



**ALFRED HERBERT (INDIA) LTD.**

**ANNUAL REPORT  
2012 - 2013**



## ANNUAL REPORT

2012-2013

### BOARD OF DIRECTORS

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- A. V. LODHA — Chairman
- H. V. LODHA
- R. C. TAPURIAH
- S. S. JAIN
- S. BHANDARI

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### AUDITORS

*RAY & RAY*  
Chartered Accountants

### REGISTERED OFFICE

*Herbert House*  
13/3, Strand Road, Kolkata - 700 001  
Telephones : 2226 8619/2264 0106  
Fax : (91) 033 2229 9124  
E-mail : [kolkata@alfredherbert.com](mailto:kolkata@alfredherbert.com)

### MUMBAI OFFICE

*Kaiser-I-Hind Building, Sprott Road*  
Ballard Estate, Post Box 110  
Mumbai - 400 038  
Telephones : 2261 9981 (3 lines)  
Fax : (91) 022 2261 9983  
E-mail : [mumbai@alfredherbert.com](mailto:mumbai@alfredherbert.com)

### ALFRED HERBERT LIMITED

*Whitefield Road, Post Box 4805*  
Mahadevapura P.O.  
Bangalore - 560 048  
Telephones : 2845 2263 (4 lines)  
Fax : (91) 080 2845 3023  
E-Mail : [mfg@alfredherbert.com](mailto:mfg@alfredherbert.com)



## NOTICE OF MEETING

NOTICE is hereby given that the Ninety-third Annual General Meeting of the Members of Alfred Herbert (India) Limited will be held at Bengal National Chamber of Commerce & Industry Auditorium, 23 Sir R N Mukerjee Road, Kolkata - 700 001, on Friday, 26th July 2013 at 11.00 a.m. to transact the following business: -

1. To consider and adopt the audited Accounts of the Company for the year ended 31st March 2013 together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. S S Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following resolution:

#### 6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 1956 and Articles of Association of the Company, approval of the company be and is hereby accorded to increase the sitting fees payable to the Non-Executive Directors of the Company for attending the meetings of the Board from the existing Rs.5000/- to Rs.10,000/- per meeting (excluding the out-of-pocket expenses) with immediate effect."

Registered Office :

Herbert House  
13/3 Strand Road  
Kolkata - 700 001  
24th May 2013

On behalf of the Board  
S. S. Jain  
Director

### NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 16th July 2013 to 26th July 2013 (both days inclusive).
3. The Dividend, if declared, at the meeting, will be credited/ despatched on or after 27th July 2013 to those Members whose names shall appear on the Register of Members as on 15th July 2013.
4. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, ECS mandate etc, to their respective Depository Participant (DP).
5. In order to provide protection against fraudulent encashment of Dividend Warrant (s), Members holding

shares in physical form are requested to intimate immediately to the Company's Registrar, M/s. Maheshwari Datamatics Pvt. Ltd. particulars of bank account viz., Name of Bank, Branch address with Pincode, Bank Account Number with Account type whether savings or current account.

6. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company had transferred the Unpaid or Unclaimed dividends upto financial year 2004-05 to the Investor Education and Protection Fund established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 27th July 2012 (date of the last Annual General Meeting) on the website of the Company. ([www.alfredherbert.co.in](http://www.alfredherbert.co.in))
7. Members who have not yet encashed their dividend warrants for the financial year ended 31st March 2006 may approach the Company for revalidation of the dividend warrants before end of August 2013.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
9. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.alfredherbert.co.in](http://www.alfredherbert.co.in)
10. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
11. At the ensuing Annual General Meeting, Mr. S S Jain and Mr. S Bhandari retire by rotation and being eligible offer themselves for re-appointment. A brief resume, their share holding in the Company and names of other Companies in which they hold directorships are given below: -

MR.SARDUL SINGH JAIN (B Com. LLB) aged 78 years has been on the Company's Board of Directors for almost a period of nine years. He has vast professional expertise and experience in finance, taxation, legal and Management for over five decades.

Mr. Jain is a Director of RTS Power Corporation Ltd, Bhutoria Agrotech Ltd, Omni Holdings Ltd, Alliance Udyog Ltd., Alliance Mills South Private Ltd, East India Cotton Manufacturing Company Ltd, RGF Capital Markets Ltd., East India Udyog Ltd., Sungrace Finvest Private Ltd, Hari Holdings Private Ltd, Sri Vindhyachal Multimex Private Ltd, Annapurna Savings & Finance Private Ltd, Lindsay Securities Private Ltd, Alfred Herbert Ltd, Eita India Ltd, Jalan Chemical Industries Pvt. Ltd, Lodha Capital Markets Ltd and Baroda Agents & Trading Co. Pvt. Ltd.

Mr. Jain is Chairman of the Audit Committee of RTS Power Corporation Ltd. He is also a Member of the Audit Committee of Eita India Limited and Investors' Grievance Committee and Remuneration Committee of RTS Power Corpn. Ltd.

ALFRED HERBERT (INDIA) LTD.

*He does not hold any shares of the Company.*

*MR. SANJEEV BHANDARI*

*Mr. S Bhandari aged 57 years is a Specialist in Marine Law and Marine Insurance. His Educational qualifications are B*

*Com, FNMIS & ACIARB. He is a well-known Professional with more than 20 years of experience. He joined the Board of the Company in 2006. He does not hold any shares in the Company.*

~~Other Directorships — Herbert Holdings Limited~~

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956:**

*Resolution at item no. 6.*

*Currently the Non-Executive Directors of the Company are paid Rs. 5000/- as sitting fees for attending the meetings of the Board.*

*In view of the time devoted by the Non-Executive Directors for the meetings, your Board is of the opinion that the sitting fees needs to be revised from Rs.5000/-to Rs.10000/- for attending meeting of the Board. Your Directors recommend passing of the resolution.*

*All the Directors of the Company are interested in passing of the Resolution, so it is proposed to be passed by the Members of the Company at the General Meeting.*

*Registered Office :*

*Herbert House  
13/3 Strand Road  
Kolkata - 700 001  
24th May 2013*

*On behalf of the Board  
S. S. Jain  
Director*

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#### **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

*Dear Shareholder,*

*As you are aware that the Ministry of Corporate Affairs (MCA) vide their Circular nos. 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011 has taken a "Green Initiative" by allowing paperless compliances by companies to serve the requisite documents to its Members through electronic mode in compliance with Section 53 of the Companies Act, 1956*

*Your Company proposes to send from next year the Report & Accounts, Notices and other documents through electronic mode to the members. We therefore, request our members holding shares in physical mode to update their database by incorporating their designated e-mail address in our records. Accordingly, you are requested to kindly register your e-mail address alongwith your DPID/ Client ID/ Account Number with our Registrar and Share Transfer Agents - M/s. Maheshwari Datamatics Private Ltd. having its registered office at 6 Mangoe Lane, 2nd Floor, Kolkata -700 001 or e-mail id: mdpl@cal.vsnl.net.in*

*Members who are holding shares in electronic form and have not yet registered their e-mail address or who wish to change their existing e-mail address are requested to submit their e-mail address with their Depository Participants so that the reports can be sent electronically.*

*Please note even if the shareholder opts for electronic mode, the Company undertakes to provide a physical copy of the same on receipt of a written request.*

*Thanking you,*

*Yours faithfully,*

*For Alfred Herbert (India) Limited,*

*A K Basu*

*Compliance Officer*



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninety-third Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2013.

### FINANCIAL RESULTS

The Financial Results are as under :

	31st March 2013 Rs.	31st March 2012 Rs.
Profit before Tax	23,892,126	9,283,283
Provision for Tax (including deferred tax)	<u>191,184</u>	<u>188,954</u>
Profit after Tax	23,700,942	9,094,329
Surplus from earlier years brought forward	<u>15,178,308</u>	<u>10,396,135</u>
Amount available for appropriation	<u>38,879,250</u>	<u>19,490,464</u>
Appropriations:		
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	250,298	250,298
General Reserve	1,800,000	700,000
Special Reserve	<u>4,743,000</u>	<u>1,819,000</u>
	8,336,156	4,312,156
Surplus carried to Balance Sheet	<u>30,543,094</u>	<u>15,178,308</u>
	<u>38,879,250</u>	<u>19,490,464</u>

### DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of Rs. 2/- (per share) for the year ended 31st March 2013.

### FINANCIAL PERFORMANCE

The Company's gross income for the financial year ended 31st March 2013 stood at Rs.215.47 lacs as against Rs.188.74 lacs in 2011-12. Profit before tax of the Company stood at Rs.238.92 lacs as against Rs.92.83 lacs in 2011-12.

Considering the overall economic scenario, the performance of the Company was quite satisfactory. The Company had deployed its surplus funds in long term investments which have performed well and should help maximise returns and further consolidate its performance in future. The Company has undertaken to develop its property in Kolkata which should hopefully further consolidate its performance in the coming years.

The Company's wholly owned subsidiary Alfred Herbert Limited did not perform well during the year due to significant challenges faced by the slow down of the Indian economy compounded by delays in customers taking delivery of machinery ordered. Full efforts are being made to improve its performance in

the current year which would largely depend on the economic environment and growth opportunities.

### DIRECTORS

Mr. S S Jain, Director, and Mr. S Bhandari, Director, retire by rotation and being eligible, offer themselves for re-appointment.

### AUDITORS

M/s. Ray & Ray, Chartered Accountants, will retire at the Annual General Meeting and they have given their consent to be re-appointed for the current year.

### CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance code as stipulated under the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance, along with Certificate from the Auditors confirming the compliance, is annexed and forms part of the Annual Report.

### SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the audited statement of accounts along with Report of the Board of Directors and Auditors Report of your Company's subsidiaries, namely, Alfred Herbert Limited and Herbert Holdings Limited are annexed to this Report.

### CONSOLIDATED FINANCIAL STATEMENTS

The Directors also present the consolidated financial statements duly incorporating the financial statements of the subsidiaries Alfred Herbert Limited and Herbert Holdings Limited.

### DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

*The particulars regarding foreign exchange earnings and expenditure appear as Annexure to Schedule at item No. 13 in the Notes to the Accounts. The other particulars relating to Conservation of Energy and Technology Absorption stipulated in the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.*

**PERSONNEL**

*Your Directors wish to place on record their appreciation for the services rendered by the employees of the Company during the year.*

**COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956**

*A certificate issued by M/s. A J & Associates, Company Secretaries, in terms of the provisions of Section 383A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the said Act is attached to this Report.*

**PARTICULARS OF EMPLOYEES**

*The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.*

*Your Directors place on record their appreciation for the support received from the shareholders.*

*On behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors*

*Kolkata*

*Date : 24th May, 2013*



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good corporate governance practices would ensure a better transparency, accountability, integrity and responsibility in corporate actions and thereby would help in boosting investors / stake holders confidence in the Company. The focus of the Company has always been to ensure continuing value creation for its shareholders and above all, to achieve business excellence with the goal of long term sustainable development.

### 2. BOARD OF DIRECTORS

The strength of the Board of Directors as on 31st March 2013 is 5 out of which 3 are independent. The Board is headed by Non-executive Chairman. The composition of the Board of Directors is in conformity with the Corporate Governance Code. During the year, 4 meetings of the Board of Directors were held on 29.05.2012, 27.07.2012, 12.11.2012, and 02.02.2012.

The composition and category of the Directors on Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of Directorships and Committee Memberships / Chairmanships and number of shares held by them as on 31st March 2013 are as follows :-

Name of Director	Relationship with other Directors	Category	No. of Board Meetings attended	Attendance in last A.G.M.	No of Shares held	No of other Directorships *	Details of other Committee Membership	Chairman
Mr. A V Lodha	Brother of Mr. H V Lodha	Chairman Non-independent Non-executive	3	No	31,232	3	3	2
Mr. H V Lodha	Brother of Mr. A V Lodha	Non-independent Non-executive	4	Yes	28,577	23	4	2
Mr. R.C Tapuriah	None	Independent Non-executive	3	No	132	14	1	4
Mr. S.S Jain	None	Independent Non-executive	4	Yes	—	19	3	1
Mr. S Bhandari	None	Independent Non-executive	2	Yes	—	1	—	—

\* including Alternate Directorships and Directorships of Private Companies.

### CODE OF CONDUCT :

The Company has always encouraged and supported ethical business practices in personal and corporate behaviour by its directors and employees. The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. The Code of Conduct is posted on the website of the Company. All Board Members and Senior Management Personnel have confirmed compliance with the Code.

### 3. AUDIT COMMITTEE

The Audit Committee of the Board of your Company comprises exclusively of Independent Non-executive Directors Mr S S Jain, Mr. R C Tapuriah and Mr. S Bhandari. Mr. S. S. Jain is the Chairman of the Committee. The Committee acts as a link between the Statutory & Internal Auditors and the Board of Directors. The Compliance Officer acts as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee are in accordance with sub-clause II of Clause 49 of the Listing Agreement entered into with the Stock Exchanges and inter-alia include :

To ensure that the financial reporting process and the disclosure of its financial information at the financial statements are correct, sufficient and credible.

Recommend the appointment of Statutory Auditors and Fixation of Audit Fees. Reviewing, with the Management, the annual financial statements. Reviewing, with the Management, performance of Statutory and Internal

Auditors and adequacy of the Internal Control Systems. Reviewing the adequacy of Internal Audit Functions. Discussion with Statutory Auditors and Internal Auditors on nature and scope of audit etc. Reviewing the Company's Financial and Risk Management Policies.

The Company held 4 Audit Committee Meetings during the year. Attendance of Directors at these meetings are as under: -

Name of Member	Status	No. of Meetings attended
Mr. S.S. Jain	Chairman	4
Mr. R.C. Tapuriah	Member	3
Mr. S. Bhandari	Member	2

### 4. REMUNERATION COMMITTEE

As constitution of Remuneration Committee is a non-mandatory requirement under Clause 49 of the Listing Agreement and no remuneration is being paid to any Director except Sitting Fee of Rs.5000/-, the Board of Directors considers it unnecessary to constitute any Remuneration Committee at this stage.

Details of Sitting Fees paid to the Directors during the financial year ended 31st March 2013

Name of Director	Sitting Fees (Rs.)
Mr. A. V. Lodha	15,000/-
Mr. R. C. Tapuriah	40,000/-
Mr. H. V. Lodha	30,000/-
Mr. S. S. Jain	40,000/-
Mr. S. Bhandari	25,000/-

**ALFRED HERBERT (INDIA) LTD.**

**5. INVESTORS' GRIEVANCE COMMITTEE**

Share transfer and Shareholders/ Investors' Grievance Committee looks into issues relating to shareholders including transfer of Shares, Redressal of complaints from Investors etc.

During the year, the Committee met twice and the composition and the attendance of the Directors at these meetings is as under:

Name of Member	Status	No. of Meetings attended
Mr. H. V. Lodha	Chairman	2
Mr. R. C. Tapuriah	Member	2
Mr. S. Bhandari	Member	1

During the year no complaints were received/pending from the Shareholders.

Mr. A. K. Basu, Chief Financial Officer is the Compliance Officer.

**6. GENERAL BODY MEETINGS**

The last 3 Annual General Meetings were held as under:

Year	Venue	Date	Time
2011-12	Indian Chamber of Commerce 4 India Exchange Place Kolkata - 700 001	27.07.2012	10.00 a.m.
2010-11	Indian Chamber of Commerce 4 India Exchange Place Kolkata - 700 001	29.07.2011	10.00 a.m.
2009-10	Bengal National Chamber of Commerce & Industry 23, Sir R. N. Mukherjee Road Kolkata - 700 001	23.07.2010	10.30 a.m.

There was no Special Resolution, which required passing through postal ballot. At present no Special Resolution is proposed to be passed through a postal ballot or at the Annual General Meeting.

**7. DISCLOSURES**

i) Details of transactions with related parties during the year have been furnished in Note 10 of the Accounting Policies and Notes on Accounts of the Annual Accounts. There are no materially significant transactions with related parties conflicting with the Company's interests.

ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as Regulations & Guidelines of Securities and Exchange of Board of India (SEBI). No penalties were imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.

iii) The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non- mandatory requirements of the Listing Agreement.

**8. MEANS OF COMMUNICATIONS**

The quarterly, half-yearly and the annual financial results are published in English and vernacular newspapers and are also furnished to the Stock Exchanges with whom

the Company has listing arrangements to enable them to put them on their website. The Company's results are displayed on the Website [www.alfredherbert.co.in](http://www.alfredherbert.co.in)

**9. GENERAL SHAREHOLDER INFORMATION**

93rd Annual General Meeting

Date & Time : 26th July 2013 at 11.00 a.m.

Venue : Bengal National Chamber of Commerce & Industry  
23, Sir R.N. Mukherjee Road, Kolkata 700001

**NEXT FINANCIAL CALENDAR**

Company's financial year is based on 12 months starting from 1st April to 31st March

1st quarterly results : Before 15th August 2013

2nd quarterly results : Before 15th November 2013

3rd quarterly results : Before 15th February 2014

Audited yearly results for the year ending 31st March 2014 : Before the end of May 2014

Date of Book Closure : From 16th July, 2013 to 26th July 2013 (both days inclusive)

Dividend Payment Date : On or after 27th July 2013

**LISTING OF STOCK EXCHANGES**

The Company's shares are listed at : Bombay Stock Exchange Limited  
The Calcutta Stock Exchange Association Limited.

Listing Fees as prescribed have been paid to the above Stock Exchanges for the Financial year 2012-13.

**STOCK CODE OF EQUITY SHARES OF THE COMPANY ARE AS UNDER:**

Bombay Stock Exchange Limited : Scrip Code No. 505216

The Calcutta Stock Exchange Assn. Ltd. : Scrip Code No. 11525

Corporate Identity (CIN) : L74999WB1919PLC003516

ISIN : INE782D01027

**MARKET PRICE DATA DURING THE FINANCIAL YEAR 2012-13 :**

Month	Bombay Stock Exchange Ltd.	
	High Rs.	Low Rs.
April	225.95	207.00
May	228.95	203.35
June	238.00	200.05
July	232.00	193.00
August	225.00	191.00
September	227.00	206.00
October	220.95	202.30
November	243.00	208.00
December	247.75	221.00
January	240.70	217.00
February	242.95	204.00
March	239.00	205.00





Registrar and Share : Maheshwari Datamatics Pvt. Limited  
Transfer Agent Surendra Mohan Ghosh Sarani  
2nd Floor, Kolkata – 700 001  
Telephone No. 2248 2248 / 2243 5809  
E-mail mdpldc@yahoo.com  
E-mail mdpl@cal.vsnl.net.in  
Fax: (033) 2248 4787

#### SHARE TRANSFER SYSTEM

All the transfers received are processed by the Registrar and Transfer Agents and are approved by the Chief Financial Officer who has been authorised by the Board of Directors in this regard. Share Transfers are registered and returned within one month from the date of lodgment, if documents are complete in all respect.

#### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013

No. of Equity Shares held	No. of Shareholders Total	%	No. of Equity Shares Total	%
Upto 1000	3464	99.3119	178719	23.1672
1001 to 5000	13	.3727	23137	2.9993
5001 to 10000	4	.1148	32801	4.2520
10001 to 50000	5	.1433	133762	17.3395
50001 and above	2	.0573	403010	52.2420
<b>Total</b>	<b>3488</b>	<b>100.0000</b>	<b>771429</b>	<b>100.0000</b>

No. of Shareholders : 3488  
Share Capital : 771429

#### SHAREHOLDING PATTERN AS ON 31ST MARCH 2013

Category	No. of Share-holders	No. of Shares held	Total Shareholding as a % of Total Share
Individuals	3398	201294	26.09
Non-Resident Individuals	21	1547	0.20
Bodies Corporate	50	5378	0.69
Financial Institutions/Banks	2	90	0.01
Insurance Companies	1	15628	2.04

#### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
ALFRED HERBERT (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Alfred Herbert (India) Limited for the year ended as at 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was carried out in accordance with the Guidance Note on "Certification of Corporate Governance" (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and our responsibility is limited to the examination of the procedures adopted by the Company and implementation thereof, for ensuring the compliance of the conditions of the Corporate

Category	No. of Share-holders	No. of Shares held	Total Shareholding as a % of Total Share
Trusts	1	90	0.01
Clearing Member	2	26	.003
	3475	224053	29.04
Promoters	13	547376	70.96
<b>Total</b>	<b>3488</b>	<b>771429</b>	<b>100.00</b>

Dematerialisation of Shares :- 88.03% of Equity Shares have been dematerialised as on 31st March 2013.

#### SECRETARIAL AUDIT

As stipulated by SEBI, a Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed Capital. This audit is carried out every quarter and the report thereon is submitted to Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors.

Address for correspondence : Alfred Herbert (India) Limited  
13/3 Strand Road,  
Kolkata – 700 001

Telephone Nos. : 2248 4801/2248 4802  
2226 8619/2229 9124

Fax : (033) 2229 91 24

#### DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company. It is further confirmed that all the Directors and Senior Management Personnel of the Company has affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2013 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

for ALFRED HERBERT (INDIA) LIMITED  
A.K.Basu

Date: 24th May 2013 Chief Financial Officer

Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliances are neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay

Place : Kolkata  
Date : 24th May 2013

(Partner)  
(Membership No. 056359)

## REPORT TO THE BOARD OF DIRECTORS

ALFRED HERBERT (INDIA) LIMITED

Dear Sirs,

In terms of Notification No. DFC 117/DG(SPT)-98 dated 2nd January 1998 issued by the Department of Financial Companies, Reserve Bank of India, we are pleased to submit this report on matters as specified in paragraph 3 of the said Notification.

a) The Company, which was incorporated prior to 9th January 1997, has applied for registration as provided in Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received registration certificate from the Reserve Bank of India vide their certificate No. N.05.04665 dated 29th November, 2001.

- b) The Board of Directors of the Company had passed a resolution at its meeting held on 29th May, 2012 for not accepting any public deposit.
- c) The Company has not accepted any public deposit during the year under reference.
- d) The Company has complied with the prudential norms relating to income recognition, assets classification and provisioning for bad and doubtful debts as applicable to it.

Yours faithfully

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
(Membership No. 056359)

Place : Kolkata  
Date : 24th May 2013

## INDEPENDENT AUDITORS' REPORT

To the Members of Alfred Herbert (India) Limited  
Report on the Financial Statements

We have audited the accompanying financial statements Alfred Herbert (India) Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements 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 financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
  - a. we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - e. on the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors



is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

3. According to the information and explanations given to us and on the basis of the test checks carried out by us during the course of the audit of the company, our report on the matters specified under the para 3A and 3C of Non Banking Financial Companies Auditors Report (Reserve Bank) Directions 1998 is as follows :

- i) The Company is engaged in the business of Non Banking Financial Institution.
- ii) The Company which was incorporated prior to 9th January 1997 has applied for registration as provided in section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received registration certificate from the Reserve Bank of India vide their certificate no. N. 05. 04665 dated 29th November 2001.
- iii) The asset/income pattern of the Company as on 31.03.2013 are as follows:  
Rate of Investment Income to Total Income : 0.56  
Rate of Total Investments to Total Assets : 0.79  
In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2013.
- iv) The Board of Directors of the Company had passed a resolution at its meeting held on 29th May, 2012 for not accepting any public deposit.
- v) The Company has not accepted any public deposit during the year under reference.
- vi) The Company has complied with the prudential norms relating to income recognition, assets, classification and provisioning for bad and doubtful debts as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
(Membership No. 056359)

Place : Kolkata  
Date : 24th May 2013

#### **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to In Paragraph 1 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- (b) According to the information and explanations given to us, most of the fixed assets have been physically verified by the management during the year in a phased program and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets,
- (c) The Company has not disposed off a substantial part of its fixed assets during the year, which affect the going concern status of the Company.
- (ii) (a) As explained to us, all the inventory of the

company has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable having regard to the size of the company and the nature of its business.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) On the basis of examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification of stocks were not material.

(iii) According to the information and explanation given to us, the company has neither granted nor taken any loans to and from the companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clauses (iii)(b) to (g) of paragraph 4 of the aforesaid order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are reasonable internal control procedures commensurate with the size and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) In our opinion and according to the information and explanations given to us, the Company has not entered into any contracts or arrangements referred to in the section 301 of the Act that need to be entered into the register required to be maintained under that section. Accordingly, clause (v) (b) of paragraph 4 of the aforesaid order are not applicable to the Company.

(vi) The Company has not accepted any deposits from the public during the year under section 58A, 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the internal audit system of the Company is commensurate with the size of the Company and nature of its business.

(viii) The Central Government has not prescribed for the maintenance of any cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products of the Company.

- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) On the basis of the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were outstanding as at 31 March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and according to the information and explanations given to us, there are no dues of Income Tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report and in the immediately preceding financial year.
- (xi) As per records of the Company there are no dues to Financial Institutions or Banks or Debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- (xiii) In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund / society. Therefore, the provisions of the clause (xiii) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xiv) Based on our examination of documents and records and evaluation of the related internal controls, in respect of dealings/trading in securities, in our opinion, reasonable records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other investments in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year. Accordingly, Clause (xvi) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that, no funds raised on short-term basis have been used for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies / firms covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us and the records examined by us, no debentures have been issued during the year. Accordingly, provisions of clause (xix) of paragraph 4 of the aforesaid order are not applicable to the Company.
- (xx) Based on the records examined by us, the Company has not raised any money by public issue during the year. Accordingly, provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the Company.
- (xxi) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the management.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
(Membership No. 056359)

Place : Kolkata  
Date : 24th May 2013



CIN No : L74999WB1919PLC003516

COMPLIANCE CERTIFICATE

To,  
The Members,  
Messrs. ALFRED HERBERT (INDIA) LIMITED,  
Kolkata.

We have examined the registers, records, books and papers of Messrs. Alfred Herbert (India) Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company being a public limited company, the comments are not required.
4. The Board of Directors duly met Four times respectively on 29th May, 2012; 27th July, 2012; 12th November, 2012 and 2nd February, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed, if any, in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 17th July 2012 to 27th July 2012 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March 2012 was held on 27th July, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act with regard to the general disclosure made by the directors.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The company has:
  - i) delivered all the certificates on lodgment thereof for transfer and transmission of securities in accordance with the provisions of the Act.
  - ii) deposited the amount of dividend declared in a separate bank account on 27.07.2012 which is within five days from the date of declaration of such dividend.
  - iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and in respect of all unclaimed/unpaid dividend, the Bank has been instructed to change the nomenclature of the account as "Alfred Herbert (India) Limited Unpaid Dividend Account - 2012" on 25.08.2012 for the balance amount standing therein.
  - iv) Transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years through NEFT process to the MCA Account on 28.08.2012.
  - v) duly complied with the requirements of section 217 of the Act to the extent applicable to the company.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors, and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing director/ Whole time director/ Manager during the financial year.

16. *The company has not appointed any sole selling agents during the financial year.*
17. *The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.*
18. *The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.*
19. *The company has not issued any shares, debentures or other securities during the financial year.*
20. *The company has not bought back any shares during the financial year.*
21. *There was no redemption of preference shares or debentures during the financial year.*
22. *There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.*
23. *The company has not invited/accepted or renewed any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.*
24. *The company has not made any borrowings during the financial year ended 31st March, 2013.*
25. *The company, being an investment company and holding a certificate of registration as a NBFC, provisions pursuant to section 372A are not applicable.*
26. *The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.*
27. *The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.*
28. *The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.*
29. *The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.*
30. *The company has not altered its articles of association during the financial year.*

31. *As informed by the management, there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.*
32. *The company has not received any money as security from its employees during the financial year.*
33. *The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.*

For A. J. & ASSOCIATES

Company Secretaries

CS Abhijeet Jain

Proprietor

C.P. No. : 3426

Place : Kolkata

Date : 21st May, 2013

#### Annexure - A

##### Registers as maintained by the Company

1. Register of Members
2. Register of Directors
3. Register of Directors Shareholding
4. Register of Application And Allotment
5. Register of Contract u/s 301 for disclosure u/s 299
6. Register of Transfer
7. Shareholders Minutes Book
8. Directors Minutes Book
9. Index of Members
10. Register of Charges.
11. Directors Committee Minutes Book.

#### Annexure - B

##### Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2013.

1. Annual Return (Schedule V) in Form 20B made upto 27.07.2012 filed on 07.09.2012.
2. Balance Sheet (Schedule VI) in Form 23AC/23ACA as at 31.03.2012 filed on 13.10.2012.
3. Compliance Certificate in Form 66 for the year-ended 31.03.2012 filed on 06.08.2012.
4. Form 1 INV filed on 06.09.2012.
5. Form 5 INV filed on 31.07.2012



**Balance Sheet**  
as at 31st March, 2013

	Note Number	As at 31st March, 2013 (Rs.)	As at 31st March, 2012 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2.1	7,714,290	7,714,290
(b) Reserves and surplus	2.2	277,562,161	255,890,709
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net) (Refer Note No.9)		3,138,012	2,946,828
(b) Other Long term liabilities	2.3	2,531,606	2,519,412
(c) Long-term provisions	2.4	101,562	119,096
<b>(3) Current liabilities</b>			
(a) Other current liabilities	2.5	432,990	394,056
(b) Short-term provisions	2.6	10,282,739	10,073,344
	<b>TOTAL</b>	<b>301,763,360</b>	<b>279,657,735</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	2.7	38,263,715	39,482,021
(ii) Capital work-in-progress (Refer Note No.3)		7,135,678	7,135,678
(b) Non-current investments	2.8	104,527,555	104,531,155
(c) Long-term loans and advances	2.9	2,474,790	2,474,290
<b>(2) Current assets</b>			
(a) Current investments	2.10	134,782,061	112,549,934
(b) Cash and Bank Balances	2.11	1,578,943	5,028,528
(c) Short-term loans and advances	2.12	11,901,120	8,012,698
(d) Trade Receivables		660,323	-
(e) Other current assets	2.13	439,175	443,431
	<b>TOTAL</b>	<b>301,763,360</b>	<b>279,657,735</b>

Notes referred to above form an integral part  
of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay  
Partner  
Membership No. 056359  
Kolkata, 24th May, 2013

For and on behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors

**Statement of Profit and Loss**

For the year ended 31st March, 2013

PARTICULARS	Note Number	For the year ended 31st March, 2013 (Rs.)	For the year ended 31st March, 2012 (Rs.)
I Revenue from operations	2.14	21,547,036	18,592,419
II Other Income	2.15	-	281,515
III Total Revenue (I + II)		<u>21,547,036</u>	<u>18,873,934</u>
IV Expenses :			
Purchases of Stock-in-Trade		67,196	103,969
Employee benefits expenses (Refer Note No.6)	2.16	1,877,080	1,669,744
Depreciation and amortization expenses	2.7	977,717	994,837
Less: Transferred from Revaluation Reserve	2.2	(181,400)	(185,008)
Other expenses	2.17	6,980,202	7,007,109
Total Expenses		<u>9,720,795</u>	<u>9,590,651</u>
V Profit before exceptional items and tax (III - IV)		11,826,241	9,283,283
VI Exceptional items :			
Provision no longer required written back	20,000,000		
Less : Irrecoverable amount written off	<u>10,200,000</u>	9,800,000	-
Profit on sale of materials of dismantling building		2,265,885	-
VII Profit/(Loss) before tax (V + VI)		<u>23,892,126</u>	<u>9,283,283</u>
VIII Tax expenses			
(1) Current tax		-	30,000
(2) Deferred tax (Refer Note No. 8)	<u>191,184</u>	191,184	158,954
IX Profit after tax (VII - VIII)		<u>23,700,942</u>	<u>9,094,329</u>
X Earning per equity Share :	11		
Basic & diluted (Face Value Rs.10/- each) (Refer Note No.11)		30.72	11.79

Notes referred to above form an integral part  
of the Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our report of even date.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay  
Partner  
Membership No. 056359  
Kolkata, 24th May, 2013

For and on behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors





## CASH FLOW STATEMENT

	Year ended 31st March,	
	2013 (Rs.)	2012 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	23,892,126	9,283,283
Adjustment for :		
Depreciation	796,317	809,829
Loss on sale of Investments	-	5
Profit on sale of Investments	(99,400)	(191)
<b>Operating Profit before Working Capital Changes</b>	<u>24,589,043</u>	<u>10,092,926</u>
Adjustments for :		
Other Current Assets	4,256	2,213,629
Trade Receivables	(660,323)	-
Loans & Advances	16,815,791	(712,073)
Provision no longer required written back	(20,000,000)	-
Liabilities & Provisions	204,055	516,619
<b>Cash (utilised in)/generated from Operating Activities</b>	<u>20,952,822</u>	<u>12,111,101</u>
Direct Tax (Net)	(704,713)	(632,069)
<b>Net Cash (utilised in)/ Generated from Operating Activities</b>	<u>20,248,109</u>	<u>11,479,032</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(48,460)	(7,150)
Sale/Discard of Fixed Assets	234,115	-
Capital work-in-progress	-	(7,135,678)
Proceeds from Sale/Redemption of Investments	80,103,000	150,621,265
Purchase of Investments	(102,232,127)	(151,298,210)
<b>Net Cash (utilised in)/ Generated from Investment Activities</b>	<u>(21,943,472)</u>	<u>(7,819,773)</u>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(1,503,924)	(1,507,579)
Corporate Dividend Tax	(250,298)	-
<b>Net Cash (utilised in)/ generated from Financing Activities</b>	<u>(1,754,222)</u>	<u>(1,507,579)</u>
<b>Net Increase/(Decrease) in cash &amp; cash equivalent</b>	<u>(3,449,585)</u>	<u>2,151,680</u>
<b>Cash and Cash equivalents(Opening Balance)</b>	4,913,528	2,761,848
<b>Cash and Cash equivalents (Closing Balance)</b>	1,463,943	4,913,528
<i>(Refer Note No. 2.11)</i>	<u>(3,449,585)</u>	<u>2,151,680</u>

Note : The Cash Flow Statement has been prepared in indirect method.

This is the Cash Flow Statement referred to in our report of even date.

For RAY & RAY

Chartered Accountants

Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay

Partner

Membership No. 056359

Kolkata, 24th May, 2013

For and on behalf of the Board

H. V. Lodha

R. C. Tapuriah

Directors

## Notes to the Balance Sheet and Statement of Profit & Loss

### 1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### *Basis of preparation of financial statements*

*The accounts have been prepared under the historical cost convention in accordance with the provisions of the Companies Act, 1956 and mandatory accounting standards notified by the Companies (Accounting Standards) Rules 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.*

#### *Use of Estimates*

*The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year.*

*Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.*

#### *Fixed Assets*

*Fixed Assets other than those, which have been revalued, are stated at cost. Expenses relating to acquisition and installation of Fixed Assets are capitalised till the assets are put to use. Capital-work-in-progress includes expenses relating to construction of Building.*

#### *Impairment*

*Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.*

#### *Depreciation*

*(i) Depreciation on original cost of fixed assets acquired/installed upto 15<sup>th</sup> December, 1993 has been provided on straight line method at the rates prevailing at the time of acquisition /installation and on assets acquired after the aforesaid date at the rates specified in schedule XIV to Companies Act, 1956.*

*(ii) Depreciation on incremental value of fixed assets due to revaluation is provided on straight-line basis with respect to technically evaluated, remaining useful life of the assets.*

#### *Investments*

*Long Term Investments are stated at cost less provision for diminution in value other than temporary, if any. Current investments are valued at cost or realisable value whichever is lower.*

#### *Inventories*

*Inventories are valued at lower of the cost or net realisable value. Cost of inventories is generally determined on 'First in First out' basis.*

#### *Foreign Currency Transaction*

*Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at exchange rates prevailing at the year end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized in the profit and loss account.*

#### *Income*

*Sales are recognised on passing of the property in goods as per the terms of sales.*

*Claims, commission and service charges to the extent considered realisable have been accounted for on ascertainment of amounts thereof. Interest income is recognized on time proportion method.*

#### *Employee Benefits*

*Employee benefits viz. Provident, Superannuation and Pension Funds, Leave Encashment are accounted for on accrual basis. The year-end liability in respect of gratuity is determined on the basis of actuarial valuation. Contribution to Provident, Superannuation, Pension and Gratuity Funds are made to the appropriate authorities. Liability for leave encashment is accounted for on accrual basis as per Management's estimate and not on actuarial valuation basis.*



### Income Tax

Provision for tax is made for both current and deferred tax. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference which are capable of reversal in subsequent periods are recognised using tax rates and tax laws which have been enacted. Deferred Tax Assets are recognized and carried forward only to the extent there is virtual certainty that assets will be realised in future.

### Provisions, Contingencies and Contingent Assets

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

## 2. Notes forming part of Balance Sheet

### 2.1 SHARE CAPITAL

#### Authorised

5,000,000 - Equity shares of Rs.10 each  
(2012 - 5,000,000)

#### Issued, subscribed and paid-up

771,429 - Equity shares of Rs.10 each fully paid-up  
(2012 - 771,429)

As at  
31st March, 2013  
Rs.

50,000,000

7,714,290

As at  
31st March, 2012  
Rs.

50,000,000

7,714,290

2.1.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by Equity Shareholders.

### 2.1.2 EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% EQUITY SHARES

Name of Shareholders	No. of Shares held on		No. of Shares held on	
	31.3.2013	% holding	31.3.2012	% holding
City Holdings Limited	252,561	32.74	252,561	32.74
Meenakshi Industries Limited	150,449	19.50	150,449	19.50

### 2.2 RESERVES AND SURPLUS

Capital Revaluation Reserve - opening balance

Less : Transferred to Depreciation (Note 3A)

Less : Adjustment upon dismantling building

Capital Reserve

General Reserve - opening balance

Add : Transferred from surplus

Special Reserve (Under Section 45 IC of Reserve Bank of India Act.) - opening balance

Add : Transferred from surplus

As at  
31st March, 2013  
Rs.

5,453,464

181,400

5,272,064

54,934

5,217,130

9,937

205,700,000

1,800,000

207,500,000

29,549,000

4,743,000

34,292,000

As at  
31st March, 2012  
Rs.

5,638,472

185,008

5,453,464

-

5,453,464

9,937

205,000,000

700,000

205,700,000

27,730,000

1,819,000

29,549,000

ALFRED HERBERT (INDIA) LTD.

