



ALFRED HERBERT (INDIA) LTD.

ANNUAL REPORT
2008 - 2009



ANNUAL REPORT

2008-2009

BOARD OF DIRECTORS

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

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REGISTERED OFFICE

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

NOTICE OF MEETING

NOTICE is hereby given that the Eighty-ninth Annual General Meeting of the Members of **Alfred Herbert (India) Limited** will be held at Indian Chamber of Commerce Auditorium, 4 India Exchange Place, Kolkata - 700001, on 24th July 2009 at 10.00 a.m. to transact the following business :-

1. To consider and adopt the audited Accounts of the Company for the year ended 31st March 2009 together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. A.V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. C. Tapuriah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office : On behalf of the Board
Herbert House, S. S. Jain
13/3 Strand Road Director
Kolkata - 700 001
10th June, 2009

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, must be received by 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 2009 to 24th July 2009 (both days inclusive).
3. The Dividend, if declared, at the meeting will be paid on or after 24th July 2009 to those Members whose names shall appear on the Register of Members as on 16th July 2009.
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. Members who have not so far encashed their dividend warrants for the year ended 31st March 2002 and thereafter may immediately approach the Registrar of the Company for re-validation of unclaimed Dividend Warrants. The money lying in the Unpaid Dividend Account for the year ended 31st March 2002 will be transferred to Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956 on 26th October 2009.
6. In order to provide protection against fraudulent encashment of Dividend Warrant(s), shareholders holding shares in physical form are requested to intimate immediately to the Company's Registrar particulars of bank account viz., Name of Bank, Branch address with pin code, Bank Account Number with Account type whether saving or current account.
7. 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.
8. At the ensuing Annual General Meeting, Mr. A V Lodha and Mr. R C Tapuriah 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. A V Lodha

Mr. A V Lodha, aged 43 years, is a Chartered Accountant & Country Managing Partner of Lodha & Company, a leading accounting and consulting firm in India. Mr. Lodha was President of the Indian Chamber of Commerce, Kolkata, twice and was a Member of National Council of CII. He has chaired various National Committees of CII. He was appointed as a member of the Governing Council of Central Manufacturing Technology Institute, Bangalore, and has served as a member of the high level Naresh Chandra Committee constituted by the Government of India. He holds 937 Equity shares in the Company.

Other Directorships

Name of the Company	Position
1. Graphite India Limited	Director
2. Herbert Holdings Limited	Director
3. Shalimar Paints Limited	Director
4. Zegna South Asia Private Limited	Director

Other Committee Membership

Name of the Company	Committee	Position
1. Shalimar Paints Limited	Shareholders' Grievance Committee	Chairman
	Audit Committee	Member
	Remuneration Committee	Member
2. Graphite India Limited	Audit Committee	Chairman
	Remuneration Committee	Member

Mr. Ramesh C Tapuriah

Mr. Ramesh C Tapuriah, aged 67 years, a Commerce Graduate, is an Independent Director of the Company. He is well known business man with more than 40 years of experience. He holds 132 Equity Shares in the Company. He joined the Board of the Company on 25th July 1984.

Names of companies in which Mr. Ramesh C. Tapuriah is a Director and Chairman/ Member of the Board Committees are given hereunder :-

Name of the Company	Position
1. Adorn Investments Limited	Director
2. The Bhagwati Pressing Co. Limited	Director
3. Birla Ericsson Optical Limited Director	
4. The Calcutta Investment Co. Limited	Director
5. Maxworth Industrial Services Limited	Director
6. Mohta Carbide Chemicals Limited	Director
7. New India Retailing & Investment Limited	Director
8. Northern Oxygen Limited	Director
9. The United Investment Co. Limited	Director
10. Vindhya Telelinks Limited	Director
11. Lewis & Taylor Pvt. Limited	Director
12. Rajgarh Industries Pvt. Limited	Director
13. Tapuriah & Sons Pvt. Limited Director	
14. Trishiv Investments Pvt. Limited	Director

Other Committee Membership

Name of the Company	Committee	Position
1. New India Retailing & Investment Ltd.	Audit Committee	Chairman
	Investor Grievance Committee	Chairman
2. Vindhya Telelinks Limited	Audit Committee	Chairman

Members are requested to bring their copies of the Annual Report to the meeting.



DIRECTORS' REPORT

At the outset, your directors express deep sorrow on the sad demise of our esteemed and respected Chairman, Mr. R. S. Lodha who left for his heavenly abode on 3rd October 2008. Mr. Lodha, was not only a distinguished professional industrialist but also a charismatic leader, a great Philanthropist and a visionary. He was the first professional to become the President of the Federation of Indian Chamber of Commerce & Industry (FICCI) heading the Chamber in its Platinum Jubilee Year. He served on the Boards of several reputed companies. He also served on the Prime Minister's Council of Trade and Industry, the Board of Trade and the Central Direct Taxes Advisory Committee.

Known for his deep intellect, meticulous planning, gifted business, professional acumen and dynamic leadership, Mr. Lodha made indelible mark in the fields of industrial, professional, social, cultural and philanthropic activities. He was a leader who could think ahead of his time and his enthusiasm for hard work has been imbibed by all those who worked with him. His vision, principles and leadership qualities will continue to guide us in the years ahead.

The Board gratefully records its deep appreciation of the valuable contribution and guidance extended by Mr. R S Lodha to the Company.

Your Directors have pleasure in presenting the Eighty-Ninth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2009.

FINANCIAL RESULTS

The Financial Results are as under :

	31st March 2009 Rs.	31st March 2008 Rs.
Profit before Tax	9,393,697	10,490,380
Provision for Tax (Incl. Deferred Tax and Fringe Benefit Tax)	1,262,834	1,551,364
Profit after Tax	8,130,863	8,939,016
Surplus from earlier years brought forward/written back	4,931,685	1,585,736
Amount available for appropriation	13,062,548	10,524,752
Appropriations :		
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	262,209	262,209
General Reserve	1,000,000	2,000,000
Special Reserve	1,627,000	1,788,000
	4,432,067	5,593,067
Surplus carried to Balance Sheet	8,630,481	4,931,685
	13,062,548	10,524,752

DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of Rs.2/- (per share) for the year ended 31st March 2009.

