688.94)	(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
9.	Other equity (including Instrument entirely equity in nature)	(1,668.12)	(2,326.01)	(1,098.28)
10.	Paid-up debt capital	9,121.61	10,947.63	10,062.88
11.	Debenture redemption reserve (Refer Note 2)	-	-	-
12.	Basic and Diluted earnings per share (EPS) (Face Value of the Rs. 10 per Share) (Six months figures not annualised)	(2.12)	(2.56)	(4.58)
13.	Debt Equity Ratio	8.93	30.10	6.32
14.	Debt Service Coverage Ratio (DSCR)	(0.18)	(0.11)	(0.02)
15.	Interest Service Coverage Ratio (ISCR)	(0.51)	(0.27)	(0.10)

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

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

Debt Equity Ratio = Non-Current borrowings (including current maturities) / (Equity Share Capital + Instrument entirely equity in nature + 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:

- 1) The above Financial Results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in its meeting held on November 13, 2018. The statutory auditors of the company have carried out a Limited Review of the Financial Results for the half year ended September 30, 2018 and of the Statement of Assets and Liabilities as of that date.
- 2) The Company has not created Debenture Redemption Reserve due to absence of profits.
- 3) The Company has incurred a net loss of Rs.569.83 lakhs during the half year ended September 30,2018 and, the Company's current liabilities exceeded its current assets by Rs.3,435.71 lakhs as at half year ended September 30, 2018. The Company has accumulated losses of Rs.8,792.07 lakhs and the net worth has been substantially eroded as at as at half year ended September 30, 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. 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 such operational and financial support, Financial statements have been prepared on a going concern basis.
- 4) The Company is in the process of implementing and assessing the impact of the transition to Ind AS 115 - 'Revenue from Contracts with Customers', which is applicable to the The Company with effect from April 01, 2018. The implementation and transition has not been completed as on September 30, 2018. The impact of implementation will be given in the financials for the year ended March 31, 2019, if any.
- 5) Figures of the previous year/period have been reclassified / re-arranged / regrouped, where necessary to conform to the presentation adopted in this statement.

FOR BATLIBOI & PUROHIT

Janak Mehta
13/11/18
SIGNED FOR IDENTIFICATION

Mumbai 13th November 2018

For Forbes Technosys Limited



(Ajay Singh)
Executive Director
DIN: 06617966

FORBES TECHNOSYS LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

Particulars	As on September 30, 2018	As on March 31, 2018
	Rupees in Lakh Unaudited	Rupees in Lakh Audited
ASSETS		
1 Non-Current Assets		
a) Property, plant and equipment	315.88	408.41
b) Capital work-in-progress		
c) Other intangible assets	1,618.94	1,899.95
d) Intangible assets under development	10,112.86	9,278.35
e) Financial assets:		
i) Other financial assets	29.21	33.59
f) Other non-current assets	422.35	394.84
Total Non-Current Assets	12,499.24	12,015.14
2 Current assets		
a) Inventories	2,966.93	3,158.68
b) Financial assets:		
i) Trade receivables	8,048.77	5,563.83
ii) Cash and cash equivalents	195.51	209.60
iii) Bank balances other than (ii) above	52.26	51.47
iv) Others financial assets	173.70	247.84
c) Other current assets	201.50	344.80
Total Current Assets	11,638.67	9,576.22
Total Assets	24,137.91	21,591.36
EQUITY AND LIABILITIES		
EQUITY		
a) Equity share capital	2,689.72	2,689.72
b) Other equity	(1,668.12)	(1,098.28)
Total Equity	1,021.60	1,591.44
LIABILITIES		
1 Non-Current Liabilities		
a) Financial liabilities:		
i) Borrowings	7,749.60	8,290.87
b) Provisions	292.33	272.83
Total Non-Current Liabilities	8,041.93	8,563.70
2 Current Liabilities		
a) Financial liabilities:		
i) Borrowings	5,907.05	4,997.51
ii) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	483.39	380.33
(ii) Total outstanding dues of credits other than micro enterprises and small enterprises	3,258.16	2,779.68
iii) Other financial liabilities	1,595.34	2,070.45
b) Provisions	138.46	138.46
c) Other current liabilities	3,691.98	1,069.79
Total Current Liabilities	15,074.38	11,436.22
Total Liabilities	23,116.31	19,999.92
Total Equity and Liabilities	24,137.91	21,591.36

FOR BATLIBOI & PUROHIT

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 SIGNED FOR IDENTIFICATION