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.								
<i>Surplus in the Statement of Profit &amp; Loss - opening balance</i>	15,178,308	10,396,135								
<i>Add : Profit after tax transferred from statement of Profit &amp; Loss</i>	<u>23,700,942</u>	<u>9,094,329</u>								
<i>Amount available for appropriation</i>	38,879,250	19,490,464								
<b>APPROPRIATIONS</b>										
<i>Proposed Dividend</i>	1,542,858	1,542,858								
<i>Corporate Dividend Tax</i>	250,298	250,298								
<i>General Reserve</i>	1,800,000	700,000								
<i>Special Reserve</i>	<u>4,743,000</u>	<u>1,819,000</u>								
<i>Surplus - closing balance</i>	<u>30,543,094</u>	<u>15,178,308</u>								
<b>TOTAL</b>	<u>277,562,161</u>	<u>255,890,709</u>								
<b>2.3 OTHER LONG-TERM LIABILITIES</b>										
<i>Security deposit</i>	2,405,174	2,405,174								
<i>Others</i>	<u>126,432</u>	<u>114,238</u>								
	<u>2,531,606</u>	<u>2,519,412</u>								
<b>2.4 LONG-TERM PROVISIONS</b>										
<i>Provision for Employee benefit</i>	<u>101,562</u>	<u>119,096</u>								
	<u>101,562</u>	<u>119,096</u>								
<b>2.5 OTHER CURRENT LIABILITIES</b>										
<i>Balances with Unpaid Dividend Accounts</i>	<u>432,990</u>	<u>394,056</u>								
	<u>432,990</u>	<u>394,056</u>								
<b>2.6 SHORT-TERM PROVISIONS</b>										
<i>Provision for Employee benefit</i>	123,500	43,636								
<i>Other Provisions (Taxation, Dividend etc.)</i>	<u>10,159,239</u>	<u>10,029,708</u>								
	<u>10,282,739</u>	<u>10,073,344</u>								
<b>2.7 FIXED ASSETS</b>										
	<b>Gross Carrying Amount</b>	<b>Depreciation</b>	<b>Net Carrying Amount</b>							
<i>Description</i>	<i>Original Cost/ Revaluation as on 01.04.2012</i>	<i>Additions during the year</i>	<i>Sales/ Adjust- ments</i>	<i>Original Cost/ Revaluation as on 31.03.2013</i>	<i>Upto 31.03.2012</i>	<i>Depreciaton for the year</i>	<i>Sales/ Adjust- ments</i>	<i>Total 31.03.2013</i>	<i>Value as on 31.03.2013</i>	<i>Value as on 31.03.2012</i>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Land</i>	3,674,588	—	—	3,674,588	—	—	—	—	3,674,588	3,674,588
<i>Building :</i>										
<i>Freehold</i>	50,207,562	—	1,176,326	49,031,236	15,072,382	877,852	887,277	15,062,957	33,968,279	35,135,180
<i>Leasehold</i>	342,945	—	—	342,945	244,140	3,768	—	247,908	95,037	98,805
<i>Plant &amp; Machinery</i>	1,704,357	47,110	31,250	1,720,217	1,132,216	94,324	31,250	1,195,290	524,927	572,141
<i>Furniture, Fixtures &amp; Equipments</i>	175,912	1,350	38,671	138,591	174,605	1,773	38,671	137,707	884	1,307
<i>Total</i>	<u>56,105,364</u>	<u>48,460</u>	<u>1,246,247</u>	<u>54,907,577</u>	<u>16,623,343</u>	<u>977,717</u>	<u>957,198</u>	<u>16,643,862</u>	<u>38,263,715</u>	<u>39,482,021</u>
<i>Previous year</i>	56,146,790	7,150	48,576	56,105,364	15,677,082	994,837	48,576	16,623,343	39,482,021	
<b>2.8 NON-CURRENT INVESTMENTS</b>										
<i>Long Term, (Non-Trade), Quoted</i>					<b>Nos.</b>	<b>As at 31st March, 2013 Rs.</b>	<b>As at 31st March, 2012 Rs.</b>			
<i>Equity Shares of Rs.10 each except where otherwise stated (fully paid)</i>										
<i>Graphite India Limited (Face value Rs.2 per share)</i>					350,000	19,866,484	19,866,484			
<i>Aditya Birla Nuvo Limited</i>					105	14,648	14,648			
<i>Mangalore Refinery and Petrochemicals Ltd.</i>					400	4,000	4,000			
<i>HDFC Bank Limited (Face value Rs.2 per share)</i>					2,500	5,000	5,000			
<i>Hindalco Industries Ltd.(Face Value Re.1 per share)</i>					75,750	7,272,000	7,272,000			



	Nos.	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Reliance Industries Ltd.	65,000	18,982,115	18,982,115
IDFC	50,000	3,511,762	3,511,762
ITC Limited (Face value Re.1 per share)	60,000	3,578,171	3,578,171
Reliance Capital Ltd.	1,125	175,170	175,170
Reliance Power Ltd.	5,625	94,323	94,323
Reliance Communication Ltd. (Face Value Rs.5 per share)	22,500	5,214,701	5,214,701
Reliance Infrastructure Ltd.	1,687	983,651	983,651
Sterlite Industries (India)Ltd. (Face value Re.1 per share)	10,020	188,310	188,310
Bonds			
6.85% IIFCL Tax Free Bond 2014	285	28,628,250	28,628,250
		<u>88,518,585</u>	<u>88,518,585</u>
<b>Long Term, (Non-Trade), Unquoted</b>			
<b>Equity Shares of Rs.10 each except where otherwise stated (fully paid)</b>			
Woodlands Multispeciality Hospital Limited	1,780	8,900	8,900
Kirloskar Computer Services Limited	10,000	100,000	100,000
Less : Provision for diminution in value of shares		<u>100,000</u>	<u>96,400</u>
			3,600
<b>In Subsidiary Companies:</b>			
<b>Equity Shares of Rs.10 each except where otherwise stated (fully paid)</b>			
Herbert Holdings Ltd	220,000	7,000,000	7,000,000
Alfred Herbert Limited	900,007	9,000,070	9,000,070
		<u>16,008,970</u>	<u>16,012,570</u>
		<u>104,527,555</u>	<u>104,531,155</u>
a) Quoted Investments		88,518,585	88,518,585
b) Unquoted Investments		16,008,970	16,012,570
		<u>104,527,555</u>	<u>104,531,155</u>
<b>Aggregate Market Value of Quoted Investments</b>		<u>144,366,094</u>	<u>143,306,094</u>
<b>2.9 LONG-TERM LOANS &amp; ADVANCES</b>			
<b>Secured-considered doubtful</b>			
Deposit with Bodies Corporate (secured by pledge of shares)	-		20,000,000
Less : Provision for non-performing loans and advances	-	-	<u>20,000,000</u>
			-
<b>Unsecured-considered good</b>			
Capital Advance		899,055	899,055
Security Deposits		1,575,735	1,575,235
		<u>2,474,790</u>	<u>2,474,290</u>
<b>2.10 CURRENT INVESTMENTS (Unquoted)</b>			
Units of Rs.10 each in DSP BlackRock FMP - 3M - Series 35 - Dividend Payout	-	-	21,000,000
Units of Rs.10 each in UTI Fixed Income Interval Fund-Quarterly Interval Plan Series I - Institutional Dividend Plan - Payout	1,500,000.000	15,000,000	15,000,000
Units of Rs.10 each in UTI Fixed Income Interval Fund-Series II - Quarterly Interval Plan VI Institutional Dividend Plan - Payout	2,099,160.252	20,997,900	20,997,900
Units of Rs.10 each in UTI Fixed Income Interval Fund - Quarterly Plan Sr.III Dividend Payout	-	-	20,000,000
Units of Rs.1000 each in DSP BlackRock Money Manager Fund - Institutional Plan - Weekly Dividend	21,206.097	21,232,507	-
Units of Rs.1000 each in DSP BlackRock Money Manager Fund - Regular Plan - Weekly Dividend	569.226	570,007	-
Units of Rs.10 each in IDFC Fixed Maturity Quarterly Series 69 Dividend	-	-	10,000,000

ALFRED HERBERT (INDIA) LTD.

	Nos.	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Units of Rs.10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan)	1,025,440.821	10,365,181	-
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	2,076,518.232	20,809,814	-
Units of Rs.10 each in IDFC Fixed Maturity Quarterly Series 72 Dividend	-	-	4,000,000
Units of Rs.10 each in ICICI Prudential Interval Fund Quarterly Interval Plan 1 - Institutional Dividend	2,020,000.000	20,200,000	20,200,000
Units of Rs.1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	3,854.670	4,164,635	-
Units of Rs.10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	1,367,720.056	20,004,000	-
Units of Rs.10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend - Option : Reinvest	143,459.621	1,438,017	1,352,034
		<u>134,782,061</u>	<u>112,549,934</u>
<b>2.11 CASH AND BANK BALANCES</b>			
<b>A. Cash and Cash equivalents</b>			
<i>Balances with Banks :</i>			
(i) On Current Accounts		1,019,479	4,509,656
(ii) On Unpaid Dividend Accounts		432,990	394,056
Cash in hand		11,474	9,816
<b>TOTAL (A)</b>		<u>1,463,943</u>	<u>4,913,528</u>
<b>B. Other Balances with Banks:</b>			
<i>In Fixed Deposits with maturity period within 12 months from the reporting date</i>		115,000	115,000
<b>TOTAL (B)</b>		<u>115,000</u>	<u>115,000</u>
<b>TOTAL (A+B)</b>		<u>1,578,943</u>	<u>5,028,528</u>
<b>2.12 SHORT-TERM LOANS AND ADVANCES</b>			
<i>Unsecured- Considered good</i>			
<i>Advance recoverable in cash or in kind or for value to be received (including Advance Income Tax)</i>		11,901,120	8,012,698
		<u>11,901,120</u>	<u>8,012,698</u>
<b>2.13 OTHER CURRENT ASSETS</b>			
<i>Unsecured- Considered good</i>			
<i>Interest Accrued</i>		369,629	370,394
<i>Prepaid Expenses</i>		42,792	53,036
<i>Balances with Commercial Tax Dept.</i>		26,754	20,001
		<u>439,175</u>	<u>443,431</u>
		<b>For the year ended 31st March, 2013 Rs.</b>	<b>For the year ended 31st March, 2012 Rs.</b>
<b>2.14 REVENUE FROM OPERATIONS</b>			
<i>Sale of products (Refer Note No. 12)</i>		129,149	197,279
<i>Sales of services</i>		8,754,393	6,136,659
<i>Commission</i>		671,650	-
<i>Dividend from shares (Long Term)</i>		2,344,737	2,286,684
<i>Dividend from Mutual Funds (Short Term)</i>		7,581,927	7,937,625
<i>Profit on Sale of Investments (Short Term)</i>		95,400	186
<i>Profit on sale of Investments (Long Term)</i>		4,000	-
<i>Other operating revenues :</i>			
<i>Interest Income :</i>			
<i>Interest on Bonds</i>		1,952,250	1,952,250
<i>Interest on Fixed Deposit</i>		10,453	15,476
<i>Others</i>		3,077	66,260
		<u>21,547,036</u>	<u>18,592,419</u>



	For the year ended 31st March, 2013 Rs.	For the year ended 31st March, 2012 Rs.
<b>2.15 OTHER INCOME</b>		
Scrap Sales	-	281,515
	-	281,515
<b>2.16 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	1,631,740	1,487,270
Contribution to Provident and other Funds	215,295	145,518
Staff Welfare Expenses	30,045	36,956
	1,877,080	1,669,744
<b>2.17 OTHER EXPENSES</b>		
Electricity	612,628	560,011
Rent	1,152,876	1,066,126
Repairs to Building	1,234,888	1,534,777
Repairs - others	162,146	236,012
Insurance	21,088	22,179
Rates and Taxes	869,123	820,646
Flat Maintenance	180,305	344,945
Postage and telephone	208,275	234,527
Provision for Diminution in value of Shares	3,600	-
Legal & Secretarial Expenses	657,952	565,589
Consultancy charges	620,800	821,250
Traveling and conveyance	502,108	126,209
Miscellaneous expenses (i)	754,413	674,838
	6,980,202	7,007,109
(i) Includes		
Auditors' Remuneration :		
Statutory Audit Fees	35,000	35,000
Tax Audit Fees	12,000	12,000
Other services	55,000	15,000

3. Building Plan Sanction Fees Rs.7,135,678/- (2012 – Rs.7,135,678/-) paid for construction of building has been carried forward as Capital-Work-in-Progress to be allocated/adjusted on completion of construction.
4. Depreciation for the year as per Fixed Assets Schedule (Note 2.7) includes Rs.181,400/- (2012 – Rs.185,008/-) being depreciation on the increased value of Building due to the effect of revaluation and accordingly the same has been adjusted from Capital Revaluation Reserve.
5. Interest on loans except to the extent there is uncertainty as to the realisation has been accounted for on accrual basis.
6. Gratuity Plan

The company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity Fund Scheme is administered and controlled by a trust. The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's Liabilities, including those related to death-in-service and incapacity benefits.

The following table set out the status of the Gratuity Plan as required under AS 15 (Revised) :

Total expense recognised in the Statement of Profit & Loss

(Amount in Rs.)

	Components of employer expense	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
A	Current Service Cost	39,245	38,186
B	Interest Cost	69,212	60,170
C	Expected return on plan assets	(68,174)	(55,701)
D	Past Service Cost	-	-
E	Actuarial Losses/(Gains)	39,823	(18,504)
F	Total expenses recognised in the Statement of Profit & Loss	80,106	24,151

7. There are no reported micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act 2006, to whom Company owes dues.
8. The Company operates mainly in one business segment and thereby the segment reporting as required by AS-17 is not applicable.
9. In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS-22) the company has accounted for deferred taxes during the year.

The following are the major components of deferred tax assets / (liabilities) :

(Amount in Rs.)

	As on 31.03.2013	As on 31.03.2012
Deferred Tax Liability On Account of Depreciation	(3,169,395)	(2,976,166)
Deferred Tax Assets Provision for Leave encashment	31,383	29,338
Net Deferred Tax Liability	(3,138,012)	(2,946,828)

10. Related party disclosure as identified by the management in accordance with the Accounting Standard 18 are as follows :-

**Related Parties**

Name	Relationship
Alfred Herbert Limited	Subsidiary Company
Herbert Holdings Limited	Subsidiary Company
Jain Industrial & Commercial Services Pvt. Ltd.	Associate Company

Disclosure of transactions with Related Parties and outstanding balances as on 31st March 2013.

(Amount in Rs.)

	Subsidiary Companies		Associate Company Jain Industrial
	Alfred Herbert Ltd.	Herbert Holdings Ltd.	
Advance Taken	853,765 (7,090,226)	Nil (Nil)	Nil (Nil)
Advance Given	853,765 (7,089,546)	Nil (Nil)	Nil (Nil)
Advance Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)
Security Deposit Received	Nil (Nil)	Nil (Nil)	Nil (720,000)
Lease Rent	Nil (Nil)	Nil (Nil)	1,440,000 (360,000)

Note : Figures in bracket represent previous year's figure.

**11. EARNINGS PER SHARE (EPS)**

	2012-2013	2011-2012
i. Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders (Rs.)	23,700,942	9,094,329
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	30.72	11.79
iv. Face Value per Equity Share (Rs.)	10	10

**12. Particulars in respect of Sales**

DESCRIPTION	2012-2013		2011-2012	
	Qty. (Unit)	Value Rs.	Qty. (Unit)	Value Rs.
Spares		129,149		197,279





13. Expenditure in Foreign Currency

	2012-2013 Rs.	2011-2012 Rs.
Foreign Travel	211,800	Nil

14. Previous year's figures have been regrouped / rearranged / reclassified wherever necessary, to make it comparable with current year figures.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Companies	ALFRED HERBERT LTD.	HERBERT HOLDINGS LTD.
1. Financial Year of the Subsidiary Companies ended on	31.03.2013	31.03.2013
2. Equity Shares of the Subsidiary Companies held by Alfred Herbert (India) Ltd. and its nominees on the above date :		
(a) Number and Face Value	900,007 Equity Shares of Rs. 10 each fully paid-up	220,000 Equity Shares of Rs. 10 each fully paid-up
(b) Extent of holding	100%	100%
3. Net aggregate amount of Profit/(Loss) of the Subsidiary Companies so far as they concern the members of Alfred Herbert (India) Limited :		
(a) not dealt with in the Accounts of Alfred Herbert (India) Ltd. for the year ended 31st March, 2013 :	Rs.	Rs.
(i) for the financial year of the Subsidiary	(16,786,132)	599,711
(ii) for the previous financial year of the Subsidiary	(3,992,797)	602,595
(b) dealt with in the Accounts of Alfred Herbert (India) Ltd. for the year ended 31st March, 2012 :		
(i) for the financial year of the Subsidiary	Nil	Nil
(ii) for the previous financial year of the Subsidiary	Nil	Nil

For and on behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors

Kolkata, 24th May, 2013

## **INDEPENDENT AUDITORS' REPORT**

### **On Consolidated Financial Statements**

To

*The Board of Directors of  
Alfred Herbert (India) Limited*

*We have audited the accompanying consolidated financial statements of Alfred Herbert (India) Limited ('the Company') and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.*

#### **Management's Responsibility for the Consolidated Financial Statements**

*Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and the presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.*

#### **Auditors' Responsibility**

*Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 consolidated financial statements are free from material misstatement.*

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

#### **Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:*

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;*
- b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and*
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.*

*Place : Kolkata  
Date : 24th May 2013*

*For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
(Membership No. 056359)*

**Consolidated Balance Sheet as at 31st March, 2013**

	Note Number	As at 31st March, 2013 (Rs.)	As at 31st March, 2012 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2.1	7,714,290	7,714,290
(b) Reserves and Surplus	2.2	309,304,854	303,252,851
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net) (Refer Note No. 8)	2.3	2,770,934	3,147,722
(b) Other Long term liabilities	2.4	2,531,606	2,519,412
(c) Long-term Provisions	2.5	684,858	699,195
<b>(3) Current liabilities</b>			
(a) Trade payables		20,128,264	35,230,508
(b) Other current liabilities	2.6	18,050,791	25,271,724
(c) Short-term provisions	2.7	38,301,221	37,336,477
	<b>TOTAL</b>	<b><u>399,486,818</u></b>	<b><u>415,172,179</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.8	40,769,699	43,077,798
(ii) Capital work-in-progress (Refer Note No. 4)		7,135,678	7,135,678
(b) Non-current Investments	2.9	91,878,498	91,882,098
(c) Long-term loans and advances	2.10	3,141,444	3,155,944
<b>(2) Current assets</b>			
(a) Current Investments	2.11	144,231,129	121,549,934
(b) Inventories	2.12	49,277,977	50,978,853
(c) Trade receivables	2.13	15,965,094	26,988,663
(d) Cash and Bank Balances	2.14	4,320,605	24,750,215
(e) Short-term loans and advances	2.15	35,517,570	33,661,675
(f) Other current assets	2.16	7,249,124	11,991,321
	<b>TOTAL</b>	<b><u>399,486,818</u></b>	<b><u>415,172,179</u></b>

Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay  
Partner  
Membership No. 056359  
Kolkata, 24th May, 2013