FINANCIAL PERFORMANCE

The Company's gross income for the financial year ended 31st March 2009 stood at Rs.188.37 lacs and profit before tax stood at Rs.93.94 lacs.

Considering the overall economic scenario, the performance of the Company's Realty and Business Services Division was satisfactory. The Division has deployed its surplus funds in Long-term Investments and made certain temporary investments in Term Deposits for utilisation in future opportunities to maximise value.

Efforts are being made by the Company to improve the performance of its Sales and Marketing Division. The Company's fully owned subsidiary Alfred Herbert Limited did not perform well during the year due to the significant challenges faced by the delay caused by customers in taking delivery of machinery ordered including cancellations due to the credit crisis and overall economic environment. Whilst full efforts are being made to enhance its performance in the current year, the performance would largely depend on the economic environment and your Company is exploring all options on how best to deal with the challenges faced.

DIRECTORS

In view of the sad demise of Mr. R S Lodha, Mr. A V Lodha, Director, was appointed Chairman of the Company with effect from 27th January 2009.

Mr. R C Tapuriah and Mr. A V Lodha retire by rotation and being eligible, offers 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, alongwith 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. 17 (m) 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.

Kolkata
10th June, 2009

On behalf of the Board
A. V. Lodha
Chairman



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

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 2009 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 22.05.2008, 30.07.2008, 30.10.2008 and 27.01.2009.

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 2009 are as follows :

Name Director	Relationship with other Directors	Category	No. of Board Meetings attended	Attendance in last A.G.M.	No of Shares held	No of other Directorship ***	Details of Board Committee Membership Member Chairman	
*Mr. R S Lodha	Father of Mr. A V Lodha and Mr. H V Lodha	Non-independent Non-executive	1	No	8145	26	-	-
Mr. R.C Tapuriah	None	Independent Non-executive	3	No	132	14	2	2
Mr. S.S Jain	None	Independent Non-executive	4	Yes	-	17	-	1
Mr. A V Lodha	Son of Late R S Lodha & brother of Mr. H V Lodha	Non-independent Non-executive	3	Yes	937	4	3	2
**Mr. M K Rama-Chandra	None	Independent Non-executive	-	No	-	12	-	-
Mr. H V Lodha	Son of Late R S Lodha & brother of Mr. A V Lodha	Non-independent Non-executive	4	Yes	1000	22	3	3
Mr. S Bhandari	None	Independent Non-executive	1	No	-	1	2	-

* Since deceased

** Ceased to be a Director w.e.f. 20th January 2009

*** including Alternate Directorships, Directorships of Foreign Companies, and 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.

3. AUDIT COMMITTEE

The Audit Committee of the Board of your Company comprises exclusively of Independent Non-executive Directors currently Mr. S.S Jain, Mr. R C Tapuriah and Mr. S Bhandari. Mr. A V Lodha who was a member of the Committee resigned on 27th January 2009 and Mr. S Bhandari was appointed on 27th January 2009. 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 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.

Consequent to the Company's net worth exceeding Rs.25 Crores in October 2008, complying with the requirements of Clause 49 of the Listing Agreement became applicable. Accordingly, the requirement of Corporate Governance arises. The Company held 3 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	3
Mr. R.C. Tapuriah	Member	3
Mr. A.V. Lodha	Member	3

ALFRED HERBERT (INDIA) LTD.

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 2009

Name of Director	Sitting Fees (Rs.)
Mr. R. S. Lodha	5000/-
Mr. R. C. Tapuriah	40,000/-
Mr. S. S. Jain	35,000/-
Mr. A. V. Lodha	40,000/-
Mr. H. V. Lodha	40,000/-
Mr. S. Bhandari	10,000/-
Mr. M. K. Ramachandra	-

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 2 times and the composition and the attendance of the Directors at these meetings are 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 5 complaints were received from the Shareholders which were replied/ resolved to the satisfaction of the shareholders as on 31st March 2009.

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
2007-08	Indian Chamber of Commerce 4 India Exchange Place Kolkata - 700 001	30.07.2008	9.30 a.m.
2006-07	Indian Chamber of Commerce 4 India Exchange Place Kolkata - 700 001	27.07.2007	10.00 a.m.
2005-06	Indian Chamber of Commerce 4 India Exchange Place Kolkata - 700 001	08.08.2006	10.00 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

- Details of transactions with related parties during the year have been furnished in Schedule 16(i) of the Accounting Policies and Notes on Accounts of the

Annual Accounts. There are no materially significant transactions with related parties i.e. Directors, Management, Subsidiaries and relatives conflicting with the Company's interests.

- 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 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.

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.

9. GENERAL SHAREHOLDER INFORMATION

89th Annual General Meeting

Date & Time : 24th July 2009 at 10.00 a.m.

Venue : Indian Chamber of Commerce,
4 India Exchange Place, Kolkata

NEXT FINANCIAL CALENDAR

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

1st quarterly results	: Before the end of July 2009
2nd quarterly results	: Before the end of October 2009
3rd quarterly results	: Before the end of January 2010
Audited yearly results for the year ending 31st March 2010	: Before the end of June 2010

Date of Book Closure : From 16th July 2009 to 24th July 2009 (both days inclusive)

Dividend Payment Date : By 17th August 2009

LISTING OF STOCK EXCHANGES

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

Listing Fees as prescribed have been paid to the above Stock Exchanges for the Financial year 2008-09

Stock Code of Equity Shares of the Company are as under:

Bombay Stock Exchange Limited : Scrip Code No. 5216

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

Corporate Identity (CIN) : L74999WB1919PLC003616

ISIN : INE782D01027

MARKET PRICE DATA DURING THE FINANCIAL YEAR 2008-09 :

