



FORBES GOKAK LTD.

Date: 26th October, 2006

Secretary,
Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

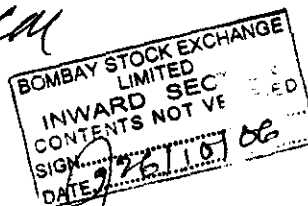
Dear Sirs,

**Compliance with the requirements of Clause 41 of the Listing Agreement -
Financial Results for the quarter and half year ended 30th September, 2006**

We set out the unaudited financial results for the quarter ended 30th September, 2006.

Particulars	(Rs. in Lakhs)				
	(1) Quarter ended 30.09.2006	(2) Quarter ended 30.09.2005	(3) Half Year ended 30.09.2006	(4) Half Year ended 30.09.2005	(5) Year ended 31.03.2006 (Audited)
1 Net Sales / Income from Operations	15798.83	14899.41	30008.40	28439.18	57917.95
2 Provision for Diminution in the value of Investments and Loans, no longer required written back (net of loss on sale)	-	90.76	-	90.76	46.72
3 Other Income	596.08	412.31	1171.28	1600.11	3481.73
4 Total Income (1+2+3)	16394.91	15402.48	31179.68	30130.05	61446.40
5 Total Expenditure					
a) (Increase)/Decrease in Stock	118.49	309.66	(979.08)	295.66	59.17
b) Consumption of Raw Materials	6564.37	6179.36	13032.65	11899.80	25394.87
c) Purchase of Trading Stocks	1262.98	809.23	2351.27	1576.13	3849.31
d) Power & Fuel	957.56	958.95	2283.40	2167.07	4110.09
e) Staff Cost	1984.40	1768.28	3791.20	3505.05	7156.45
f) Other Expenditure	3877.08	3679.76	7969.98	7296.02	14542.56
g) Sub Total	14764.88	13705.24	28449.42	26739.73	55112.45
6 Interest (Net) (See Note 10)	472.46	377.21	916.74	740.17	1263.66
7 Voluntary Retirement Compensation Charged / Amortised	44.58	64.73	87.47	75.57	105.97
8 Profit before Depreciation, Prior Period Items, Provision for Diminution and Taxation (4-5-6-7)	1112.99	1255.30	1726.05	2574.58	4964.32
9 Depreciation	683.73	590.81	1292.89	1174.43	2350.92
10 Profit before Prior Period Items, Provision for Diminution / Taxation (8-9)	429.26	664.49	433.16	1400.15	2613.40
11 Less: Provision for Diminution in the value of Investments, Doubtful Loans and Advances	17.14	0.56	18.42	1.58	9.29
12 Profit before Tax (10-11)	412.12	663.93	414.74	1398.57	2604.11
13 Less: Provision for Taxation					
Wealth tax	4.00	2.00	8.00	4.00	15.00
Income-tax-Current	30.00	52.40	30.00	105.69	130.00
Income-tax-Deferred	111.00	235.41	81.00	142.72	130.00
Fringe Benefits tax	25.28	38.90	50.08	76.90	169.02
Sub Total	170.28	328.71	169.08	329.31	444.02
14 Net Profit (12-13)	241.84	335.22	245.66	1069.26	2160.09
15 Paid up Equity Share Capital (Face Value of Rs.10 each)	1289.86	1289.86	1289.86	1289.86	1289.86
16 Reserves excluding Revaluation Reserve					22176.60
17 Basic and diluted Earning per Share of face value of Rs.10 each	Rs.1.87 <small>(for 3 months period)</small>	Rs.2.60 <small>(for 3 months period)</small>	Rs.1.90 <small>(for 6 months period)</small>	Rs.8.29 <small>(for 6 months period)</small>	Rs.16.75 <small>(for the year)</small>
18 Aggregate of Non-promoter Shareholding					
No. of Shares	3436925	3436925	3436925	3436925	3436925
Percentage	26.65%	26.65%	26.65%	27.60%	27.60%

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Quarterly Reporting of Segmentwise Revenue, Results & Capital Employed under clause 41 of the Listing Agreement

(Rs. in Lakhs)

	(1)	(2)	(3)	(4)	(5)
	Quarter ended 30.09.2006	Quarter ended 30.09.2005	Half Year ended 30.09.2006	Half Year ended 30.09.2005	Year ended 31.03.2006 (Audited)
1 Segment Revenue :(net sales / income from each segment)					
(a) Textiles and Personal Wear	9097.06	8065.79	16963.26	15910.03	32673.15
(b) Engineering	1965.95	1671.40	3851.95	3343.40	6820.39
(c) Business Automation	1175.69	1113.82	2146.53	1949.05	4360.26
(d) Contract Manufacturing	2350.43	3006.16	4468.27	5319.30	10100.17
(e) Logistics Services	1507.62	1246.00	3227.71	2227.60	5154.11
(f) Others	126.35	201.45	269.85	342.12	539.03
(g) Unallocated	197.32	112.86	304.52	1078.92	2,070.87
Total	16420.42	15417.48	31232.09	30170.42	61717.98
Less: Inter Segment Revenue	25.51	15.00	52.41	40.37	271.58
	16394.91	15402.48	31179.68	30130.05	61446.40
2 Segment Results (Profit before Tax and interest from each Segment)					
(a) Textiles and Personal Wear	414.72	511.96	450.01	569.65	929.93
(b) Engineering	297.43	205.92	584.36	462.40	1011.83
(c) Business Automation	59.72	1.38	79.55	(6.94)	(51.40)
(d) Contract Manufacturing	36.01	60.40	21.03	117.73	(91.35)
(e) Logistics Services	11.63	217.44	94.95	90.59	513.69
(f) Others	31.40	56.94	79.91	16.18	(63.26)
Total	850.91	1054.04	1309.81	1249.61	2249.44
Less: Interest (Net)	472.46	377.21	916.73	740.17	1263.65
Balance	378.45	676.83	393.08	509.44	985.79
Add/(Less): Unallocated Income (net of Unallocated Expenditure)	33.67	(12.90)	21.66	889.13	1,618.32
Profit before Tax	412.12	663.93	414.74	1398.57	2604.11
3 Capital Employed (Segment assets Less Segment Liabilities)					
(a) Textiles and Personal Wear	25957.96	22757.42	25957.96	22757.42	21488.46
(b) Engineering	6157.98	5213.60	6157.98	5213.60	5852.45
(c) Business Automation	1831.01	1875.81	1831.01	1875.81	1924.68
(d) Contract Manufacturing	6380.43	4307.66	6380.43	4307.66	3619.30
(e) Logistics Services	3969.01	2778.37	3969.01	2778.37	3631.89
(f) Others	(1109.47)	(1887.26)	(1109.47)	(1887.26)	5314.51
	43186.92	35045.60	43186.92	35045.60	41831.29