For and on behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors

**Consolidated Statement of Profit and Loss**  
For the year ended 31st March, 2013

PARTICULARS	Note Number	For the year ended 31st March, 2013 (Rs.)	For the year ended 31st March, 2012 (Rs.)
I Revenue from operations	2.17	135,519,622	174,302,539
Less : Excise Duty		<u>11,241,688</u>	<u>14,497,581</u>
Net Revenue from Operations		124,277,934	159,804,958
II Other Income	2.18	<u>789,472</u>	<u>1,809,340</u>
III Total Revenue (I + II)		<u>125,067,406</u>	<u>161,614,298</u>
IV Expenses :			
Cost of materials consumed		74,447,781	91,760,489
Excise Duty Expenses		670,884	448,261
Purchase of Stock-in-Trade		67,196	103,969
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	<u>(7,769,949)</u>	<u>(4,998,911)</u>
Employee benefits expenses	2.20	31,767,165	34,619,507
Finance costs	2.21	322,427	678,447
Depreciation and amortization expenses	2.8	2,114,110	2,310,740
Less: Transferred from Revaluation Reserve		<u>(181,400)</u>	<u>(185,008)</u>
Other expenses	2.22	<u>27,989,372</u>	<u>30,983,723</u>
Total Expenses		<u>129,427,586</u>	<u>155,721,217</u>
V Profit before exceptional and extraordinary items and tax (III - IV)		<u>(4,360,180)</u>	<u>5,893,081</u>
VI Exceptional items :			
Provision no longer required written back	20,000,000		
Less : Irrecoverable amount written off	<u>(10,200,000)</u>	9,800,000	-
Profit on sale of materials of dismantling building		<u>2,265,885</u>	-
VII Profit before tax (V - VI)		7,705,705	5,893,081
VIII Tax expenses			
(1) Current tax		1,000	30,000
(2) Income Tax relating to earlier years (net)		-	75,061
(3) Excess provision for Income Tax relating to earlier years Written back		-	(12,680)
(4) Deferred tax		<u>(376,788)</u>	<u>(159,026)</u>
IX Profit after tax		<u>8,081,493</u>	<u>5,959,726</u>
X Earning per equity Share :			
Basic & Diluted (Rs.)	12	10.48	7.73
Number of shares used in computing earning per share		771,429	771,429

Notes referred to above form an integral part of the Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our report of even date.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay  
Partner  
Membership No. 056359  
Kolkata, 24th May, 2013

For and on behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors

## CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31st March,	
	2013 (Rs.)	2012 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	7,705,705	5,893,081
Adjustment for :		
Depreciation	1,932,710	2,125,732
Interest	322,427	678,447
Loss on Sale of Investment	-	5
Profit on Sale of Fixed Assets	-	-
Profit on Sale of Investments	(99,400)	(191)
Interest Accrued on Deposits	182,838	(82,005)
<b>Operating Profit before Working Capital Changes</b>	<b>10,044,280</b>	<b>8,615,069</b>
Adjustments for :		
Inventories	1,700,876	(11,421,759)
Trade Receivables	11,023,569	8,774,987
Other Current Assets	12,559,359	7,848,083
Loans & Advances	18,864,468	(2,730,920)
Provision no longer required written back	(20,000,000)	-
Liabilities & Provisions	(21,400,510)	15,814,817
<b>Cash (Utilised in)/Generated from Operating Activities</b>	<b>12,792,042</b>	<b>26,900,277</b>
Interest Paid	(322,427)	(678,447)
Direct Tax (Net)	(705,863)	(2,844,810)
<b>Net Cash (Utilised in)/ Generated from Operating Activities</b>	<b>11,763,752</b>	<b>23,377,020</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(95,060)	(47,200)
Sale / Discard of Fixed Assets	234,115	-
Capital work-in-progress	-	(7,135,678)
Proceeds from Sale/Redemption of Investments	82,903,000	151,221,265
Purchase of Investments	(105,481,195)	(152,498,210)
<b>Net Cash (utilised in)/Generated from Investment Activities</b>	<b>(22,439,140)</b>	<b>(8,459,823)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(1,503,924)	(1,507,579)
Corporate Dividend Tax	(250,298)	-
Proceeds/(Repayment) of Borrowings	-	(3,099,419)
<b>Net Cash (utilised in)/ generated from Financing Activities</b>	<b>(1,754,222)</b>	<b>(4,606,998)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalent</b>	<b>(12,429,610)</b>	<b>10,310,199</b>
<b>Cash and Cash equivalents (Opening Balance)</b>	<b>16,635,215</b>	<b>6,325,016</b>
<b>Cash and Cash equivalents (Closing Balance)</b>	<b>4,205,605</b>	<b>16,635,215</b>
<i>(Refer Note No. 2.15)</i>	<u><b>(12,429,610)</b></u>	<u><b>10,310,199</b></u>

Note : The Cash Flow Statement has been prepared in Indirect Method.  
This is the Cash Flow Statement referred to in our report of even date.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay  
Partner  
Membership No. 056359  
Kolkata, 24th May, 2013

For and on behalf of the Board  
H. V. Lodha  
R. C. Tapuriah  
Directors

## Consolidated Notes to the Balance Sheet and Statement of Profit & Loss

### 1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### BASIS OF CONSOLIDATION

The consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprises the financial statements of Alfred Herbert (India) Limited (The Holding Company) and its subsidiaries. The financial statements of all the companies are in line with generally accepted accounting principles in India. All Intra Group transactions have been eliminated on consolidation.

#### COMPANIES INCLUDED IN CONSOLIDATION :

	Country of Incorporation	Proportion of ownership
Alfred Herbert Limited	India	100%
Herbert Holdings Limited	India	100%

#### Basis of Accounting

The accounts have been prepared under the historical cost convention in accordance with the provisions of the Companies Act, 1956 and mandatory accounting standards notified by the Companies (Accounting Standards) Rules 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

#### Use of Estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred and the amounts can be reasonably estimated. Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.

#### Fixed Assets

Fixed Assets other than those, which have been revalued, are stated at cost. Expenses relating to acquisition and installation of Fixed Assets are capitalised till the assets are put to use. Capital-work-in-progress includes expenses relating to construction of Building.

#### Impairment

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

#### Depreciation

- (i) Depreciation on original cost of fixed assets acquired/installed upto 15th December, 1993 has been provided on straight line method at the rates prevailing at the time of acquisition /installation and on assets acquired after the aforesaid date at the rates specified in schedule XIV to the Companies Act, 1956. In case of Alfred Herbert Ltd., depreciation on original cost of fixed assets has been provided on straightline method at the higher of the rates specified in Schedule XIV to Companies Act, 1956 and the rates derived on the basis of the expected useful life of the assets.
- (ii) Depreciation on incremental value of fixed assets due to revaluation is provided on straight-line basis with respect to technically evaluated, remaining useful life of the assets.

#### Investments

Long Term Investments are stated at cost less provision for diminution in value other than temporary, if any. Current investments are valued at cost or realisable value whichever is lower.

#### Inventories

Inventories are valued at lower of cost or net realisable value. Cost of the inventories is generally ascertained on weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. Cost for the purpose of valuation of work-in-progress and stock-in-trade includes materials, labour and appropriate portion of production overheads. Cost of finished goods includes excise duty. In case of traded goods, Cost of inventories is generally determined on 'First in First out' basis.

### Foreign Currency Transaction

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at exchange rates prevailing at the year end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized in the profit and loss account.

### Income

Sales are recognised on passing of the property in goods as per the terms of sales. These include Excise Duty, Income from Job Work and are net of rebates, discount and other non-recoverables. All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis. Claims, commission and service charges to the extent considered realisable have been accounted for on ascertainment of amounts thereof. Interest income is recognized on time proportion method.

### Employee Benefits

Employee benefits viz. Provident, Superannuation and Pension Funds are accounted for on accrual basis. The year-end liability in respect of Gratuity is determined on the basis of actuarial valuation. Liability for Leave Encashment is accounted for on accrual basis based on management's estimate in the Holding Company and on the basis of actuarial valuation in Alfred Herbert Limited. Contribution to Provident, Superannuation, Pension and Gratuity Funds are made to the appropriate authorities.

### Warranty Expenses

Warranty costs are accrued in the year of sale, based on past experience.

### Income Tax

Provision for tax is made for both current and deferred tax. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference which are capable of reversal in subsequent periods are recognised using tax rates and tax laws which have been enacted or substantively enacted. Deferred Tax Assets are recognised and carried forward only to the extent there is virtual certainty that assets will be realised in future.

### Provisions, Contingencies and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

## 2. Notes forming part of Consolidated Balance Sheet

### 2.1 SHARE CAPITAL

#### Authorised

100 - 8% Redeemable Preference Shares of Rs.100 each  
100 - Redeemable Preference Shares of Rs.100 each  
5,000,000 - Equity shares of Rs.10 each

#### Issued, subscribed and paid-up

771,429 - Equity shares of Rs.10 each fully paid-up  
(2012 - 771,429)

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
	10,000	10,000
	10,000	10,000
	<u>50,000,000</u>	<u>50,000,000</u>
	<u>50,020,000</u>	<u>50,020,000</u>
	<u>7,714,290</u>	<u>7,714,290</u>
	<u>7,714,290</u>	<u>7,714,290</u>

2.1.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by Equity Shareholders.

### 2.1.2 EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% EQUITY SHARES

Name of Shareholders	No. of Shares held on 31.3.2013		No. of Shares held on 31.3.2012	
		% holding		% holding
City Holdings Limited	252,561	32.74	252,561	32.74
Meenakshi Industries Limited	150,449	19.50	150,449	19.50

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.2 RESERVES AND SURPLUS</b>		
Capital Revaluation Reserve - opening balance	5,453,464	5,638,472
Less : Transferred to Depreciation	<u>181,400</u>	<u>185,008</u>
	5,272,064	5,453,464
Less : Adjustment upon dismantling of building	<u>54,934</u>	<u>-</u>
	5,217,130	5,453,464
Capital Reserve	59,937	59,937
Capital Redemption Reserve	1,400	1,400
General Reserve - opening balance	210,988,775	210,288,775
Add : Transferred from surplus	<u>1,800,000</u>	<u>700,000</u>
	212,788,775	210,988,775
Special Reserve ( Under Section 45 IC of Reserve Bank of India Act.) - opening balance	30,209,150	28,267,050
Add : Transferred from surplus	<u>4,863,000</u>	<u>1,942,100</u>
	35,072,150	30,209,150
Surplus in Profit & Loss Account - opening balance	56,540,125	55,015,655
Add : Profit after tax transferred from statement of Profit & Loss	<u>8,081,493</u>	<u>5,959,726</u>
Surplus available for appropriation	<u>64,621,618</u>	<u>60,975,381</u>
<b>APPROPRIATIONS</b>		
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	250,298	250,298
General Reserve	1,800,000	700,000
Special Reserve	<u>4,863,000</u>	<u>1,942,100</u>
Surplus - closing balance	<u>56,165,462</u>	<u>56,540,125</u>
<b>TOTAL</b>	<u>309,304,854</u>	<u>303,252,851</u>
<b>2.3 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	3,619,289	3,717,642
Deferred Tax Assets	<u>(848,355)</u>	<u>(569,920)</u>
	<u>2,770,934</u>	<u>3,147,722</u>
<b>2.4 OTHER LONG-TERM LIABILITIES</b>		
Security deposit	2,405,174	2,405,174
Others	<u>126,432</u>	<u>114,238</u>
	<u>2,531,606</u>	<u>2,519,412</u>
<b>2.5 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	<u>684,858</u>	<u>699,195</u>
	<u>684,858</u>	<u>699,195</u>
<b>2.6 OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	17,370,853	19,587,248
Others (Excise Duty, TDS, Payroll Deductions, unpaid Dividend Accounts etc.)	679,938	5,684,476
	<u>18,050,791</u>	<u>25,271,724</u>
<b>2.7 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	1,730,987	1,038,064
Other Provisions (Taxation, Dividend, Commission, Warranty etc.)	<u>36,570,234</u>	<u>36,298,413</u>
	<u>38,301,221</u>	<u>37,336,477</u>



## 2.8 FIXED ASSETS

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	Original Cost/ Revaluation as on 31.03.2012	Additions during the year	Sales/ Adjust- ments	Original Cost/ Revaluation as on 31.03.2013	Upto 31.03.2012	For the year	Sales/ Adjust- ments	Upto 31.03.2013	Value as on 31.03.2013	Value as on 31.03.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	3,674,588	—	—	3,674,588	—	—	—	—	3,674,588	3,674,588
Building										
Freehold	50,207,562	—	1,176,326	49,031,236	15,072,382	877,852	887,277	15,062,957	33,968,279	35,135,180
Leasehold	342,945	—	—	342,945	244,140	3,768	—	247,908	95,037	98,805
Plant & Machinery	15,868,018	65,310	31,250	15,902,078	13,162,966	884,799	49,450	14,034,715	1,867,363	2,705,052
Furniture, Fixtures & Equipments	2,997,767	1,350	2,260,590	738,527	1,960,408	27,995	1,540,378	448,025	290,502	1,037,359
Vehicles	1,526,940	—	—	1,526,940	1,100,126	145,059	—	1,245,185	281,755	426,814
Office Equipment	—	2,250,319	—	2,250,319	—	174,637	1,483,507	1,658,144	592,175	—
<b>Total</b>	<b>74,617,820</b>	<b>2,316,979</b>	<b>3,468,166</b>	<b>73,466,633</b>	<b>31,540,022</b>	<b>2,114,110</b>	<b>3,960,612</b>	<b>32,696,934</b>	<b>40,769,699</b>	<b>43,077,798</b>
Previous year	74,619,196	47,200	48,576	74,617,820	29,277,858	2,310,740	48,576	31,540,022	43,077,798	—

## 2.9 NON-CURRENT INVESTMENTS

	No. of Share	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<i>Long Term, (Non-Trade), Quoted</i>			
<i>Equity Shares of Rs. 10 each except where otherwise Stated (fully paid)</i>			
Graphite India Limited (Face value Rs.2 per share)	350,000	19,866,484	19,866,484
Aditya Birla Nuvo Limited	105	14,648	14,648
Mangalore Refinery and Petrochemicals Ltd.	400	4,000	4,000
HDFC Bank Limited (Face value Rs.2 per share)	2,500	5,000	5,000
Hindalco Industries Ltd. (Face Value Re.1 per share)	75,750	7,272,000	7,272,000
Reliance Industries Ltd.	67,000	19,351,842	19,351,842
IDFC	50,000	3,511,762	3,511,762
ITC Limited (Face value Re.1 per share)	60,000	3,578,171	3,578,171
Reliance Capital Ltd.	1,175	184,413	184,413
Reliance Power Ltd.	5,875	99,300	99,300
Reliance Communications Ltd. (Face value Rs.5 per share)	23,500	5,489,863	5,489,863
Reliance Infrastructure Ltd	1,762	1,035,555	1,035,555
Sterlite Industries (India)Ltd. (Face value Re.1 per share)	10,020	188,310	188,310
<i>Bonds</i>			
6.85% IIFCL Tax Free Bond 2014	285	28,628,250	28,628,250
		<b>89,229,598</b>	<b>89,229,598</b>
<i>Unquoted Shares</i>			
<i>Equity Shares of Rs. 10 each except where otherwise Stated (fully paid)</i>			
Woodlands Multispeciality Hospital Limited	1,780	8,900	8,900
Lodha Capital Markets Limited	264,000	2,640,000	2,640,000
Kirloskar Computer Services Limited	100,000	10,000	
Less : Provision for diminution in value of shares of Kirloskar Computer Services Ltd.	100,000	—	3,600
		<b>2,648,900</b>	<b>2,652,500</b>
<b>TOTAL</b>		<b>91,878,498</b>	<b>91,882,098</b>
a) Quoted Investments		89,229,598	89,229,598
b) Unquoted Investments		2,648,900	2,652,500
		<b>91,878,498</b>	<b>91,882,098</b>
Aggregate Market Value of Quoted Investments		146,022,538	144,984,295

		As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.10 LONG-TERM LOANS &amp; ADVANCES</b>			
<i>(Secured-considered doubtful)</i>			
Deposit with Bodies Corporate (secured by pledge of shares)	-		20,000,000
Less : Provision for non-performing loans and advances (Unsecured-considered good)	-	-	(20,000,000)
Capital Advances		899,055	899,055
Security Deposits		2,242,389	2,256,889
		<u>3,141,444</u>	<u>3,155,944</u>
<b>2.11 CURRENT INVESTMENTS (Unquoted)</b>			
	<b>No. of Units</b>		
Units of Rs. 10 each in DSP BlackRock FMP - 3M - Series 35 - Dividend Payout	-	-	21,000,000
Units of Rs. 10 each in UTI Fixed Income Interval Fund-Quarterly Interval Plan Series I - Institutional Dividend Plan - Payout	2,100,000.000	21,000,000	21,000,000
Units of Rs. 10 each in UTI Fixed Income Interval Fund-Series II - Quarterly Interval Plan VI Institutional Dividend Plan - Payout	2,139,148.256	21,397,900	21,397,900
Units of Rs. 10 each in UTI Fixed Income Interval Plan - Quarterly Plan Sr.III Dividend Payout	-	-	22,200,000
Units of Rs. 1000 each in DSP BlackRock Money Manager Fund - Institutional Plan - Weekly Dividend	21,206.097	21,232,507	-
Units of Rs. 1000 each in DSP BlackRock Money Manager Fund - Regular Plan - Weekly Dividend	569.226	570,007	-
Units of Rs. 10 each in IDFC Fixed Maturity Quarterly Series 69 Dividend	-	-	10,400,000
Units of Rs. 10 each in IDFC Fixed Maturity Quarterly Series 72 Dividend	-	-	4,000,000
Units of Rs. 10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan)	1,066,503.130	10,779,804	-
Units of Rs. 10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	2,076,518.232	20,809,814	-
Units of Rs. 10 each in ICICI Prudential Interval Fund Quarterly Interval Plan 1 - Institutional Dividend	2,020,000.000	20,200,000	20,200,000
Units of Rs. 1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	6,287.690	6,799,080	-
Units of Rs. 10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	1,367,720.056	20,004,000	-
Units of Rs. 10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend	143,459.621	1,438,017	1,352,034
		<u>144,231,129</u>	<u>121,549,934</u>
<b>2.12 INVENTORIES</b>			
Raw Materials		18,058,760	27,509,639
Work-in-Progress		24,479,368	18,629,942
Material Returnable to Vendors-Rejected materials		-	-
Finished Goods		5,894,156	3,973,633
Loose Tools		845,693	865,639
		<u>49,277,977</u>	<u>50,978,853</u>
<b>2.13 TRADE RECEIVABLES</b>			
<i>(Unsecured - Considered Good)</i>			
Debts outstanding for a period exceeding six months		5,738,541	5,827,039
Other debts		10,226,553	21,161,624
		<u>15,965,094</u>	<u>26,988,663</u>