Month	Bombay Stock Exchange Ltd.	
	High Rs.	Low Rs.
April	224.70	204.00
May	213.95	190.20
June	189.00	165.00



Month		Bombay Stock Exchange Ltd.	
		High Rs.	Low Rs.
July	:	190.00	149.00
August	:	172.00	160.85
September	:	180.05	157.20
October	:	168.00	88.00
November	:	107.85	58.40
December	:	96.50	84.10
January	:	96.00	84.25
February	:	104.00	86.60
March	:	100.00	90.10
Registrar and Share : Maheshwari Datamatics Pvt. Limited			
Transfer Agent 6 Mangoe Lane, Kolkata - 700 001			
Telephone No. 2248 2248 / 2243 5809			

SHARE TRANSFER SYSTEM

All the transfers received are processed by the Registrar and Transfer Agents and are approved by Mr. A K Basu, 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 2009

No. of Equity Shares held	No. of Shareholders Total	%	No. of Equity Shares Total	%
Upto 1000	4070	99.3654	230870	29.9276
1001 to 5000	16	.3906	27882	3.6144
5001 to 10000	4	.0976	31565	4.0917
10001 to 50000	4	.0976	78102	10.1243
50001 and above	2	.0488	403010	52.2420
Total	4096	100.0000	771429	100.0000

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 have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2009 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Date: 10th June 2009

for ALFRED HERBERT (INDIA) LIMITED
A.K.Basu
Chief Financial Officer

AUDITOR'S CERTIFICATE

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 on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2009

Category	No. of Shareholders	No. of Shares held	Total Shareholding as a % of Total Share
Individuals	3965	241513	31.32
Non-Resident Individuals	24	4415	.57
Bodies Corporate	87	15819	2.05
Financial Institutions/Banks	2	90	.01
Insurance Companies	2	37868	4.90
	4080	299705	38.85
Promoters	16	471724	61.15
Total	4096	771429	100.00

Dematerialisation of Shares :- 28.24% of Equity Shares have been dematerialised as on 31st March 2009

SECRETARIAL AUDIT

As stipulated by SEBI, a Practicing Company's 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

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

We certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is 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
Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date : 10th June, 2009

AUDITORS' REPORT

To the Members of Alfred Herbert (India) Limited.

1. We have audited the attached Balance Sheet of **ALFRED HERBERT (INDIA) LIMITED** as at 31 March 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the order') as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the "Order"), issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 of India ('the Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in ANNEXURE, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, 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 the law have been kept by the Company, so far as appears from our examination of those books;
 - (iii) The financial statements dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the financial statements dealt with by this report comply with the Accounting Standards referred to in section 211 (3C) of the 'Act' ;
 - (v) On the basis of the written representations received from the directors, as on 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the 'Act' ;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes gives the information as required by the Companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at 31 March, 2009;

(b) in the case of Profit and Loss Account, of the profit for the year ended on that date ; and

(c) in the case of Cash Flow Statement , of the cash flows for the year ended on that date.

5. 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 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.
- ii) The Board of Directors of the Company had passed a resolution at its meeting held on 22nd May 2008 for not to accept any public deposit.
- iii) The Company has not accepted any public deposit during the year under reference.
- iv) 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
Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date : 10th June, 2009

ANNEXURE TO THE AUDITORS' REPORT (Referred to in Paragraph 3 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 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) (a) 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 under section 58A, 58AA or any other relevant provisions of the Act from the public during the year.
- (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, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- On the basis of the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31 March, 2009 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and according to the information and explanations given to us by the management, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (x) As per the records of the company, the Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in 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) According to the information and explanations given to us and based on document and records produced before us, the Company has granted loan on the basis of security by way of pledge of shares and proper records in respect thereof have been maintained.
- (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) 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, proper 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 4 (xvi) of the 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, the Company has not raised funds on short-term basis and therefore provisions of Clause 4(xvii) of the order are not applicable to the Company.
- (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 accounts carried out in accordance with generally accepted auditing 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 cases by the management.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date : 10th June, 2009

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 2009 (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, 2008, 30th July 2008, 30th October 2008 and 27th January 2009** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from **22nd July 2008 to 30th July 2008** 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 2008** was held on 30th July 2008 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 under scrutiny.

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, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - i) delivered all the certificates on lodgement thereof for transfer/ transmission of securities in accordance with the provisions of the Act.
 - ii) deposited the amount of dividend declared in a separate bank account on 01.08.2008 which is within five days from the date of declaration of such dividend.
 - iii) paid/ posted warrants for dividends to all the members within 30 days from the date of declaration and in respect of all unclaimed/ unpaid dividend, the Bank has been instructed to transfer the balance as on 28.08.2008 to the unpaid dividend account of the company.
 - iv) transferred the amounts in unpaid dividend account and matured deposits which have remained unclaimed or unpaid for a period of seven years to Investor Education and protection fund.
 - 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. However a resignation of a Director was duly accepted by the Board. Moreover there was cessation of Director due to Death.
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.



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 31.03.2009.
25. The company, being an investment company and registered as a NBFC, provisions pursuant to section 372A is 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 towards Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Kolkata

For A. J. & ASSOCIATES

Date : 10th June, 2009

Company Secretaries

Abhijeet Jain

Proprietor

C.P. No. : 3426

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 2009.