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NOTES:

1. Previous period's / year's figures have been regrouped / recast wherever necessary.
2. The results of the half year ended 30th September, 2005 as published earlier did not include results of erstwhile FAL Industries Ltd. which has amalgamated with the Company with effect from 1st April, 2005. Consequently, figures for half year ended 30.09.2005 have been recast to include results of erstwhile FAL Industries Ltd. The recast figures have not been subjected to limited review.
3. Other Income includes:

(Rs. in Lakhs)

	Q.E. 30.09.06	Q.E. 30.09.05	H.Y.E. 30.09.06	H.Y.E. 30.09.05	Y.E. 31.03.06
Capital Profit on sale of units in Mutual Fund	61.74	--	61.74	--	--
Buy back of shares by a subsidiary Company	--	--	--	799.27	799.27
Income pertaining to prior period	141.18	--	141.18	--	--

4. During the quarter ended 30th September, 2006, the Company has invested in the following Subsidiaries:-

Name of Company	No. of Shares	Amount Rs.
Forbes Container Lines Ltd. Singapore	80,000	23,40,000
Forbes Smart Data Ltd.	50,000	5,00,000
Next Gen Publishing Ltd.	8,98,240 Additionally subscribed	2,87,43,680

5. The Company has paid an aggregate of Rs.25.00 Lakhs towards Share Capital and Rs.2,284.55 Lakhs towards loan to SCI Forbes Ltd., a Joint Venture Company, of which Forbes Gokak Limited holds 25% of Share Capital, Shipping Corporation of India Ltd. 50% of Share Capital and Sterling Investment Corporation Ltd. (the Holding Company) 25% of Share Capital.
6. The Company plans to sell investments in Forbes Services Limited to Volkart Fleming Shipping & Services Ltd., a wholly owned Subsidiary on the basis of Fair Value.
7. The Company proposes to liquidate its dormant subsidiary namely Forbes Tinsley Co. Ltd. The Company's exposure to this Company stands fully provided for as at 30th September, 2006.
8. Auditors in their report for the year ended 31.03.2006 had commented upon balances to be reconciled and set off. The work for the reconciliation of the balances is in progress. As regards observation of the Auditors in the Report regarding revaluation of certain assets, the practice followed by the Company is based on the legal advice received by the Company.
9. The Company had revalued certain land and building as at 31st March, 2006 and difference of Rs.6,529.33 lakhs arising on revaluation was credited to revaluation reserve. The Company has sold part of these land and building during the half year ended 30th September, 2006. Out of the gains aggregating Rs.6,534.49 lakhs arising from the sales of these assets, a sum of Rs.5.16 lakhs was credited to the Profit and Loss Account and included as part of 'Other Income' for the half year ended 30th September, 2006.
10. Interest cost shown in item 5 above is net after deducting interest income Rs.66.76 Lakhs for the quarter ended 30th September, 2006 (corresponding previous quarter Rs.84.12 Lakhs); Rs.144.71 Lakhs for the half year ended 30th September, 2006; (corresponding previous period Rs.151.84 Lakhs); and Rs.471.24 Lakhs for the year ended 31st March, 2006.
11. Pursuant to the Accounting Standard 15 (Revised) on 'Employee Benefits' (AS-15), issued by the Institute of Chartered Accountants of India being mandatory with effect from April 1, 2006, the adjustments on account of transitional provisions will be dealt with in the General Reserves at the year end.



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12. The figures for the quarter ended 30th September, 2006 have been derived after considering the figures for the quarter ended 30th June, 2006 which were adjusted to differences arising on account of limited review.
13. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 26th October, 2006.
14. There were no pending Shareholders complaints as on 1st July, 2006. However there are 10 pending Court cases (inclusive of 5 pending cases relating to erstwhile FAL Industries Ltd), which remain pending as at 30th September, 2006. The Company has received 2 complaints during the quarter ended 30th September, 2006 out of which 1 complaint has been resolved to the satisfaction of the Shareholders and 1 remained unresolved at the end of quarter ended 30th September, 2006.

For Forbes Gokak Limited



(K.C. Mehra)

Deputy Chairman & Managing Director

Mumbai, 26th October, 2006