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.14 CASH AND BANK BALANCES</b>		
<b>A. Cash and Cash equivalents</b>		
<i>Balances with Banks :</i>		
(i) On Current Accounts	3,189,130	14,830,032
(ii) On Unpaid Dividend Accounts	432,990	394,056
(iii) On Margin Deposit- towards Bank Guarantee	313,000	1,125,000
Cash in hand	<u>270,485</u>	<u>286,127</u>
	<u>4,205,605</u>	<u>16,635,215</u>
<b>B. Other Balances with Banks:</b>		
<i>In Fixed Deposits with maturity period within 12 months from the reporting date</i>	115,000	8,115,000
<b>TOTAL (B)</b>	<u>115,000</u>	<u>8,115,000</u>
<b>TOTAL (A+B)</b>	<u>4,320,605</u>	<u>24,750,215</u>
<b>2.15 SHORT-TERM LOANS AND ADVANCES</b> (Unsecured-considered good)		
Advance recoverable in cash or in kind or for value to be received (including Advance Income Tax)	35,517,570	33,661,675
	<u>35,517,570</u>	<u>33,661,675</u>
<b>2.16 OTHER CURRENT ASSETS</b> (Unsecured - considered good)		
Interest Accrued	395,907	579,510
Prepaid Expenses	42,792	53,036
Balances with Excise/Commercial Tax Dept.	6,810,425	11,358,775
	<u>7,249,124</u>	<u>11,991,321</u>
	<b>For the year ended 31st March, 2013 Rs.</b>	<b>For the year ended 31st March, 2012 Rs.</b>
<b>2.17 REVENUE FROM OPERATIONS</b>		
<i>Sale of products :</i>		
i) Domestic Sales	104,969,530	144,117,882
ii) Exports	6,382,889	6,447,863
<i>Sale of services</i>	9,446,456	7,015,446
Commission	671,650	-
<i>Other operating revenues</i>	1,409,341	3,821,167
<i>Interest Income :-</i>		
Interest on Bonds	1,952,250	1,952,250
Interest on Fixed Deposit	10,453	15,476
<i>Others</i>	3,077	66,260
<i>Dividend from shares (Long Term)</i>	2,363,159	2,304,049
<i>Dividend from Mutual Fund (Short Term)</i>	8,206,647	8,561,960
<i>Profit on Sale of Investment (net) (Short Term)</i>	100,170	186
<i>Profit on Sale of Investment (net) (Long Term)</i>	4,000	-
	<u>135,519,622</u>	<u>174,302,539</u>
<b>2.18 OTHER INCOME</b>		
Scrap Sales	-	281,515
Interest Income (on Fixed Deposit & others)	373,307	1,364,970
Liability no longer required written back	399,775	146,545
Miscellaneous Income	16,390	16,310
	<u>789,472</u>	<u>1,809,340</u>
<b>2.19 CHANGES IN INVENTORY OF FINISHED GOODS &amp; WORK IN PROGRESS</b>		
<b>a) Changes in Inventory of Finished Goods</b>		
Opening Stock	3,973,633	8,976,852
Less : Closing Stock	<u>5,894,156</u>	<u>3,973,633</u>
	(1,920,523)	5,003,219
<b>b) Changes in Inventory of Work in Progress</b>		
Opening Stock	18,629,942	8,627,812
Less : Closing Stock	<u>24,479,368</u>	<u>18,629,942</u>
	(5,849,426)	(10,002,130)
	<u>(7,769,949)</u>	<u>(4,998,911)</u>

	For the year ended 31st March, 2013 Rs.	For the year ended 31st March, 2012 Rs.
<b>2.20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	25,455,989	28,357,713
Contribution to Provident and other Funds	3,167,758	2,667,859
Staff Welfare Expenses	3,143,418	3,593,935
	<u>31,767,165</u>	<u>34,619,507</u>
<b>2.21 FINANCE COSTS</b>		
Interest on Overdraft	271,615	522,571
Interest on late payment of ED/VAT	50,812	150,866
Other interest charges	-	5,010
	<u>322,427</u>	<u>678,447</u>
<b>2.22 OTHER EXPENSES</b>		
Power and Fuel	2,293,717	2,374,199
Consumable Stores	3,725,699	3,191,399
Repairs to Building	1,415,536	2,028,765
Repairs to Plant & Machinery	1,952,021	2,134,382
Repairs - Others	1,095,588	789,169
Rent	1,152,876	1,066,126
Rates and Taxes	1,005,367	1,102,995
Insurance	120,443	114,529
Electricity	612,628	560,011
Flat Maintenance	180,305	344,945
Postage and telephone	707,338	714,861
Provision for Diminution in value of Shares	3,600	-
Legal & Secretarial Expenses	839,105	606,795
Loss/Net Gain on Foreign Currency Transactions	(111,493)	(11,030)
Commission	-	1,816,000
Bad Debts	717,399	2,092,294
Consultancy Charges	5,860,944	5,694,850
Security Service	1,395,919	924,700
Traveling and conveyance	1,866,650	1,624,273
Miscellaneous expenses (I)	3,155,730	3,814,460
	<u>27,989,372</u>	<u>30,983,723</u>
(i) Includes		
Auditors' Remuneration		
Statutory Audit Fees	117,000	107,000
Tax Audit Fees	24,500	24,500
Other services	76,236	37,648

	2012 - 2013	(Amount in Rs.) 2011 - 2012
<b>3. Contingent liabilities not provided for in respect of :</b>		
i) Claims towards wages/compensation by Employees which are pending in appeal.	-	-
ii) Bank Guarantees for advance issued in favour of customers	1,252,000	4,500,000
iii) Penalty imposed by Zonal Joint Director General of Foreign Trade, Kolkata for non fulfillment of export obligation has been stayed by the Hon'ble High Court, Kolkata on a writ petition filed by the Company	4,826,000	4,826,000
iv) Central Excise demands not accepted by the Company	301,000	374,000
v) Penalties in respect of Excise / Service Tax	713,000	646,000
vi) Penalty u/s 72 of KVAT Act for delay in filing VAT 100 for the month of January 07, against which the Interim order was passed by the Hon'ble High Court of Karnataka on 13.04.07 staying the order of Penalty until further consideration of the writ petition.	58,000	58,000

4. *Building Plan Sanction Fees Rs.7,135,678/- (2012 – Rs.7,135,678/-) paid for construction of building has been carried forward as Capital-Work-in-Progress to be allocated/adjusted on completion of construction.*
5. *Interest on loans except to the extent there is uncertainty as to the realisation has been accounted for on accrual basis.*
6. *Gratuity Plan*  
*The company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity Fund Scheme is administered and controlled by a trust. The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's Liabilities, including those related to death-in-service and incapacity benefits.*

*The following table set out the status of the Gratuity Plan as required under AS 15 (Revised).*

*Total expense recognised in the Statement of Profit & Loss*

*(Amount in Rs.)*

	<i>Components of employer expense</i>	<i>For the Year Ended 31.03.2013</i>	<i>For the Year Ended 31.03.2012</i>
<i>A</i>	<i>Current Service Cost</i>	<i>646,106</i>	<i>702,064</i>
<i>B</i>	<i>Interest Cost</i>	<i>1,116,209</i>	<i>1,152,740</i>
<i>C</i>	<i>Expected return on plan assets</i>	<i>(1,094,465)</i>	<i>(1,014,528)</i>
<i>D</i>	<i>Past Service Cost</i>	<i>-</i>	<i>-</i>
<i>E</i>	<i>Actuarial Losses/(Gains)</i>	<i>567,836</i>	<i>(334,582)</i>
<i>F</i>	<i>Total expenses recognised in the Statement of Profit &amp; Loss</i>	<i>1,235,686</i>	<i>505,694</i>

#### *7. Leave Encashment Scheme*

*The table below shows a summary of the key results for the year ended 31st March, 2013 :*

*Assets / Liabilities*

*(Amount in Rs.)*

<i>A</i>	<i>Present Value of obligation</i>	<i>586,895</i>
<i>B</i>	<i>Fair Value of Plan Assets</i>	<i>-</i>
<i>C</i>	<i>Net Asset/(Liability) recognized in Balance Sheet</i>	<i>(586,895)</i>

*Employer Expense*

*(Amount in Rs.)*

<i>A</i>	<i>Current Service Cost</i>	<i>54,888</i>
<i>B</i>	<i>Interest Cost</i>	<i>42,811</i>
<i>C</i>	<i>Actuarial Losses/(Gains)</i>	<i>100,700</i>
<i>D</i>	<i>Total Employer Expense</i>	<i>198,399</i>

*The financial assumptions employed for the calculations are as follows :*

	<i>As on 31.03.2013</i>
<i>Discount rate per annum compound</i>	<i>8.00% p.a.</i>
<i>Rate of increase in Salaries</i>	<i>8.00% p.a.</i>
<i>Expected average remaining working lives of employees (years)</i>	<i>10.74</i>

*Scheme is not funded through any trust fund and therefore no assumption regarding expected rate of return on assets is applicable.*

*Demographic Assumptions :*

1. *Mortality : We have assumed that active members of the Scheme will experience in service mortality in accordance with the standard table Indian Assured Lives Mortality (2006-08) ultimate.*
2. *The following withdrawal rates have been assumed :*

	<i>Age</i>	<i>Rate</i>
<i>Withdrawal Rate</i>	<i>Upto 40 years</i>	<i>4.2%</i>
	<i>40 years and above</i>	<i>Nil</i>
<i>Early retirement and disability</i>	<i>40 – 54 years</i>	<i>1.8%</i>
	<i>55 – 59 years</i>	<i>2.2%</i>

8. The following are the major components of Deferred Tax Assets/(Liabilities)

(Amount in Rs.)

	As on 31.03.2013	As on 31.03.2012
<b>Deferred Tax Liability</b> <i>On Account of Depreciation</i>	(3,650,672)	(3,746,980)
<b>Deferred Tax Assets</b> <i>Expenses allowable on payment basis u/s 43B</i>	847,293	566,813
<i>Provision for Warranty</i>	32,445	32,445
<b>TOTAL</b>	879,738	599,258
<b>Net Deferred Tax Liability</b>	(2,770,934)	(3,147,722)

9. Related Party disclosure as identified by the management in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("ICAI") are as follows:-

Related Parties

Name	Relationship
Alfred Herbert Limited	Subsidiary Company
Herbert Holdings Limited	Subsidiary Company
Jain Industrial & Commercial Services Pvt. Ltd.	Associate Company

10. Segment Reporting

The Company's operation predominantly relate to Manufacturing and Trading of Industrial Machineries & Spares (Manufacturing Operations), Income from Commission & Trading of Spares (Marketing Operations) and Income from Realty, Business Services etc.

Accordingly Manufacturing Operations, Sales & Marketing Operations, Realty and Business Services comprise the primary basis of segment. Others include Profit on Sale of Long Term Investments and income thereagainst. The only geographical Segment is India.

(Amount in Rs.)

Primary Segment	Year ended 31.03.2013				Year ended 31.03.2012			
	Manufac- turing Operations	Realty & Business Services	Others	Total	Manufac- turing Operations	Realty & Business Services	Others	Total
<b>A. REVENUE</b>								
External Sales/Income	102,872,458	21,547,036	647,912	125,067,406	142,098,664	18,873,934	641,700	161,614,298
Inter Segment Sales/Income	-	-	-	-	-	-	-	-
Total-	102,872,458	21,547,036	647,912	125,067,406	142,098,664	18,873,934	641,700	161,614,298
Segment Result (Profit(+) Loss(-) before Tax & Interest)	(16,463,705)	23,892,126	599,711	8,028,132	(3,314,350)	9,283,283	602,595	6,571,528
Less: Un-allocable expenditure								
i) Interest				322,427				678,447
ii) Other un-allocable expenditure (Net of un-allocable income)				-				-
Total Profit before Tax				7,705,705				5,893,081
Less: Taxes								
Current Tax				1,000				92,381
Deferred Tax				(376,788)				(159,026)
Net Income / (Loss) after Tax				8,081,493				5,959,726
<b>OTHER INFORMATION</b>								
Segment Assets	77,622,137	293,185,777	13,261,444	384,069,358	116,077,201	271,785,053	12,661,486	400,523,740
Un-Allocable Assets				31,417,530				30,648,509
Total				415,486,888				431,172,249
Segment Liabilities & Provisions	46,762,649	3,728,197	13,483	50,504,329	68,367,461	5,278,864	13,236	73,659,561
Un-Allocable Liabilities & Provisions				27,399,255				27,398,255
Total				77,903,584				101,057,816
Depreciation	1,136,393	796,317	-	1,932,710	1,315,903	809,829	-	2,125,732
Capital Expenditure including CWIP	-	7,135,678	-	7,135,678	-	7,135,678	-	7,135,678

11. Disclosure as required in terms of the Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are as follows:

Nature of Item	Provision for Warranty (Amount in Rs.)	
	2012-13	2011-12
Opening Provision	100,000	50,000
Provided during the year	222,542	742,934
Amount utilized	222,542	692,934
Closing provision	100,000	100,000

The above warranty cost represents the expected cost of free replacement and services in respect of sale of machineries, in terms of stipulation for sale on the basis of the past experience. It is expected that all will be incurred in next twelve months period.

12. EARNINGS PER SHARE (EPS)

	2012-2013	2011-2012
i. Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders (Rs.)	8,081,493	5,959,726
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	10.48	7.73
iv. Face Value per Equity Share (Rs.)	10	10

13. Previous year's figures have been regrouped/rearranged/reclassified wherever necessary, to make it comparable with current year figures.

## ALFRED HERBERT LIMITED

### NOTICE OF MEETING

NOTICE is hereby given that the Twenty-fifth Annual General Meeting of the Members of Alfred Herbert Limited will be held at the Registered Office of the Company 13/3, Strand Road, Kolkata -700 001 on Monday 15th July 2013 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A. K. Basu, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint Auditors and to fix their remuneration.

Registered Office :  
13/3 Strand Road  
Kolkata - 700 001  
23rd May, 2013

On behalf of the Board  
S. S. Jain  
Director

#### NOTE:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. The proxy, in order to be effective, shall be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

### DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Twenty-fifth Annual Report of the Company together with Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS	Year Ended	
	31.03.2013 Rs.	31.03.2012 Rs.
Gross Income	102,872,458	142,098,664
Profit/ (Loss) before Tax	(16,786,132)	(39,92,797)
Provision for Tax (including deferred tax)	(567,972)	(2,42,919)
Profit/(Loss) after Tax	(16,218,160)	(37,49,878)
Surplus from earlier years brought forward	38,424,417	421,74,295
	<u>22,206,257</u>	<u>38,424,417</u>

#### DIVIDEND

Your Directors do not recommend any dividend for the year.

#### OPERATIONS

Your company's order book was not healthy during the year 2012-13 and major orders worth Rs.4.40 crore were booked during November and December 2012. Hence, the order execution was difficult to achieve before 31.03.2013. The market was challenging reflecting the slow down in the Indian economy. Customers also deferred taking contractual deliveries. on time which led to poorer operational results.

Your Company has taken several measures to reduce costs including outsourcing. As there is limited demand for Bias tyre products, and there exists an opportunity to update technology for the supply of machines in the radial segment, your company has been exploring the possibility of acquiring technology from overseas. Your company has taken proactive steps to optimize manufacturing costs in all spheres of activities by eliminating wastages

#### DEVELOPMENT

In the areas of mixers, your company has successfully developed designs for 100 Ltr capacity K4 Intermix with Hydraulic ram facility to increase the market share.

#### DIRECTORS

Mr. A K Basu, retires by rotation under the Articles of Association of the Company and being eligible, offers himself for reappointment.

#### PERSONNEL

The industrial relations remain cordial and peaceful during this year. The Directors wish to place on review the appreciation for the continued efforts and support rendered by employees at all levels.

#### COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956

A Certificate issued by M/s. AJ Associates, Company Secretaries, in terms of the provisions of Section 383 A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the said Act is attached to this Report.

#### PARTICULARS OF EMPLOYEES

There was no employee of the Company whose particulars were required to be included in the category under Section 217 (2A) of the Companies Act, 1956, during the year.



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology, Absorption, Research & Development and Foreign Exchange Earnings and outgo is given in the enclosed statement forming part of this Report.

**AUDITORS**

M/s Ray & Ray, Chartered Accountants, will retire at the Annual General Meeting and they have given their consent to be re-appointed for the current year.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- 1) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the support received from their esteemed Customers for their continued patronage, co-operation and confidence reposed in the Company's products.

For and on behalf of the Board

S. S. Jain  
A. K. Basu  
Directors

Kolkata

Date: 23rd May 2013

**ANNEXURE TO THE DIRECTORS' REPORT**

Particulars as required under Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2013.

**A. CONSERVATION OF ENERGY**

- i) Eliminated High Power Intensive Machines from our system
- ii) Reduced working in night shifts
- iii) Maintained the power factor close to 0.9.

**B. TECHNOLOGY ABSORPTION**

Research & Development (R & D)

- i) a) Expanding the range of Tyre Curing Presses  
b) Expanding the range in Tyre Building Machines to LCV & OTR Segments  
c) Development of special features for Intermixes to meet customer needs
- ii) Benefits derived as a result of R & D
  - a) To enter into a new market and overseas markets
  - b) To retain market share
  - c) Cost reduction
  - d) To improve market stability
  - e) To improve customer satisfaction
- iii) Future Plan
  - a) Enlarge the range for the manufacture and supply of Tyre Curing Presses, Tyre building Machines and Intermixes.
  - b) To cater to the market needs preferably in Radial Segment.
- iv) Expenditure in R & D NIL

C. FOREIGN EXCHANGE USED : Rs. 26,85,757/-

D. FOREIGN EXCHANGE EARNED (EXPORTS) : Rs. 67,14,952/-

On behalf of the Board

S. S. Jain  
A. K. Basu  
Directors

Kolkata

Date : 23rd May, 2013

## **INDEPENDENT AUDITOR'S REPORT**

*To the Members of Alfred Herbert Limited*

*Report on the Financial Statements*

*We have audited the accompanying financial statements of Alfred Herbert Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.*

*Management's Responsibility for the Financial Statements*

*Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.*

*Auditor's Responsibility*

*Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.*

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

*Opinion*

*In our opinion and to the best of our information and according to the explanations given to us, the 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:*

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*
- (b) in the case of the statement of Profit and Loss, of the profit/ loss for the year ended on that date; and*
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

*Report on Other Legal and Regulatory Requirements*

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.*
- 2. As required by section 227(3) of the Act, we report that:*
  - i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;*
  - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;*
  - iii. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;*
  - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;*
  - v. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;*
  - vi. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.*

*For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E*

*Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 226553*

*Place : Bangalore  
Date : 23rd May, 2013*

## **ANNEXURE TO THE AUDITORS' REPORT**

*The Annexure referred to in our report to the members of Alfred Herbert Limited for the year ended march 31, 2013.*

*We report that:*

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.*
- b) According to the information and explanation given to us, most of the fixed assets have been physically verified by the Management during the year in a phased program and no material discrepancies were noted on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.*
- c) The Company has not disposed off a substantial part of its fixed assets during the year, which affect the going concern status of the Company.*
- ii) a) As explained to us, all the inventory of the Company has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its business.*
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.*
- c) On the basis of examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification of stocks were not material.*
- iii. According to the information and explanation given to us, the Company has neither granted nor taken any loans to and from the companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of Clause 4 (iii) (b) to (g) of the Order are not applicable to the Company.*
- iv. In our opinion and according to the information and explanations given to us, there are reasonable internal control procedures commensurate with the size and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.*
- v. According to the information and explanations given by the Management, there were no transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956. Accordingly Clause 4 (V) (b) of the Order is not applicable.*
- vi. The Company has not accepted any deposits under section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under.*
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.*
- viii. According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of the cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the products of the Company.*
- ix. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Investor Education and Protection Fund, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess, Custom Duty and other statutory dues applicable to it.*
- (b) On the basis of the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and Custom Duty outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.*
- (c) According to the records of the Company and according to the information and explanations given to us by the Management, details of disputed statutory dues which have not been deposited are as follows :-*