1. Annual Return (Schedule V) in Form 20B made upto 30.07.2008 filed on 23.09.2008.
2. Balance Sheet (Schedule VI) in Form 23AC/ 23ACA as at 31.03.2008 filed on 09.08.2008.
3. Compliance Certificate in Form 66 for the year-ended 31.03.2008 filed on 09.08.2008.
4. Form 32 dated 03.10.2008 filed on 18.11.2008
5. Form 32 dated 20.01.2009 filed on 06.02.2009
6. Form 1 INV filed on 05.12.2008

Balance Sheet

as at 31st March, 2009

	Schedules	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	7,714,290	7,714,290
Reserves and Surplus	2	243,578,907	237,438,119
		251,293,197	245,152,409
Deferred Tax Liability		2,388,143	2,157,809
		253,681,340	247,310,218
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		56,757,620	57,373,368
Less : Depreciation		14,382,337	14,037,545
Net Block		42,375,283	43,335,823
Capital Work-in-progress		3,147,954	3,147,954
Investments	4	78,862,976	189,317,552
Current Assets, Loans and Advances :			
Sundry Debtors	5	1,203	627,715
Cash and Bank Balances	6	128,280,023	13,692,518
Other Current Assets	7	5,042,123	3,605,891
Loans and Advances	8	13,112,646	14,035,604
		146,435,995	31,961,728
Less : Current Liabilities and Provisions :			
Liabilities	9	2,200,095	6,489,000
Provisions	10	14,940,773	13,963,839
		17,140,868	20,452,839
Net Current Assets		129,295,127	11,508,889
		253,681,340	247,310,218
Accounting Policies and Notes to Accounts	16		

Note : The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director



Profit and Loss Account

For the year ended 31st March, 2009

	Schedules	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
INCOME			
Income from Operations	11	12,580,987	15,027,594
Income from Investments	12	6,256,051	5,155,752
Other Income	13	260	1,165
		<u>18,837,298</u>	<u>20,184,511</u>
EXPENDITURE			
Cost of Materials	14	160,225	432,759
Other Expenses	15	5,805,709	8,444,116
Interest		2,667,215	—
Depreciation		995,460	1,002,264
Less : Transferred from Revaluation Reserve		<u>185,008</u>	<u>185,008</u>
		<u>9,443,601</u>	<u>9,694,131</u>
PROFIT BEFORE TAX		<u>9,393,697</u>	<u>10,490,380</u>
Less : Provision for Taxation :			
Current Tax		1,000,000	1,400,000
Deferred Tax		230,334	98,273
Fringe Benefit Tax		32,500	53,091
PROFIT / (LOSS) AFTER TAX		<u>8,130,863</u>	<u>8,939,016</u>
Add : Balance brought forward from previous year		4,931,685	1,585,736
Available for appropriation		<u>13,062,548</u>	<u>10,524,752</u>
APPROPRIATIONS			
Proposed Dividend		1,542,858	1,542,858
Corporate Dividend Tax		262,209	262,209
General Reserve		1,000,000	2,000,000
Special Reserve		1,627,000	1,788,000
Balance carried to Balance Sheet		8,630,481	4,931,685
		<u>13,062,548</u>	<u>10,524,752</u>
Basic & diluted Earning per share - (Face value Rs. 10/- each)		10.54	11.59
Number of shares used in computing earning per share - Basic and Diluted		771,429	771,429
Accounting Policies and Notes	16		
to Accounts			

Note : The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

As per our report of even date.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

SCHEDULES

		As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
1. CAPITAL			
Authorised			
5,000,000 Equity Shares of Rs. 10 each		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid-up			
9,000 Equity Shares of Rs. 10 each issued without payment being received in cash		<u>90,000</u>	<u>90,000</u>
270,000 Equity Shares of Rs. 10 each issued as bonus shares by capitalisation of reserve		<u>2,700,000</u>	<u>2,700,000</u>
492,429 Equity Shares of Rs. 10 each issued for cash		<u>4,924,290</u>	<u>4,924,290</u>
		<u>7,714,290</u>	<u>7,714,290</u>

2. RESERVES AND SURPLUS

Description	Balance as at 31st March 2008 Rs.	Additions Rs.	Transfers/ Deductions Rs.	Balance as at 31st March 2009 Rs.
*Capital Reserve	6,203,434	-	185,008	6,018,426
General Reserve	202,000,000	1,000,000	-	203,000,000
Special Reserve (Under Section 45 IC of Reserve Bank of India Act)	24,303,000	1,627,000	-	25,930,000
Surplus in Profit & Loss Account	4,931,685	8,630,481	4,931,685	8,630,481
	<u>237,438,119</u>	<u>11,257,481</u>	<u>5,116,693</u>	243,578,907

*Includes Revaluation Reserve Rs. 6,008,488

3. FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	Value as on 01.04.2008 Rs.	Additions during the year Rs.	Sales/ Adjust- ments Rs.	Value as on 31.03.2009 Rs.	Upto 31.03.2008 Rs.	Depreciation during the year Rs.	Sales/ Adjust- ments Rs.	Total 31.03.2009 Rs.	Value as on 31.03.2009 Rs.	Value as on 31.03.2008 Rs.
Land	3,674,588	-	-	3,674,588	-	-	-	-	3,674,588	3,674,588
Building	50,550,507	-	-	50,550,507	11,717,674	899,712	-	12,617,386	37,933,121	38,832,833
Plant & Machinery	1,802,377	30,970	150,500	1,682,847	1,002,279	78,052	150,500	929,831	753,016	800,098
Furniture, Fixtures & Equipments	862,491	3,950	500,168	366,273	834,187	17,696	500,168	351,715	14,558	28,304
Vehicles	483,405	-	-	483,405	483,405	-	-	483,405	-	-
Total	57,373,368	34,920	650,668	56,757,620	14,037,545	995,460	650,668	14,382,337	42,375,283	43,335,823
Previous year	58,794,979	152,796	1,574,407	57,373,368	14,595,692	1,002,264	1,560,411	14,037,545	43,335,823	

Note :

- (a) Buildings include a flat on leasehold land (original cost Rs.198,559). Registration of the relevant conveyance deed of the flat is pending execution.
- (b) The Company revalued its land and buildings as on 22.01.1968 and as on 30.06.1986 resulting in an increase in net value of such assets by Rs.2,270,000 and Rs.8,252,840 on the respective dates.
- (c) Buildings include leasehold premises valuing Rs.110,109/- (Previous year Rs.113,877/-) original cost Rs.342,945 the lease in respect of which has since expired. The Company is taking steps to renew the lease. Necessary adjustment in this respect, if any, shall be made as and when finally determined.



4. INVESTMENTS

Long Term Non-Trade Quoted

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

	Nos.	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
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	500	5,000	5,000
Hindalco Industries Limited (Face value Re 1 per share)	75,750	7,272,000	7,272,000
Reliance Industries Ltd.	32,500	18,982,115	18,982,115
Sterlite Industries (India) Ltd. (Face value Rs. 2 per share)	2,505	188,310	188,310
India Glycol Ltd.	18,000	2,354,307	2,354,307
ITC Limited (Face value Re. 1 per share)	30,000	3,578,171	3,578,171
Reliance Capital Ltd.	1,125	175,170	175,170
Reliance Natural Resources Ltd. (Face Value Rs.5 per share)	22,500	94,323	94,323
Reliance Communication Ltd.	22,500	5,214,701	5,214,701
Reliance Infrastructure Ltd.	1,687	983,651	983,651
I D F C Limited	50,000	3,511,762	3,511,762
		<u>62,244,642</u>	<u>62,244,642</u>

Unquoted

Shares

Kirloskar Computer Services Ltd.	10,000	100,000	100,000
Less : Provision for diminution in value of shares		<u>96,400</u>	<u>96,400</u>
		3,600	3,600

Debentures

5% Non-Redeemable Registered Debentures stock in Woodlands Hospital & Medical Research Centre	1	5,000	5,000
1/2% Registered Mortgaged Debentures stock in Woodlands Hospital & Medical Research Centre	39	3,900	3,900

In Subsidiary Companies :

Equity Shares of Rs. 10 each in Herbert Holdings Ltd.	220,000	7,000,000	7,000,000
Equity Shares of Rs. 10 each in Alfred Herbert Ltd.	900,007	9,000,070	9,000,070

In Units

Units of Rs. 10 each in HDFC Mutual Fund	—	—	3,178,757
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Current Investments

Units of Rs. 10 each in HDFC Mutual-Dividend Reinvest	—	—	38,230,994
Units of Rs. 10 each in ABN Amro Money Plus Regular Weekly Dividend	—	—	24,208,700
Units of Rs. 10 each in ICICI Prudential Short Term Plan - Div. Reinvestment	—	—	45,441,889
Units of Rs. 10 each in HDFC Mutual - Cash Management Fund - T.A. Plan - Div. Reinvestment	60,453,280	605,764	—

a) Quoted Investments

b) Unquoted Investments

<u>16,618,334</u>	<u>127,072,910</u>
<u>78,862,976</u>	<u>189,317,552</u>
<u>62,244,642</u>	<u>62,244,642</u>
<u>16,618,334</u>	<u>127,072,910</u>
<u>78,862,976</u>	<u>189,317,552</u>
<u>78,924,885</u>	<u>142,246,667</u>

Aggregate Market Value of Quoted Investments

NOTE : Refer Note (e) of Schedule 16 to accounts for
investments purchased and sold during the year.

ALFRED HERBERT (INDIA) LTD.

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
5. SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months :		
Considered Good	—	2,040
Considered doubtful	—	—
Other debts	1,203	625,675
	<u>1,203</u>	<u>627,715</u>
6. CASH AND BANK BALANCES		
Cash in hand	1,922	9,104
Remittance in Transit	198,590	—
Fixed Deposits with Scheduled Bank	111,900,000	—
Balances with Scheduled Banks		
(i) On Current Accounts		
EEFC Account	15,265,358	11,648,316
Others	632,189	1,765,307
(ii) On Deposit Accounts	281,964	269,791
	<u>16,179,511</u>	<u>13,683,414</u>
	<u>128,280,023</u>	<u>13,692,518</u>
7. OTHER CURRENT ASSETS		
(Unsecured - considered good)		
Interest Receivable	2,546,443	—
Rent Receivable	2,109,850	3,410,761
Security Deposit	385,830	195,130
	<u>5,042,123</u>	<u>3,605,891</u>
8. LOANS AND ADVANCES		
Secured		
Deposit with Bodies Corporate (secured by pledge of shares)		
- considered good	—	—
- considered doubtful	20,000,000	20,000,000
Less : Provision for non-performing loans & advances	<u>20,000,000</u>	<u>20,000,000</u>
Unsecured - Considered good		
Advances & Loans to subsidiary	—	836,656
Advance recoverable in cash or in kind or for value to be received	248,276	328,762
Advance Income Tax (including tax deducted at source)	<u>12,864,370</u>	<u>12,870,186</u>
	<u>13,112,646</u>	<u>14,035,604</u>
9. LIABILITIES		
Sundry Creditors (Refer note (g) of schedule 16)	323,845	4,846,656
Advances from customers	—	12,875
**Other Liabilities	1,876,250	1,629,469
**Includes unclaimed dividend amounting to Rs.281,964 and unclaimed deposit and interest therein for Rs.Nil (previous year Rs. 270,091 & Rs.5,398 respectively) which is not due to be deposited to Investor Education and Protection Fund.		
	<u>2,200,095</u>	<u>6,489,000</u>



10. PROVISIONS

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
Provision for Taxation	12,997,624	11,997,624
Provision for Fringe Benefit Tax	138,082	161,148
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	262,209	262,209
	<u>14,940,773</u>	<u>13,963,839</u>

11. INCOME FROM OPERATIONS

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
Sales	292,362	778,099
Interest, Fees and other charges	4,165,348	4,078,654
(Tax deducted at source Rs. 836,515/- previous year Rs. 840,152/-)		
Commission	54,341	3,583,798
Service Charges	2,100,000	4,200,000
(Tax deducted at source Rs. 648,900/- previous year Rs. 967,035/-)		
Exchange Gain	3,292,936	—
Rent	2,676,000	2,387,043
(Tax deducted at source Rs. 531,480/- Previous year Rs. 514,965/-)		
	<u>12,580,987</u>	<u>15,027,594</u>