<i>Name of Statute</i>	<i>Nature of Dues</i>	<i>Amount (Rs Lakhs)</i>	<i>Forum where pending</i>
<i>Foreign Trade (Development and Regulation) Act, 1992</i>	<i>Penalty for non-fulfilment of Export obligation</i>	<i>48.26</i>	<i>High Court, Kolkata</i>
<i>Central Excise/ Service Tax Laws Penalty</i>	<i>Demand for Duty / Reversal of Cenvat Credit</i>	<i>1.15</i>	<i>Asst. Commissioner, Central Excise.</i>
	<i>Penalty on account of un-successful developmental jobs</i>	<i>1.86</i>	<i>Central Excise Tribunal [CESTAT].</i>
		<i>0.15</i>	<i>Asst. Commissioner, Central Excise.</i>
		<i>3.97</i>	<i>Central Excise Tribunal [CESTAT].</i>
<i>Karnataka Value Added Tax Act/Rules</i>	<i>Demand for penalty for delay in furnishing return VAT 100</i>	<i>0.58</i>	<i>High Court of Karnataka</i>

- x. *As per the records of the Company, the Company has no accumulated losses at the end of the financial year and has incurred cash loss of Rs. 15649.74 thousands during the financial year and there was a cash loss of 2751.95 thousands incurred during the immediately preceding financial year.*
- xi. *Based on our examination of documents and records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues of financial institutions, banks or debenture holders.*
- xii. *Based on our examination of documents and records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of Security by way of the pledge of shares, debentures and other securities.*
- xiii. *The Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of the Clause 4 (xiii) of the Order are not applicable to the Company.*
- xiv. *The Company is not dealing or trading in shares, securities, debentures and other investments.*
- xv. *According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.*
- xvi. *The Company did not have any term loan outstanding during the year.*
- xvii. *According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, the funds raised on short-term basis have not been utilized for long-term purposes.*
- xviii. *The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.*
- xix. *According to the information and explanations given to us and the records examined by us no debentures have been issued during the year. Accordingly, Provisions of Clause 4 (xix) of the Order are not applicable to the Company.*
- xx. *Based on the records examined by us, the Company has not raised monies by public issue during the year.*
- xxi. *During the course of our examination of books of account carried out in accordance with Generally Accepted Practices in India, we have neither come across any incidence of fraud on or by the Company, nor have we been informed of any such case by the Management.*

*For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E*

*Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 226553*

*Place : Bangalore  
Date : 23rd May, 2013*

CIN NO: U32109WB1987PLC043261

**COMPLIANCE CERTIFICATE**

To,  
The Members  
Messrs. ALFRED HERBERT LIMITED  
KOLKATA

*We have examined the registers, records, books and papers of Messrs. Alfred Herbert Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:*

1. *The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.*
2. *The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.*
3. *The company being a public limited company, the comments are not required.*
4. *The Board of Directors duly met Five times respectively on 23rd April, 2012; 23rd May, 2012; 20th September, 2012; 14th December, 2012 and 19th March, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.*
5. *The company has not closed its Register of Members during the financial year.*
6. *The annual general meeting for the financial year ended on 31st March 2012 was held on 16th July, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.*
7. *No Extra Ordinary general meeting was held during the financial year*
8. *The company has not advanced any loan to its directors or persons or firms or companies referred to under section 295 of the Act during the financial year.*
9. *The Company has not entered into any contracts falling within the purview of section 297 of the Act in respect of contract specified in that section*
10. *The company has made necessary entries in the register maintained under Section 301 of the Act with regard to the general disclosure made by the Directors.*
11. *As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.*
12. *The company has not issued any duplicate Share certificates during the financial year.*
13. *The company has:*
  - a. *no allotment/transfer/transmission of securities during the financial year.*
  - b. *not deposited any amount in separate Bank Account as no dividend was declared during the financial year.*
  - c. *not required to post warrants to any member of the company as no dividend was declared during the financial year.*
  - d. *no amount to be transferred in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education & Protection Fund.*
  - e. *duly complied with the requirements of section 217 of the Act to the extent applicable to the company.*
14. *The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.*
15. *The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.*
16. *The company has not appointed any sole selling agents during the financial year.*
17. *The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.*
18. *The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.*

19. *The company has not issued any shares, debentures or other securities during the financial year.*
20. *The company has not bought back any shares during the financial year.*
21. *There was no redemption of preference shares or debentures during the financial year.*
22. *There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.*
23. *The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.*
24. *The Company has not made any borrowings during the financial year ended 31st March, 2013.*
25. *The company has not made any Loans or Investments or given guarantees or provided securities to other bodies corporate as provided in Sec 372A of the Act and consequently no entry have been made in the register kept for that purpose.*
26. *The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.*
27. *The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.*
28. *The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.*
29. *The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.*
30. *The company has not altered its articles of association during the financial year.*
31. *As informed by the management, there was no prosecution initiated against or show cause notice received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.*
32. *The company has not received any money as security from its employees during the financial year.*
33. *The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.*

*For A J & ASSOCIATES  
Company Secretaries  
CS Abhijeet Jain  
Proprietor  
CP No. 3426*

*Place: Kolkata  
Date: 21.05.2013*

#### **Annexure A**

##### **Registers as maintained by the Company**

1. *Register of Members*
2. *Register of Directors*
3. *Register of Directors Shareholding*
4. *Register of Application and Allotment*
5. *Register of Contract u/s 301 for disclosure u/s 299*
6. *Register of Transfer*
7. *Shareholders Minutes Book*
8. *Directors Minutes Book*
9. *Index of Members*
10. *Register of Loans and Investments.*
11. *Register of Charge.*

#### **Annexure B**

##### **Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2013.**

1. *Annual Return (Schedule V) in Form 20B made upto 16.07.2012 filed on 29.08.2012.*
2. *Balance Sheet (Schedule VI) & Profit & Loss A/c in Form 23AC & 23ACA (XBRL) as at 31.03.2012 filed on 14.12.2012.*
3. *Compliance Certificate in Form 66 for the year-ended 31.03.2012 filed on 23.07.2012.*

**ALFRED HERBERT LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2013**

<i>Particulars</i>	<i>Note No.</i>	<i>As at 31st March, 2013 (Rs.)</i>	<i>As at 31st March, 2012 (Rs.)</i>
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
(a) Share Capital	2.1	9,000,070	9,000,070
(b) Reserves and Surplus	2.2	25,495,732	41,713,892
<b>2) Share application money pending allotment</b>			
<b>3) Non-current Liabilities</b>			
(a) Deferred tax liabilities (Net) (Refer Note No. 1.6)	2.3	-	200,894
(b) Long-term provisions	2.4	583,296	580,099
<b>4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables (Refer Note No. 1.3)		20,128,264	35,230,508
(c) Other current liabilities	2.5	17,617,801	24,877,668
(d) Short-term provisions	2.6	28,003,999	27,249,897
		<u>100,829,162</u>	<u>138,853,028</u>
<b>II ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Fixed assets :			
i) Tangible assets	2.7	2,505,984	3,595,777
(b) Deferred Tax Assets (Net)	2.3	367,078	-
(c) Long-term loans and advances	2.8	666,654	681,654
<b>2) Current Assets</b>			
(a) Inventories	2.9	49,277,977	50,978,853
(b) Trade Receivables	2.10	15,304,771	26,988,663
(c) Cash and Bank Balances	2.11	2,280,299	19,411,214
(d) Short-term loans and advances	2.12	23,616,450	25,648,977
(e) Other current assets	2.13	6,809,949	11,547,890
		<u>100,829,162</u>	<u>138,853,028</u>

**Significant Accounting Policies and Notes  
on Accounts**

1& 2

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 051472  
Bangalore, 23rd May, 2013

For and on behalf of the Board  
S. S. Jain  
A. K. Basu  
Directors

R. Subramanian  
Executive Director/Manager

**ALFRED HERBERT LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31st March, 2013**

Particulars	Note No.	For the year ended 31st March, 2013 (Rs.)	For the year ended 31st March, 2012 (Rs.)
I Revenue from Operations	2.14	113,324,674	155,068,420
Less: Excise Duty	2.14	11,241,688	14,497,581
Net Revenue from Operations (I)	2.14	<u>102,082,986</u>	<u>140,570,839</u>
II Other Income	2.15	789,472	1,527,825
III Total Revenue (I+II)		<u>102,872,458</u>	<u>142,098,664</u>
IV Expenses			
Cost of materials consumed	2.16	74,447,781	91,760,489
Excise Duty Expenses		670,884	448,261
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	2.17	(7,769,949)	(4,998,911)
Employees Benefit Expenses (Refer Note No. 1.4 and 1.5)	2.18	29,890,085	32,949,763
Finance Costs	2.19	322,427	678,447
Depreciation and Amortisation Expense	2.7	1,136,393	1,315,903
Other Expenses	2.20	20,960,969	23,937,509
Total Expenses		<u>119,658,590</u>	<u>146,091,461</u>
V Profit/ (Loss) Before Exceptional and Extraordinary items and Tax (III - IV)		(16,786,132)	(3,992,797)
VI Exceptional Items		-	-
VII Profit Before Tax (V-VI)		(16,786,132)	(3,992,797)
VIII Tax expense			
1) Current tax			
(a) For the year		-	-
(b) For Earlier years (Net)		-	75,061
2) Deferred Tax		(567,972)	(317,980)
IX Profit/(Loss) for the period		<u>(16,218,160)</u>	<u>(3,749,878)</u>
X Earnings per Equity Share			
1) Basic (Face value of Rs.10 each per share)	1.10	(18.02)	(4.17)
2) Diluted (Face value of Rs.10 each per share)	1.10	(18.02)	(4.17)

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 051472  
Bangalore, 23rd May, 2013

For and on behalf of the Board  
S. S. Jain  
A. K. Basu  
Directors

R. Subramanian  
Executive Director/Manager



**ALFRED HERBERT LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

Amount in Rs.

	2012-13	2011-12
<b>A) Cash Flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax	(16,786,132)	(3,992,797)
Adjustment for		
Depreciation	1,136,393	1,315,903
Interest paid	322,427	678,447
Profit on Sale of Fixed Assets	-	-
Interest Accrued on Deposits	182,838	(82,005)
Adjustment for Non-current Assets & Liabilities		
Long Term Provisions	3,197	(92,527)
Long Term Loan & Advances	15,000	(1,350)
	<u>1,659,855</u>	<u>1,818,468</u>
Operating Profit before Working Capital Changes	(15,126,277)	(2,174,329)
Adjustment for		
Inventories	1,700,876	(11,421,759)
Trade Receivables	11,683,892	8,774,987
Short Term Loans & Advances	2,033,677	(2,017,497)
Other Current Assets	12,555,103	5,634,454
Trade Payables	(15,102,243)	6,651,783
Other Current Liabilities	(7,259,867)	17,281,659
Short-term Provisions	754,101	(8,542,717)
	<u>6,365,539</u>	<u>16,360,910</u>
Cash Generated from Operating Activities	(8,760,738)	14,186,581
Interest paid	(322,427)	(678,447)
Direct Tax (Net)	(1,150)	(2,212,534)
Net Cash from/used in Operating Activities	(9,084,315)	11,295,600
<b>B) Cash Flow from Investing Activities</b>		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(46,600)	(40,050)
Net Cash from/used in Investing Activities	(46,600)	(40,050)
<b>C) Cash Flow from Financing Activities</b>		
Dividend Paid	-	-
Corporate Dividend Tax paid	-	-
Proceeds/(Repayment) of borrowings	-	(3,099,419)
Net Cash used in Financing Activities	-	(3,099,419)
Net Increase/(Decrease) in cash or cash equivalent	(9,130,915)	8,156,131
Cash and Cash equivalents (Opening Balance)	11,411,214	3,255,083
Cash and Cash equivalents (Closing Balance)	2,280,299	11,411,214
(Refer Note No. 2.11)	<u>(9,130,915)</u>	<u>8,156,131</u>

As per our attached report of even date

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 051472  
Bangalore, 23rd May, 2013

For and on behalf of the Board  
S. S. Jain  
A. K. Basu  
Directors

R. Subramanian  
Executive Director/Manager

## **ALFRED HERBERT LIMITED**

### **1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

#### **1.1 SIGNIFICANT ACCOUNTING POLICIES:**

##### *Basis of Accounting*

*The accounts have been prepared under the historical cost convention in accordance with the provisions of the Companies Act 1956 and mandatory accounting standards issued by the Institute of Chartered Accountants of India. The accounting policies unless specifically stated to be otherwise are consistent and are in consonance with Generally Accepted Accounting Principles.*

##### *Use of Estimates*

*The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of asset and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year.*

*Contingencies are recorded when it is probable that a liability will be incurred and the amounts can be reasonably estimated. Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.*

##### *Fixed Assets*

*Fixed Assets are stated at cost. Expenses relating to acquisition and installation of Fixed Assets are capitalised till the assets are put to use.*

##### *Depreciation*

*Depreciation on original cost of fixed assets has been provided on straight-line method at the higher of the rates specified in Schedule XIV to Companies Act, 1956 and the rates derived on the basis of the expected useful life of the assets.*

##### *Impairment*

*Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.*

##### *Inventories*

*Inventories are valued at lower of cost and net realisable value. Cost of the inventories is generally ascertained on weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost.*

*Cost for the purpose of valuation of work in progress and stock in trade includes materials, labour and appropriate portion of production overheads. Cost of finished goods includes excise duty.*

##### *Income*

*Sales are recognized on passing of the property in goods as per the terms of sales. These include excise duty, income from job work and are net of rebates, discount and other non-recoverables. All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.*

##### *Transaction in Foreign Currency*

*Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at exchange rates prevailing at the year-end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized as income or expenses and are adjusted to the profit and loss account under respective accounts, except in the cases where such fixed assets acquired from a country outside India, in which case, these are adjusted to the cost of respective fixed assets.*

##### *Retirement Benefits*

*Retirement benefits to employees viz. Provident, Superannuation and Pension Funds are accounted for on accrual basis. The year-end liability in respect of gratuity and leave encashment are determined on the basis of actuarial valuation. Contribution to Provident, Superannuation, Pension and Gratuity Funds are made to the appropriate authorities*

### Voluntary Retirement Compensation

The payments under the Voluntary Retirement Scheme are charged to Profit and Loss Account in three equal annual installments.

### Warranty Expenses

Warranty costs are accrued in the year of sale, based on past experience.

### Taxation

Provision for tax is made for deferred tax. Deferred tax assets and liabilities arising on account of timing difference, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized and carried forward only to the extent there is virtual certainty that assets will be realized in future.

### Provisions, Contingencies and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

## NOTES ON ACCOUNTS:

### 1.2 Contingent liabilities not provided in accounts in respect of:

	(Amount in Rs)	
	<u>Current Year</u>	<u>Previous Year</u>
i) Claims towards wages/compensation by Employees which are pending in appeal.	-	-
ii) Bank Guarantees for Advance issued in favour of customers.	12,52,000	45,00,000
iii) Penalty imposed by Zonal Joint Director General of Foreign Trade, Kolkata for non fulfillment of export obligation has been stayed by the Hon'ble High Court, Kolkata on a writ petition filed by the Company.	48,26,000	48,26,000
iv) Central Excise demands not accepted by the Company	3,01,000	3,74,000
v) Penalties in respect of Excise/Service Tax	7,13,000	6,46,000
vi) Penalty u/s 72 of KVAT Act for delay in filing VAT 100 for the month of January 07, against which the Interim Order was passed by the Hon'ble High Court of Karnataka on 13.04.07 staying the Order of Penalty until further consideration of the writ petition.	58,000	58,000

1.3 Sundry creditors include Rs 7,22,236/- due to Micro/Small Scale/Medium enterprises, to the extent such parties have been identified from available information. The names of such industrial undertakings to whom the Company owed dues during the year but cleared the dues subsequently are Gurunanak Industries and Ring Forgings Pvt Ltd.

### 1.4 Gratuity Plan:

The following table sets out the status of the Gratuity Plan as required under AS 15 (Revised).

Reconciliation of Defined Benefit Obligation and Fair Value of Assets over the year ended 31st March, 2013.

Total expense recognised in the Statement of Profit & Loss:

(Amount in Rs)

Sl No.	Components of employer expense	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
i)	Current Service Cost	6,06,861	6,63,878
ii)	Interest Cost	10,46,997	10,92,570
iii)	Expected return on plan assets	(10,26,291)	(9,58,827)
iv)	Past Service Cost	-	-
v)	Actuarial Losses/(Gains)	5,28,013	(3,16,078)
vi)	Total expenses recognised in the Statement of Profit & Loss Account	11,55,580	4,81,543

1.5 Leave Encashment Scheme:

i) The table below shows a summary of the key results for the year ended 31st March, 2013.

Assets / Liabilities:

(Amount in Rs)

		As on 31.03.2013	As on 31.03.2012
i)	Present Value of obligation	5,86,895	6,07,098
ii)	Fair Value of Plan Assets	-	-
iii)	Net Asset/(Liability) recognised in the Balance Sheet	(5,86,895)	(6,07,098)

ii) Total expense recognised in the Statement of Profit and Loss:

Sl No.	Components of employer expense	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
i)	Current Service Cost	54,888	64,493
ii)	Interest Cost	42,811	51,214
iii)	Actuarial Losses/(Gains)	1,00,700	(76,853)
iv)	Total expenses recognised in the Statement of Profit & Loss Account	1,98,399	38,854

iii) The financial assumptions employed for the calculations are as follows:

	As on 31.03.2013	As on 31.03.2012
Discount rate per annum compound	8.00% p.a.	8.60% p.a.
Rate of increase in Salaries	8.00% p.a.	8.00% p.a.
Expected average remaining working lives of employees (years)	10.74	5.78

Scheme is not funded through any trust fund and therefore no assumption regarding expected rate of return on assets is applicable.

iv) Demographic Assumptions :

1. Mortality : It is assumed that active members of the Scheme will experience in service mortality in accordance with the standard table Indian Assured Lives Mortality (2006-08) Ultimate.
2. The following withdrawal rates have been assumed :

Particulars	Age	As on 31.03.2013	As on 31.03.2012
Withdrawal Rate	Upto 40 years	4.2/Thousand	4.2%
	40 years and above	Nil	Nil
Early retirement and disability	40 - 54 years	1.8/Thousand	1.8%
	55 - 59 years	2.2/Thousand	2.2%

1.6 The following are the major components of deferred tax Assets/(Liabilities):

(Amount in Rs)

	As on 31.03.2013	As on 31.03.2012
Deferred Tax Liability On Account of Depreciation	(4,81,277)	(7,70,814)
Deferred Tax Assets Expenses allowable on payment basis u/s 43B Provision for Warranty	8,15,910 32,445	5,37,475 32,445
Total	8,48,355	5,69,920
Net Deferred Tax Asset/(Liability)	3,67,078	(2,00,894)

1.7 The company's exclusive business is manufacturing and selling industrial machineries and as such in the opinion of the management this is the only reportable segment as per Accounting Standard 17 on Segment Reporting.

1.8 Related party disclosure as identified by the management in accordance with the Accounting Standard 18 are as given below:

		(Amount in Rs)
(i) Holding Company	Alfred Herbert (India) Ltd	
(ii) Key Managerial Person	R. Subramanian	
Designation	Executive Director/Manager	
Gross Remuneration for the year		18,06,242/-

(iii) Transactions with the related parties:

			(Amount in Rs)
Holding Company	<u>2012-13</u>	<u>2011-12</u>	
1) Advances given	8,53,765	70,90,226	
2) Advances taken	8,53,765	70,89,546	
3) Outstanding Payable/(Receivable)	Nil	Nil	
4) No amounts have been written off or written back during the year.			