12. INCOME FROM INVESTMENTS

Dividend	5,701,894	4,827,159
Profit on Sale of Investment (net)	554,157	328,593
	<u>6,256,051</u>	<u>5,155,752</u>

13. OTHER INCOME

Profit on Sale of Fixed Assets	—	600
Miscellaneous Income	260	565
	<u>260</u>	<u>1,165</u>

14. COST OF MATERIALS

Opening Stock :		
Stock in-trade	—	—
	<u>—</u>	<u>—</u>
Add :Purchase of machine tools and spares	160,225	432,759
	<u>160,225</u>	<u>432,759</u>
Less :Closing Stock :		
Stock-in-trade	—	—
	<u>160,225</u>	<u>432,759</u>

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
15. EXPENSES		
Salaries, Wages & Bonus	1,162,071	1,109,632
Contribution to Provident Fund,		
Pensions and other Funds	120,033	127,584
Medical and welfare expenses	34,324	41,624
Repairs and Maintenance	517,298	654,580
Rent	849,578	799,472
Rates and Taxes	780,176	606,753
Insurance	25,635	25,510
Electricity	457,543	464,508
Postage and telephone	395,099	443,848
Printing & Stationery	87,322	77,760
Travelling & conveyance	135,054	145,023
Motor Car Expenses	64,100	132,636
Legal & Secretarial Expenses	645,925	1,444,596
Loss on Exchange Variance	—	983,780
Fixed Assets discarded	—	13,996
Consultancy Charges	—	428,172
Miscellaneous expenditure (i)	361,551	759,642
Directors' Sitting Fees	170,000	185,000
	<u>5,805,709</u>	<u>8,444,116</u>
(i) Includes		
Auditors' Remuneration		
Statutory Audit Fees	25,000	25,000
Tax Audit Fees	12,000	12,000
In other Capacity	16,854	28,084



16. ACCOUNTING POLICIES & NOTES TO ACCOUNTS

a. Significant Accounting Policies

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 issued by the Institute of Chartered Accountants of India. 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 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, except in the cases of fixed assets acquired from a country outside India, in which case, these are adjusted to the cost of respective fixed assets.

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.

Retirement Benefits

Retirement benefits to employees 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 appropriate authorities. Liability for leave encashment is accounted for on accrual basis as per Management's estimate.

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.

NOTES ON ACCOUNTS

- b. Building Plan Sanction Fees Rs.3,147,954/-paid to the Municipal Authorities for construction of building has been carried forward as Capital-Work-in-Progress to be allocated/adjusted on completion of Construction.
- c. Interest on loans except to the extent there is uncertainty as to the realisation has been accounted for on accrual basis.
- d. Loans and advances include Rs.200 lacs, which are overdue for payment. Pending outcome of steps for recovery taken by the Company, full provision for these non-performing assets amounting to Rs.200 lacs has been made in the previous years.

e. Units subscribed and redeemed during the year

Mutual Fund (Unit of Rs.10 each)	No. of Units	Cost Price (Rs.)
HDFC FMP 181D	70,000.000	700,000/-
ICICI Prudential Floating Rate Plan	1,48,560.449	15,00,000/-
TATA Fixed Maturity Plan	30,00,000.000	3,00,00,000/-

f. 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 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 2009.

1. Change in Defined Benefit Obligations.

		Rs. In Lacs
a	Present Value of Defined Benefit Obligations at the beginning of period	4.27
b	Current Service Cost	0.23
c	Interest Cost	0.33
d	Curtailment Cost/(Credit)	0.00
e	Settlement Cost/(Credit)	0.00
f	Employee Contribution	0.00
g	Plan amendments	0.00
h	Acquisitions	0.00
i	Actuarial Losses/(Gains)	0.30
j	Benefit Paid	0.00
k	Present Value of Defined Benefit Obligations at the end of period	5.13



2. Change in Fair Value of Assets

		Rs. In Lacs
a	Plan assets at beginning of period	4.28
b	Expected return on plan assets	0.35
c	Actual Company contributions	0.45
d	Actuarial gain/(loss)	0.05
e	Employee contributions	0.00
f	Benefits paid	0.00
g	Plan assets at the end of period	5.13

3. Total expense recognised in the statement of Profit & Loss Accounts for the year ended 31st March 2009.

	Components of employer expense	Rs. In Lacs
a	Current Service Cost	0.23
b	Interest Cost	0.33
c	Expected return on plan assets	(0.35)
d	Curtailment Cost/(Credit)	0.00
e	Settlement Cost/(Credit)	0.00
f	Past Service Cost	0.00
g	Actuarial Losses/(Gains)	0.25
h	Total expenses recognised in the Statement of Profit & Loss Account	0.46

4. Net Assets / (Liability) recognised in the Balance sheet for the year ended 31st March 2009.

	Funded Status	Rs. In Lacs
a	Present value of Defined Benefits Obligations	5.13
b	Fair value of plan assets	5.13
c	Funded status (Surplus/(Deficit))	0.00
d	Effect of balance sheet asset limit	0.00
e	Unrecognised Past Service Costs	0.00
f	Net Asset/(Liability) recognised in the Balance Sheet	0.00
g	Net Asset/(Liability) recognised in the Balance Sheet at beginning of the period	0.01
h	Employer expenses	0.46
i	Employer contributions	0.45
j	Net Asset/(Liability) recognised in the Balance Sheet at the end of the period	0.00

5. Actuarial Assumptions as at 31st March 2009

a	Discount Rate	6.50%
b	Mortality	LIC (1994-96) Ultimate
c	Salary increases	5%
d	Expected return on assets	7.70%
e	Withdrawal rates	Upto 40 years 6.2% 40 years and above Nil

- g. 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.
- h. In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS22) issued by the ICAI, the company has accounted for deferred taxes during the year.

ALFRED HERBERT (INDIA) LTD.

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

Amount in Rs.