1.9 Disclosure as required in terms of the Accounting Standard 29 on Provisions, contingent Liabilities and Contingent Assets are as follows:

(Amount in Rs)

Nature of Item	Provision for Warranty	
	2012-13	2011-12
Opening Provision	1,00,000	50,000
Provided during the year	2,22,542	7,42,934
Amount utilized	2,22,542	6,92,934
Unused written back	-	-
Closing Provision	1,00,000	1,00,000

The above warranty cost represents the expected cost of free replacement and services in respect of sale of machineries, in terms of stipulation for sale on the basis of the past experience. It is expected that all will be incurred in next twelve months period.

1.10 EARNINGS PER SHARE (EPS)

	2012-13	2011-12
i) Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	(1,62,18,160)	(37,49,878)
ii) Number of Equity Shares used as denominator for calculating EPS	900,007	900,007
iii) Basic and Diluted Earnings per Share (Rs)	(18.02)	(4.17)
iv) Face Value per Equity Share (Rs)	10	10

1.11 Previous year's figures have been rearranged/regrouped wherever necessary.

## ALFRED HERBERT LIMITED

### 2 NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.1 SHARE CAPITAL</b>		
<i>Authorised</i>		
909000 Equity Shares of Rs.10 each	9,090,000	9,090,000
100 - 8% Redeemable Preference Shares of Rs.100 each	<u>10,000</u>	<u>10,000</u>
	<u>9,100,000</u>	<u>9,100,000</u>
<i>Issued, Subscribed and Paid up</i>		
900007 equity shares of Rs.10 each fully paid up. (Out of above, 900000 equity shares of Rs.10 each were issued to Alfred Herbert (India) Ltd. for consideration other than cash pursuant to the Scheme of Arrangement.) All equity shares are held by Alfred Herbert (India) Ltd., the Holding Company and its nominees.	9,000,070	9,000,070
	<u>9,000,070</u>	<u>9,000,070</u>
<i>Reconciliation of number of shares outstanding as at 31st March, 2013 and 31st March, 2012 are given below:</i>		
Number of shares at the beginning	900,007	900,007
Additions/(Deletions)	<u>-</u>	<u>-</u>
Number of shares at the end	<u>900,007</u>	<u>900,007</u>

2.1.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.2 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve - Opening Balance	700	700
Add: Transferred from Surplus	<u>-</u>	<u>-</u>
	700	700
General Reserve - Opening Balance	3,288,775	3,288,775
Add: Transferred from Surplus	<u>-</u>	<u>-</u>
	3,288,775	3,288,775
Surplus - Opening Balance	38,424,417	42,174,295
Add: Net Profit/(Loss) After Tax transferred from Statement of Profit & Loss	<u>(16,218,160)</u>	<u>(3,749,878)</u>
Profit available for appropriation	22,206,257	38,424,417
<i>Appropriations</i>		
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Amount Transferred to General Reserve	<u>-</u>	<u>-</u>
Surplus - Closing Balance	<u>22,206,257</u>	<u>38,424,417</u>
<b>Total</b>	<u>25,495,732</u>	<u>41,713,892</u>

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.3 DEFERRED TAX (ASSETS)/LIABILITIES (NET)</b>		
Deferred Tax Liabilities	481,277	770,814
Deferred Tax Assets	<u>(848,355)</u>	<u>(569,920)</u>
	<u>(367,078)</u>	<u>200,894</u>
<b>2.4 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits:		
Provision for Leave Encashment	<u>583,296</u>	<u>580,099</u>
	<u>583,296</u>	<u>580,099</u>
<b>2.5 OTHER CURRENT LIABILITIES</b>		
Other Payables:		
Advances received from Customers	17,370,853	19,587,248
Others (Excise Duty, TDS, Payroll Deductions etc)	246,948	5,290,420
	<u>17,617,801</u>	<u>24,877,668</u>
<b>2.6 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	1,607,487	994,428
Other Provisions (Taxation, Commission, Warranty etc) (Refer Note No. 1.9)	26,396,512	26,255,469
	<u>28,003,999</u>	<u>27,249,897</u>

## 2.7 FIXED ASSETS

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01.04.2012	Additions/ Transfer-in during the year	Deletion/ Transfer out during the year	As at 31.03.2013	Upto 31.03.2012	Additions during the year	Transfer- in (out) during the year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant and Machinery	14,163,661	18,200	-	14,181,861	12,030,750	790,475	18,200	12,839,425	1,342,436	2,132,911
Furniture & Fixtures	2,821,855	-	(2,221,919)	599,936	1,785,803	26,222	(1,501,707)	310,318	289,618	1,036,052
Vehicles	1,526,940	-	-	1,526,940	1,100,126	145,059	-	1,245,185	281,755	426,814
Office Equipment	-	2,250,319	-	2,250,319	-	174,637	1,483,507	1,658,144	592,175	-
	<u>18,512,456</u>	<u>2,268,519</u>	<u>(2,221,919)</u>	<u>18,559,056</u>	<u>14,916,679</u>	<u>1,136,393</u>	<u>-</u>	<u>16,053,072</u>	<u>2,505,984</u>	<u>3,595,777</u>
Previous year	18,472,406	40,050	-	18,512,456	13,600,776	1,315,903	-	14,916,679	3,595,777	

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.8 LONG-TERM LOANS &amp; ADVANCES</b> (Unsecured-considered good)		
Security Deposits	<u>666,654</u>	<u>681,654</u>
	<u>666,654</u>	<u>681,654</u>
<b>2.9 INVENTORIES</b>		
Raw Material	18,058,760	27,509,639
Work in Progress	24,479,368	18,629,942
Finished Goods	5,894,156	3,973,633
Loose Tools	845,693	865,639
	<u>49,277,977</u>	<u>50,978,853</u>

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>2.10 TRADE RECEIVABLES</b> (Unsecured - Considered Good )		
Debts outstanding for a period exceeding six months	5,738,541	5,827,039
Other debts	<u>9,566,230</u>	<u>21,161,624</u>
	<u>15,304,771</u>	<u>26,988,663</u>
<b>2.11 CASH AND BANK BALANCES</b>		
A. Cash and Cash equivalents		
Balance with Banks :		
On Current Accounts	1,708,288	10,009,903
Margin Deposit - towards Bank Guarantee	313,000	1,125,000
Cash on hand	<u>259,011</u>	<u>276,311</u>
Total (A)	<u>2,280,299</u>	<u>11,411,214</u>
B. Other Balances with Banks:		
In Fixed Deposits with maturity period within 12 months from the reporting date	-	8,000,000
Total (B)	<u>-</u>	<u>8,000,000</u>
Total (A+B)	<u>2,280,299</u>	<u>19,411,214</u>
<b>2.12 SHORT TERM LOANS AND ADVANCES</b> (Unsecured - considered good)		
Advance recoverable in cash or in kind or for value to be received	23,616,450	25,648,977
	<u>23,616,450</u>	<u>25,648,977</u>
<b>2.13 OTHER CURRENT ASSETS</b> (Unsecured - considered good)		
Balance with Excise/Commercial Tax Dept etc	6,783,671	11,338,774
Interest Accrued on Fixed Deposits	<u>26,278</u>	<u>209,116</u>
	<u>6,809,949</u>	<u>11,547,890</u>
<b>NOTES FORMING PART OF STATEMENT OF PROFIT &amp; LOSS</b>	<b>For the year ended 31st March, 2013 Rs.</b>	<b>For the year ended 31st March, 2012 Rs.</b>
<b>2.14 REVENUE FROM OPERATIONS</b>		
a) Sale of Products		
i) Domestic Sales	104,840,381	143,920,603
ii) Exports (Refer Note No. 2.21(vi))	6,382,889	6,447,863
b) Sale of Services	692,063	878,787
c) Other Operating Revenue	<u>1,409,341</u>	<u>3,821,167</u>
	<u>113,324,674</u>	<u>155,068,420</u>
Less: Excise Duty	<u>11,241,688</u>	<u>14,497,581</u>
Total Revenue	<u>102,082,986</u>	<u>140,570,839</u>
<b>2.15 OTHER INCOME</b>		
a) Interest Income Gross	373,307	1,364,970
b) Misc Income	16,390	16,310
c) Liability no longer required written back	<u>399,775</u>	<u>146,545</u>
	<u>789,472</u>	<u>1,527,825</u>
<b>2.16 Raw materials Consumed</b> (Refer Note No. 2.21 (i))	74,447,781	91,760,489



	For the year ended 31st March, 2013 Rs.	For the year ended 31st March, 2012 Rs.
<b>2.17 Changes in Inventory of Finished Goods &amp; Work in Progress</b>		
<b>a) Changes in Inventory of Finished Goods</b>		
Opening Stock	3,973,633	8,976,852
Less: Closing Stock	5,894,156	3,973,633
	<u>(1,920,523)</u>	<u>5,003,219</u>
<b>b) Changes in Inventory of Work in Progress</b>		
Opening Stock	18,629,942	8,627,812
Less: Closing Stock	24,479,368	18,629,942
(Refer Note No. 2.21 (ii))	<u>(5,849,426)</u>	<u>(10,002,130)</u>
	<u>(7,769,949)</u>	<u>(4,998,911)</u>
<b>2.18 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	23,824,249	26,870,443
Contribution to PF, Pension and other funds	2,952,463	2,522,341
Medical and Welfare Expenses	3,113,373	3,556,979
	<u>29,890,085</u>	<u>32,949,763</u>
<b>2.19 FINANCE COSTS</b>		
Interest on Overdraft	271,615	522,571
Interest on late payment of ED/VAT	50,812	150,866
Other Interest charges	-	5,010
	<u>322,427</u>	<u>678,447</u>
<b>2.20 OTHER EXPENSES</b>		
Consumable Stores	3,725,699	3,191,399
Power and Fuel	2,293,717	2,374,199
Repairs to Buildings	180,648	493,988
Repairs to Plant and Machinery	1,952,021	2,134,382
Repairs: Others	933,442	553,157
Insurance	99,355	92,350
Rates and Taxes	124,394	280,499
Postage, Telephone & Courier	499,063	480,334
Travelling Expenses	1,364,542	1,498,064
(Refer Note No. 2.21 (iv))		
Commission	-	1,816,000
Consultancy Charges	5,236,144	4,872,600
Net Gain on Foreign Currency Transactions	(111,493)	(11,030)
Bad Debts	717,399	2,092,294
Security Services	1,395,919	924,700
Miscellaneous Expenses (i)	2,550,119	3,144,573
	<u>20,960,969</u>	<u>23,937,509</u>
(i) Includes		
Auditors' Remuneration :		
a) As Auditor:		
i) Statutory Audit Fees	70,000	60,000
ii) Tax Audit Fees	12,500	12,500
	<u>82,500</u>	<u>72,500</u>
b) Other Services	10,000	5,000
	<u>92,500</u>	<u>77,500</u>

## NOTES ON ACCOUNTS

2.21 Additional Information pursuant to the Clause (ii), (iii) and (viii) of Note 5 of the Revised Schedule VI to the Companies Act, 1956 :

	For the year ended 31st March, 2013 Rs.	For the year ended 31st March, 2012 Rs.
<b>i) Raw materials consumed</b>		
<b>a) Raw Materials consumed in Production:</b>		
MS Plates	2,562,771	7,684,114
Aluminium Pipes & Non-Ferrous Metals Channels, pipes, EN Round bars etc	361,128	1,370,382
	<u>1,698,032</u>	<u>2,486,658</u>
	<u>4,621,931</u>	<u>11,541,154</u>
<b>b) Goods Purchased consumed in Production:</b>		
Semi-Finished	8,913,283	12,403,855
Finished Mechanical	32,665,199	39,746,421
Imported Mechanical	3,138,731	2,036,699
Electrical	14,705,422	16,254,793
Consumables	304,028	421,875
Tools & Spares	202,016	90,072
	<u>59,928,679</u>	<u>70,953,715</u>
<b>c) OSP &amp; Others</b>	<u>9,897,171</u>	<u>9,265,621</u>
<b>Total Raw materials Consumed</b>	<u>74,447,781</u>	<u>91,760,490</u>
<b>ii) Work-in-Progress</b>		
Raw materials	1,628,845	3,840,235
Semi-Finished	3,857,297	3,812,473
Finished Mechanical	9,501,125	3,646,386
Imported Mechanical	1,148,775	261,995
Electrical	2,738,641	2,203,668
Consumables	11,605	7,173
OSP Charges	867,502	1,801,784
Labour Oveheads	4,725,578	3,056,228
	<u>24,479,368</u>	<u>18,629,942</u>
<b>iii) Value of Imports on CIF Basis</b>		
a) Raw materials	-	-
b) Components & Spare parts	2,635,089	2,379,978
c) Capital Goods	-	-
	<u>2,635,089</u>	<u>2,379,978</u>
<b>iv) Expenditure in Foreign Currency</b>		
Other matters: Foreign Travel	50,668	69,135
<b>v) Material Consumption</b>		
<b>Indigenous:</b>		
a) Raw materials	4,621,931	11,541,154
b) Components & Spare parts	56,789,948	68,917,016
	<u>61,411,879</u>	<u>80,458,170</u>
<b>Imported:</b>		
a) Raw materials	-	-
b) Components & Spare parts	3,138,731	2,036,699
	<u>3,138,731</u>	<u>2,036,699</u>
<b>vi) Earnings in Foreign Exchange</b>		
Export of Products	6,382,889	6,447,863
Export of Services	332,063	-
	<u>6,714,952</u>	<u>6,447,863</u>

2.22 Particulars in respect of goods manufactured :

Sl.No.	Description	Registered Licensed Capacity (Unit)	Installed Capacity (Unit)	Actual Production 2012-13 (Unit)	Actual Production 2011-12 (Unit)
i)	Intermixes	12	15	4	7
ii)	Shear Strip Tube Presses	60	75	-	2
iii)	Autoform Tyre Presses/ Tyre Curing Presses	28	14	1	8
iv)	Tyre Building Machine	12	6	10	7
v)	Servicers/Band Apps	12	6	6	8
vi)	Bias Cutters	4	4	-	-
vii)	Machine Tools (Metal Cutting including Grinding Machines)	138	76	-	-
viii)	Plastic Processing	126	-	-	-
				21	32

NOTE :

1. Capacity registered with Director General of Technical Development in respect of Serial (i) to (vi).
2. The installed capacity assumes the maximum in each product and actually does not signify that all the products can be made simultaneously, being technical in nature as certified by the Management.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 051472  
Bangalore, 23rd May, 2013

For and on behalf of the Board  
S. S. Jain  
A. K. Basu  
Directors

R. Subramanian  
Executive Director/Manager

**HERBERT HOLDINGS LIMITED**  
**Annual Report 2012-13**

**NOTICE OF MEETING**

NOTICE is hereby given that the Twenty-fifth Annual General Meeting of the Members of Herbert Holdings Limited will be held at the Registered Office of the Company, 13/3 Strand Road, Kolkata-700 001, on Tuesday, 9th July 2013 at 3 p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A K Basu, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office:  
13/3 Strand Road  
Kolkata-700001  
22nd May 2013

On behalf of the Board

A K Basu  
Director

NOTE: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. The proxy, in order to be effective, shall be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Twenty-fifth Annual Report of the Company together with Audited Accounts for the year ended 31st March 2013.

**FINANCIAL RESULTS**

The Financial Results are as under:

	Year Ended 31.03.2013	Year Ended 31.03.2012
	Rs.	Rs.
Gross Income	647,912	641,700
Profit before Tax	599,711	602,595
Provision for Tax	1,000	-
Excess provision for Tax written back	-	12,680
Profit after Tax	598,711	615,275
Profit brought forward	2,937,400	2,445,225
Amount available for appropriation	3,536,111	3,060,500
Appropriations:		
Special Reserve	120,000	123,100
Balance carried to Balance Sheet	3,416,111	2,937,400
	3,536,111	3,060,500

**DIVIDEND**

Your Directors do not recommend any dividend for the year.

**DIRECTORS**

Mr. A K Basu, Director, retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.

**AUDITORS**

M/s. Ray & Ray, Chartered Accountants, will retire at the Annual General Meeting and they have given their consent to be re-appointed for the current year.

**COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956**

A certificate issued by M/s. A J & Associates, Company Secretaries, in terms of the provisions of Section 383A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the said Act is attached to this Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES**

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The requirement for disclosure of information under Section 217 Sub-section (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable as no manufacturing or trading activities were carried out during the year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not used or earned any foreign exchange during the year.

On behalf of the Board

S. Bhandari  
A. K. Basu  
DIRECTORS

Kolkata  
Date: 22nd May 2013

## REPORT TO THE BOARD OF DIRECTORS

To  
The Board of Directors  
Herbert Holdings Limited  
13/3, Strand Road  
Koftata-700 001

Dear Sirs,

In terms of Notification No. DFC. 117/DG(SPT)-98 dated 2nd January 1998 issued by the Department of Financial Companies, Reserve Bank of India, we are pleased to submit this report on matters as specified in paragraph 3 of the said Notification.

- a) The Company, which was incorporated prior to 9th January 1997, has applied for registration as provided in Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received communication from the Reserve Bank of India vide their certificate No. N.05.06541 dated 4th April 2005.
- b) The Board of Directors of the Company had passed a resolution at its meeting held on 18th December, 2012 for not accepting any public deposit.
- c) The Company has not accepted any public deposit during the year under reference.
- d) The Company has complied with the prudential norms relating to income recognition, assets classification and provisioning for bad and doubtful debts as applicable to it.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
Membership No. 056359

Place : Kolkata  
Date : 22nd May, 2013

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## INDEPENDENT AUDITORS' REPORT

To the Members of

Herbert Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Herbert Holdings Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements 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 financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
  - a. we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- e. on the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
3. According to the information and explanations given to us and on the basis of the test checks carried out by us during the course of the audit of the company, our report on the matters specified under the para 3A and 3C of Non Banking Financial Companies Auditors Report (Reserve Bank) Directions 2008 is as follows :
- i) The Company is engaged in the business of Non Banking Financial Institution.
- ii) The Company which was incorporated prior to 9th January 1997 has applied for registration as provided in section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received registration certificate from the Reserve Bank of India vide their certificate no. N. 05. 06541 dated 4th April 2005.
- iii) The Board of Directors of the Company had passed a resolution at its meeting held on 18th December, 2012 for not accepting any public deposit.
- iv) The asset/income pattern of the Company as on 31.03.2013 is as follows :
- |   |      |
|---|------|
| Rate of Investment Income to Total Income : | 1    |
| Rate of Total Investments to Total Assets : | 0.97 |
- In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2013.
- v) The Company has not accepted any public deposit during the year under reference.
- vi) The Company has complied with the prudential norms relating to income recognition, assets, classification and provisioning for bad and doubtful debts as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
Membership No. 056359

Place : Kolkata

Date : 22nd May, 2013

#### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

- (i) The Company does not have any Fixed Assets and therefore provisions of Clause 4(i)(a), (b) and (c) of the order are not applicable to the Company.
- (ii) The Company does not have any Inventory and therefore provisions of Clause 4(ii)(a), (b) and (c) of the order are not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has neither granted nor taken any loans to and from the companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii)(b) to (g) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are reasonable internal control procedures commensurate with the size and the nature of its business with regard to purchase of investments. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Company has not entered into the contracts or arrangements referred to in the section 301 of the Act that need to be entered into the register required to be maintained under that section. Accordingly, clause 4 (v)(b) of the order are not applicable.
- (vi) The Company has not accepted any deposits from the public during the year under section 58A, 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the internal audit system of the Company is commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed for the maintenance of any cost records under section 209(1)(d) of the Act as the Company is an investment Company. Therefore, the provisions of Clause 4(viii) of the order are not applicable.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) On the basis of the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were outstanding as at 31 March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and according to the information and explanations given to us, there are no dues of Income Tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report and in the immediately preceding financial year.
- (xi) As per records of the Company there are no dues to Financial Institutions or Banks or Debenture holders.