	As on 31.03.2009 (Rs)	As on 31.03.2008 (Rs)
Deferred Tax Liability		
On Account of Depreciation	(2, 412,967)	(2,181,468)
Deferred Tax Assets		
Provision for Leave encashment	24,824	23,659
TOTAL	24,824	23,659
Net Deferred Tax Liability	(2,388,143)	(2, 157,809)

- i. 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:-

Name of the related parties where control exists - Subsidiary Companies :

- i) Alfred Herbert Limited.
- ii) Herbert Holdings Limited.

Disclosure of transaction between the Group and Related Parties and status of outstanding balances as on 31st March, 2009.

	Subsidiary Companies. (Rs. in Lacs)	
	2008-2009	2007-2008
(i) Service Charges Received (Alfred Herbert Ltd)	21.00	42.00
(ii) Service Charges Paid (Herbert Holding Ltd.)	NIL	0.30
(iii) Advance Taken, (Alfred Herbert Ltd)	15.36	57.24
Advance Given (Alfred Herbert Ltd)	4.58	35.39
(iv) Advance Receivable (Alfred Herbert Ltd)	—	8.37
Advance Payable (Alfred Herbert Ltd)	2.41	—

- j. Previous year's figures have been regrouped / rearranged / reclassified wherever necessary, to make it comparable with current year figures.
- k. Information pursuant to the provision of paragraph 3, 4(c) and 4(d) of part II and part IV of Schedule VI to the Companies Act, 1956, as per separate annexure.

Annexure to Schedule 16(k) to the accounts for the year ended 31st March, 2009

1. Particulars in respect of Sales

DESCRIPTION	2008-2009		2007-2008	
	Qty. (Unit)	Value (Rs.)	Qty (Unit)	Value (Rs.)
Spares		292,362		778,099
		2008-2009 Rs.		2007-2008 RS.
2. Earnings in Foreign Currency				
Commission on Direct Sales		711,816		3,031,085

Signature for Schedules 1 to 16

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009 (PREPARED PURSUANT TO LISTING AGREEMENT)

	2008- 2009		2007- 2008	
	(Rs.)	(Rs.)	(Rs)	(Rs)
A. Cash Flow from Operating Activities				
Net Profit before Tax		9,393,697		10,490,380
Adjustment for :				
Depreciation	810,452		817,256	
Profit on sale of Fixed Assets	—		(600)	
Profit on Sale of Investments	(554,157)	256,295	(328,593)	488,063
Operating Profit before Working Capital Changes		9,649,992		10,978,443
Adjustments for :				
Sundry Debtors	626,512		(506,400)	
Other Current Assets	(1,436,232)		156,351	
Loans & Advances	917,142		2,166,879	
Current Liabilities	(4,300,778)	(4,193,356)	1,492,523	3,309,353
Cash (Utilised in)/ Generated from Operating Activities		5,456,636		14,287,796
Direct Tax (Net)	(49,750)	(49,750)	(2,381,702)	(2,381,702)
Net Cash (Utilised in)/ Generated from Operating Activities		5,406,886		11,906,094
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(34,920)		(152,796)	
Sales/Discard of Fixed Assets	—		14,596	
Proceeds from Sale/Redemption of Investments	148,736,333		11,505,704	
Purchase of Investments	(37,727,600)		(114,671,509)	
Net Cash (Utilised in)/ Generated from Investment Activities		110,973,813		(103,304,005)
C. Cash Flow from Financing Activities				
Dividend Paid	(1,530,985)		(1,536,887)	
Corporate Dividend Tax	(262,209)		(262,209)	
Net Cash (Utilised in)/ Generated from Financing Activities		(1,793,194)		(1,799,096)
Net increase/(Decrease) in cash & cash equivalent		114,587,505		(93,197,007)
Cash and Cash equivalents (Opening Balance)		13,692,518		106,889,525
Cash and Cash equivalents (Closing Balance)		128,280,023		13,692,518
		114,587,505		(93,197,007)

Note :-

1. Cash & Cash Equivalent Includes :-
 - i) Cash in Hand - Rs. 1,922/-
 - ii) Bank Balance with Scheduled Banks :
In Current A/c. & Deposit A/c. Rs.128,278,101/-

As per our report of even date.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

ALFRED HERBERT (INDIA) LTD.

**PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details			
Registration No.	3 5 1 6	State Code	2 1
Balance Sheet Date	3 1 0 3 2 0 0 9		
II. Capital Raised During the Year (Amount in Rs. Thousands)			
Public issue	N I L	Right issue	N I L
Bonus issue	N I L	Private Placement	N I L
III. Position of Mobilisation and deployment of funds (Amount in Rs. Thousands)			
Total Liabilities	2 5 3 6 8 1	Total Assets	2 5 3 6 8 1
Source of Funds			
Paid-up Capital	7 7 1 4	Reserves & Surplus	2 4 3 5 7 9
Secured Loans	N I L	Unsecured Loans	N I L
Deferred Tax Liability	2 3 8 8		
Application of Funds			
Net Fixed Assets	4 5 5 2 3	Investments	7 8 8 6 3
Net Current Assets	1 2 9 2 9 5	Misc. Expenditure	N I L
Accumulated Losses	N I L		
IV. Performance of Company (Amount in Rs. Thousand)			
Turnover	1 8 8 3 7	Total Expenditure	9 4 4 4
Profit Before Tax	9 3 9 4	Profit / (Loss) after tax	8 1 3 1
Earnings Per Share (Rs.)	1 0 . 5 4	Dividend Rate %	2 0 %
V. Generic Name of Three Principal Products/Services of Company (As per monetary terms)			
Item Code No.	N O T A P P L I C A B L E		
Product Description	N O T A P P L I C A B L E		

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

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	31.03.2009	31.03.2008
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, 2009 :		
(i) for the financial year of the Subsidiary	(33,495,565)	665,310
(ii) for the previous financial year of the Subsidiary	8,522,517	11,496
(b) dealt with in the Accounts of Alfred Herbert (India) Ltd. for the year ended 31st March, 2008 :		
(i) for the financial year of the Subsidiary	Nil	Nil
(ii) for the previous financial year of the Subsidiary	Nil	Nil

Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

AUDITORS' REPORT

To the Board of Directors

Alfred Herbert (India) Limited.