- (xii) Based on our examination of documents and records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of Security by way of the pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of the clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanation given to us and based on the documents and records produced to us, in regard to the dealings or trading in shares, securities, debentures and other investments, reasonable records have been maintained of the transactions and contracts and timely entries have been made therein. The above investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that, no funds raised on short-term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us and the records examined by us no debentures have been issued during the year. Accordingly, provisions of clause 4(xix) of the order are not applicable to the Company.
- (xx) Based on the records examined by us, the Company has not raised any money by public issue during the year. Accordingly, provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the Company.
- (xxi) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the management.

For RAY & RAY  
Chartered Accountants  
Firm's Registration No.: 301072E  
Asish Kumar Mukhopadhyay  
(Partner)  
Membership No. 056359

Place : Kolkata  
Date : 22nd May, 2013

CIN NO: U67120WB1987PLC043328

#### COMPLIANCE CERTIFICATE

To,  
The Members  
Messrs. HERBERT HOLDINGS LIMITED  
Kolkata

We have examined the registers, records, books and papers of Messrs. Herbert Holdings Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company being a public limited company, the comments are not required.
4. The Board of Directors duly met Four times respectively on 22nd May, 2012; 20th September, 2012; 18th December, 2012 and 20th March, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has not closed its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on 31st March 2012 was held on 4th July, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under section 295 of the Act during the financial year.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act with regard to general disclosure made by the Directors.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate certificates during the financial year.
13. The company has:
  - a. No allotment/transfer/transmission of securities during the financial year.
  - b. not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - c. not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - d. duly complied with the requirements of section 217 of the Act to the extent applicable to the company.

14. *The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.*
15. *The company has not appointed any managing director/whole time director/ manager during the financial year.*
16. *The company has not appointed any sole selling agents during the financial year.*
17. *The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.*
18. *The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.*
19. *The company has not issued any shares, debentures or other securities during the financial year.*
20. *The company has not bought back any shares during the financial year.*
21. *There was no redemption of preference shares or debentures during the financial year.*
22. *There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.*
23. *The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.*
24. *The company has not made any borrowings during the financial year ended 31st March, 2013.*
25. *The company being an investment company and registered as NBFC, the provisions of section 372A does not apply.*
26. *The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.*
27. *The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.*
28. *The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.*
29. *The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.*
30. *The company has not altered its articles of association during the financial year.*
31. *As informed by the management, there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.*
32. *The company has not received any money as security from its employees during the financial year.*
33. *The company has not deducted any contribution towards Provident Fund during the financial year.*

*For A J & ASSOCIATES  
Company Secretaries  
CS Abhijeet Jain  
Proprietor  
C.P. No. 3426*

*Place: Kolkata  
Date: 21.05.2013*

#### **Annexure A**

##### **Registers as maintained by the Company**

1. *Register of Members*
2. *Register of Directors*
3. *Register of Directors Shareholding*
4. *Register of Application And Allotment*
5. *Register of Contract u/s 301 for disclosure u/s 299*
6. *Register of Transfer*
7. *Shareholders Minutes Book*
8. *Directors Minutes Book*
9. *Index of Members*
10. *Register of Investments*

#### **Annexure B**

##### **Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2013.**

1. *Annual Return (Schedule V) in Form 20B made upto 04.07.2012 filed on 27.08.2012.*
2. *Balance Sheet (Schedule VI) in Form 23AC/23ACA as at 31.03.2012 filed on 13.10.2012.*
3. *Compliance Certificate in Form 66 for the year-ended 31.03.2012 filed on 23.07.2012.*



**HERBERT HOLDINGS LIMITED****BALANCE SHEET AS AT 31ST MARCH 2013**

	Note Number	As at 31st March, 2013 (Rs.)	As at 31st March, 2012 (Rs.)
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share capital	2.1	2,200,000	2,200,000
(b) Reserve and surplus	2.2	11,046,961	10,448,250
(2) Current liabilities			
Short-term provisions	2.3	14,483	13,236
<b>TOTAL</b>		<u>13,261,444</u>	<u>12,661,486</u>
<b>II ASSETS</b>			
(1) Non-current assets			
Non-current Investments	2.4	3,351,013	3,351,013
(2) Current assets			
(a) Current investments	2.5	9,449,068	9,000,000
(b) Cash and Bank Balances		461,363	310,473
<b>TOTAL</b>		<u>13,261,444</u>	<u>12,661,486</u>

Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For RAY & RAY

Chartered Accountants

Firm's Registration No.301072E

Asish Kumar Mukhopadhyay

Partner

Membership No.056359

Kolkata, 22nd May, 2013

For and on behalf of the Board

S. Bhandari

A. K. Basu

Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note Number	For the year ended 31st March, 2013 (Rs.)	For the year ended 31st March, 2012 (Rs.)
<b>I Revenue from Operations</b>	2.7	<u>647,912</u>	<u>641,700</u>
<b>II Total Revenue</b>		<u>647,912</u>	<u>641,700</u>
<b>III Expenses :</b>			
Other expenses	2.8	<u>48,201</u>	<u>39,105</u>
<b>Total Expenses</b>		<u>48,201</u>	<u>39,105</u>
<b>IV Profit before tax (II - III)</b>		<u>599,711</u>	<u>602,595</u>
<b>V Tax expenses</b>			
(1) Current tax		1,000	-
(2) Excess provision for earlier years written back		-	12,680
<b>VI Profit after tax (IV - V)</b>		<u>598,711</u>	<u>615,275</u>
<b>VII Earning per equity share :</b>			
Basic and Diluted	5	2.72	2.80
(Face Value of Rs.10 each per share)			

Notes referred to above form an integral part of Statement of Profit and Loss.

This is the Statement of Profit & Loss referred to in our report of even date.

For RAY & RAY

Chartered Accountants

Firm's Registration No.301072E

Asish Kumar Mukhopadhyay

Partner

Membership No.056359

Kolkata, 22nd May, 2013

For and on behalf of the Board

S. Bhandari

A. K. Basu

Directors

**HERBERT HOLDINGS LIMITED**  
**CASH FLOW STATEMENT**

	Year ended 31st March	
	2013 Rs.	2012 Rs.
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	599,711	602,595
Operating Profit before Working Capital Changes	599,711	602,595
Cash (Utilised in)/Generated from Operating Activities	599,711	602,595
Direct Tax (Net)	-	(207)
Difference in Service Tax on Audit fees	247	-
Net Cash (Utilised in )/Generated from Operating Activities	599,958	602,388
<b>B Cash Flow from Investing Activities</b>		
Sale of Investments	2,800,000	600,000
Purchase of Investments	(3,249,068)	(1,200,000)
Net Cash (utilised in)/ Generated from Investment Activities	(449,068)	(600,000)
<b>C. Cash Flow from Financing Activities</b>		
Net increase/(Decrease) in cash & cash equivalent	150,890	2,388
Cash and Cash equivalents(Opening Balance)	310,473	308,085
Cash and Cash equivalents (Closing Balance)	461,363	310,473
	150,890	2,388

*Note : The Cash Flow Statement has been prepared in indirect method.*

*This is the Cash Flow Statement referred in our report of even date.*

For RAY & RAY

Chartered Accountants  
Firm's Registration No.301072E

Asish Kumar Mukhopadhyay  
Partner  
Membership No.056359  
Kolkata, 22nd May, 2013

For and on behalf of the Board  
S. Bhandari  
A. K. Basu  
Directors

**NOTES TO ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting*

*The accounts have been prepared under the historical cost convention in accordance with the provisions of the Companies Act, 1956 and mandatory accounting standards notified by the Companies (Accounting Standards) Rules 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.*

*Use of Estimates*

*The preparation of financial statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance sheet date and the reported amounts of income and expenses during the year.*

*Contingencies are recorded when it is probable that a liability will be incurred and the amounts can be reasonably estimated. Difference between the actual results and the estimates are recognised in the year in which the results are known/materialised.*

*Income*

*Income is accounted for on accrual basis except in cases where amount receivable cannot be determined with reasonable accuracy.*

*Investment*

*Long Term Investments are stated at cost less provision for diminution in value other than temporary, if any. Current investments are valued at cost or below cost as the case may be.*

*Income Tax*

*Provision for tax is made for both current and deferred tax. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference which are capable of reversal in subsequent periods are recognised using tax rates and tax laws which have been enacted or substantively enacted, Deferred Tax assets are not recognised and carried forward only to the extent there is virtual certainty that assets will be realised in future.*

2. Notes forming part of Balance Sheet

2.1. SHARE CAPITAL

Authorised

249,000 - Equity shares of Rs.10 each

100 - Redeemable Preference Shares of Rs.100 each

Issued, subscribed and paid-up

220,000 - Equity Shares of Rs.10 each fully paid up

(2012 - 220,000)

All equity shares are held by Alfred Herbert (India) Limited the holding company and its nominees.

As at  
31.03.2013  
Rs.

As at  
31.03.2012  
Rs.

2,490,000  
10,000  
2,500,000

2,490,000  
10,000  
2,500,000

2,200,000  
2,200,000

2,200,000  
2,200,000

2.1.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by equity shareholder.

2.2 RESERVES AND SURPLUS

Capital Reserve

Capital Redemption Reserve

Security Premium Reserve

Special Reserve ( Under Section 45 IC of Reserve Bank of India Act.) - opening balance

Add : Transferred from surplus

General Reserve

Surplus in the Statement of Profit & Loss - opening balance

Add : Profit after tax transferred from statement of Profit & Loss

Surplus available for appropriation

APPROPRIATIONS

Special Reserve

Surplus - closing balance

TOTAL

50,000  
700  
4,800,000

50,000  
700  
4,800,000

660,150  
120,000  
780,150

537,050  
123,100  
660,150

2,000,000  
2,937,400  
598,711

2,000,000  
2,445,225  
615,275

3,536,111

3,060,500

120,000  
3,416,111

123,100  
2,937,400

11,046,961

10,448,250

2.3 SHORT-TERM PROVISIONS

Other Provisions including taxation

14,483  
14,483

13,236  
13,236

2.4 NON-CURRENT INVESTMENTS

Long Term, (Non-Trade), Quoted

Equity Shares of Rs.10 each except where otherwise stated (fully paid)

2,000 Reliance Industries Ltd.

50 Reliance Capital Ltd.

250 Reliance Power Ltd.

1,000 Reliance Communication Ltd.  
(Face Value Rs.5 per share)

75 Reliance Infrastructure Ltd.

369,727  
9,243  
4,977  
275,162

369,727  
9,243  
4,977  
275,162

51,904  
711,013

51,904  
711,013

Aggregate Market Value of Quoted Investments

1,656,444

1,678,201

Unquoted Shares

Equity Shares of Rs.10 each except where otherwise stated (fully paid)

264,000 Lodha Capital Markets Limited

2,640,000  
3,351,013

2,640,000  
3,351,013

Notes forming part of Balance Sheet and Statement of Profit and Loss (Contd.)

	No. of units	As at 31.03.2013 Rs.	No. of units	As at 31.03.2012 Rs.
<b>2.5 CURRENT INVESTMENTS (Unquoted) *</b>				
Units of Rs.10 each in UTI Fixed Income Interval Fund - Quarterly Interval Plan Series-1 - Dividend Plan - Payout	600,000.000	6,000,000	600,000.000	6,000,000
Units of Rs.10 each in UTI Fixed Income Interval Fund - Series-II - Quarterly Interval Plan VI - Dividend Plan - Payout	39,988.004	400,000	39,988.004	400,000
Units of Rs.10 each in UTI Fixed Income Interval Fund - Quarterly Plan Series-III - Dividend Plan - Payout	-	-	220,000.000	2,200,000
Units of Rs.1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	2,433.020	2,634,445	-	-
Units of Rs.10 each in IDFC Fixed Maturity Quarterly Series 69 - Dividend	-	-	40,000.000	400,000
Units of Rs.10 each in IDFC Money Manager Fund - Monthly Dividend Reinvest	41,062.309	414,623	-	-
		<u>9,449,068</u>		<u>9,000,000</u>
* Investment in Mutual Funds are valued at cost				
<b>2.6 CASH AND BANK BALANCES</b>				
Balances with Scheduled Banks : On Current Accounts		<u>461,363</u>		<u>310,473</u>
		<u>461,363</u>		<u>310,473</u>
		<i>For the year ended</i> 31.03.2013 Rs.		<i>For the year ended</i> 31.03.2012 Rs.
<b>2.7 REVENUE FROM OPERATIONS</b>				
Dividend from shares (Long Term)		18,422		17,365
Dividend from investment in Mutual Fund (Short Term)		624,720		624,335
Profit on Sale of Investment (Net) (Short Term)		4,770		-
		<u>647,912</u>		<u>641,700</u>
<b>2.8 OTHER EXPENSES</b>				
Rates and Taxes		11,850		1,850
Legal & Secretarial Expenses		3,215		4,706
Consultancy Charges		4,000		1,000
Miscellaneous expenses (I)		29,136		31,549
		<u>48,201</u>		<u>39,105</u>
(i) Includes				
Auditors' Remuneration :				
Statutory Audit Fees		12,000		12,000
Other services		11,236		17,648
(3) Related Party disclosure as identified by the management in accordance with the Accounting Standard 18 are as follows :				
(i) List of Related Party				
Alfred Herbert (India) Limited	Holding Company			
There was no transaction between related parties.				
(4) There are no reported micro, small and medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom Company owes dues.				
		2012-13 Rs.		2011-12 Rs.
(5) Earnings Per Share (EPS)				
i) Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders (Rs.)		598,711		615,275
ii) Number of shares used in computing earning per share - Basic & Diluted		220,000		220,000
iii) Basic and Diluted Earnings per share (Rs.)		2.72		2.80
iv) Face Value per equity share (Rs.)		10.00		10.00
(6) Previous year's figures have been regrouped / rearranged / reclassified wherever necessary, to make it comparable with current year figures.				

On behalf of the Board  
S. Bhandari  
A. K. Basu  
Directors

Kolkata  
Date: 22nd May 2013

24th May 2013

Dear Member,

Re: Distribution/Payment of Dividend or other  
Cash Benefits through NECS/Electronic Modes

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, has mandated usage of electronic mode for making cash payments such as dividend, etc to the investors of Companies whose securities are listed on the Stock Exchanges.

Payment of dividend through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants such as loss in transit/misplacement/revalidation etc. can be easily mitigated.

Therefore, Members holding securities of the Company in physical form are requested to update their respective Bank Particulars with correct bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. by filling up the NECS Mandate Form which is enclosed herewith and send it to the Company at its Registered Office or to the Registrar and Share Transfer Agents of the Company, M/s. Maheshwari Datamatics Private Ltd., 6, Mangoe Lane, Kolkata- 700 001 on or before 16th July 2013.

Thanking you for your co-operation and assuring you of our best services at all times.

Yours faithfully,

For Alfred Herbert (India) Limited,

A K Basu

Compliance Officer

Encl. NECS Mandate Form

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NECS MANDATE FORM

Maheshwari Datamatics Pvt. Ltd.,  
Unit: Alfred Herbert (India) Limited  
6 Mangoe Lane, 2nd Floor  
Kolkata- 700 001

Dear Sirs,

Change in mode of payment to NECS

I hereby consent to have the amount of dividend on my equity shares credited through the National Electronic Clearing Service (NECS). The particulars are:

1. Folio No./Client ID No./DP ID No. ....
2. Shareholder's Name .....
3. Shareholder's Address.....
4. Income Tax Permanent Account No: - 10 digits.....
5. Particulars of the Bank .....
- 1 Bank Name.....
- 1 Branch Name and Address.....
- 1 Mention the 9 digit-code number of the Bank and branch appearing on the MICR cheque issued by the bank .....

(Please attach the photocopy of a cheque or a cancelled blank cheque issued by your bank for verifying the accuracy of the code number)

- 1 Account type (Please ✓) Savings..... Current ..... Cash Credit .....
- 1 Account number (as appearing on the MICR cheque book) .....
6. Date from which the mandate should be effective.

I hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or non-availability of NECS facility with Company's banks at my place /city, I would not hold the Company/Registrar & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updating of records for purpose of credit of dividend amount through NECS.

\_\_\_\_\_  
Signature of the first/sole shareholder

## Alfred Herbert (India) Limited

Registered Office : Herbert House, 13/3, Strand Road, Kolkata- 700 001

### PROXY FORM

D.P. Id \* .....

Regd. Folio No .....

Client Id \* .....

I/We .....

of .....

being member / members of the above named Company hereby appoint .....

.....

of ..... or failing him .....

of .....

as my / our proxy to attend and vote for me / us on my / our behalf at the NINETY-THIRD ANNUAL GENERAL MEETING of the Company to be held at 11.00 a.m. on Friday, 26th July, 2013 and at any adjournment thereof.

Signed .....



Date : .....

\* Applicable if shares are held in electronic form.

Note : The Proxy to be effective must reach the Company's Registered Office not less than 48 hours before the meeting.

## Alfred Herbert (India) Limited

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

D.P. Id \* ..... Name and Address of the Registered Shareholder

Client ID \* ..... .....

Regd. Folio No. .... .....

No. of Shares held ..... .....

I hereby record my presence at the 93rd ANNUAL GENERAL MEETING of the Company held on Friday, 26th July, 2013 at 11.00 a.m. at Bengal National Chamber of Commerce and Industry Auditorium, 23, Sir R.N. Mukherjee Road, Kolkata - 700 001.

.....  
Member's/Proxy's/Representative's Signature  
(To be signed at the time of handing over this slip)

\* Applicable if shares are held in electronic form.

**BOOK POST**

*If undelivered please return to :*  
**ALFRED HERBERT (INDIA) LIMITED**  
**Post Box 681, 13/3, Strand Road, Kolkata 700 001**



**ALFRED HERBERT (INDIA) LTD.**

13/3, Strand Road, Kolkata - 700 001

Telephone : 2226 8619, 2264 0106

E-mail : kolkata@alfredherbert.com



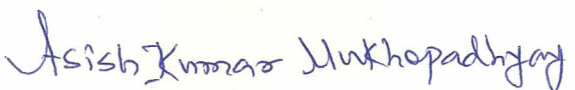
Fax : (033) 2229 9124

CIN : L74999WB1919PLC003516

Website: [www.alfredherbert.co.in](http://www.alfredherbert.co.in)

**FORM A**

**Format of covering letter of the Annual Audit Report  
To be filed with the Stock Exchanges**

1	Name of the Company	Alfred Herbert (India) Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	
5	Signature of the Chairman of the Company	
	Signature of the Chief Financial Officer	
	Signature of Auditor of the Company	

Signature of Audit Committee Chairman