1. We have examined the attached consolidated Balance Sheet of ALFRED HERBERT (INDIA) LIMITED ("the Company") and its Subsidiary Companies as at 31 March 2009 and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of individual audited financial statements of the Company and its Subsidiary Companies included in the aforesaid Consolidated financial statements.
4. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries included in the consolidated financial statements read together with the Significant Accounting Policies & Notes on Accounts of Consolidated financial statements, we are of the opinion that the said 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 consolidated state of affairs of the Company and its subsidiaries as at 31 March 2009,
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date and
 - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Company and its subsidiaries for the year ended on that date.

Place : Kolkata
Date : 10th June, 2009

For RAY & RAY
Chartered Accountants
Abhijit Neogi
(Partner)
Membership No.61380

Consolidated Balance Sheet

as at 31st March, 2009

	Schedules	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	7,714,290	7,714,290
Reserves and Surplus	2	251,242,108	277,531,621
Loan Funds			
Secured Loans	3	2,458,603	—
Deferred tax liability		2,732,751	2,525,673
TOTAL		264,147,752	287,771,584
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	74,588,233	75,066,246
Less : Depreciation		25,702,241	24,041,991
Net Block		48,885,992	51,024,255
Capital-Work-in-Progress		3,147,954	3,147,954
Investments	5	72,821,955	182,720,020
Current Assets, Loans and Advances :			
Inventories	6	61,404,629	39,918,407
Sundry Debtors	7	27,872,955	42,358,522
Cash and Bank Balances	8	130,278,258	20,825,269
Other Current Assets	9	11,355,354	6,969,795
Loans and Advances	10	42,478,326	31,434,751
		273,389,522	141,506,744
Less : Current Liabilities and Provisions :			
Liabilities	11	109,339,564	62,581,288
Provisions	12	24,758,107	28,046,101
Net Current Assets		139,291,851	50,879,355
TOTAL		264,147,752	287,771,584
Accounting Policies and Notes to Accounts	18		

Note : The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

Consolidated Profit and Loss Account

For the year ended 31st March, 2009

	Schedules	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
INCOME			
Income from Operations	13	123,844,123	185,984,407
Income from Investments	14	6,906,031	5,187,332
Other Income	15	290,783	2,988,056
		<u>131,040,937</u>	<u>194,159,795</u>
EXPENDITURE			
Cost of Materials	16	80,478,762	103,381,949
Excise Duty		151,528	520,887
Other Expenses	17	68,642,284	68,933,223
Interest		3,079,011	248,758
Depreciation		2,310,918	2,235,593
Less : Transferred from Revaluation Reserve		(185,008)	(185,008)
		<u>154,477,495</u>	<u>175,135,402</u>
PROFIT / (LOSS) BEFORE TAX		(23,436,558)	19,024,393
Less : Provision for Taxation :			
- Current Tax		1,072,000	4,825,000
- Income Tax relating to earlier years (Net)		(656,252)	53,671
- Deferred Tax		207,078	(283,254)
- Fringe Benefit Tax		240,054	344,891
PROFIT / (LOSS) AFTER TAX		(24,299,438)	14,084,085
Add : Balance brought forward from previous year		42,938,037	35,760,019
Available for appropriation		<u>18,638,599</u>	<u>49,844,104</u>
APPROPRIATIONS			
Proposed Dividend		1,542,858	1,542,858
Corporate Dividend Tax		262,209	262,209
General Reserve		1,000,000	3,310,700
Special Reserve		1,746,000	1,790,300
Balance carried to Balance Sheet		<u>14,087,532</u>	<u>42,938,037</u>
		<u>18,638,599</u>	<u>49,844,104</u>
Earning Per Share - Basic & Diluted (Face value Rs.10/- each)		(31.50)	18.26
No. of shares used in computing earning per share - Basic & Diluted		771,429	771,429
Accounting Policies and Notes to Accounts	18		

Note : The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

CONSOLIDATED SCHEDULES

		As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.							
1.	CAPITAL									
	Authorised									
	100 8% Redeemable Preference Shares of Rs. 100 each	10,000	10,000							
	100 Redeemable Preference Shares of Rs. 100 each	10,000	10,000							
	5,000,000 Equity Shares of Rs. 10 each	50,000,000	50,000,000							
		<u>50,020,000</u>	<u>50,020,000</u>							
	Issued, subscribed and paid-up									
	9,000 Equity shares of Rs. 10 each issued without payment being received in cash.	90,000	90,000							
	270,000 Equity shares of Rs. 10 each issued as bonus shares by capitalisation of reserve	2,700,000	2,700,000							
	492,429 Equity shares of Rs. 10 each issued for cash	4,924,290	4,924,290							
		<u>7,714,290</u>	<u>7,714,290</u>							
2.	RESERVES AND SURPLUS									
	Capital Reserve	6,068,426	6,253,434							
	Capital Redemption Reserve	1,400	1,400							
	General Reserve	205,000,000	204,000,000							
	Special Reserve	26,084,750	24,338,750							
	Surplus in Profit & Loss Account	14,087,532	42,938,037							
		<u>251,242,108</u>	<u>277,531,621</u>							
3.	SECURED LOANS									
	From Banks :									
	Cash Credit	2,458,603	—							
	Secured by Hypothecation of stocks and book debts both present and future and Plant and Machinery, Furniture and Fixtures and Vehicles.									
		<u>2,458,603</u>	<u>—</u>							
4.	FIXED ASSETS									
	GROSS BLOCK	DEPRECIATION	NET BLOCK							
Description	Value as on 31.03.2008 Rs.	Additions during the year Rs.	Sales/ Adjust-ments Rs.	Value as on 31.03.2009 Rs.	Upto 31.03.2008 Rs.	For the year Rs.	Sales/ Adjust-ments Rs.	Upto 31.03.2009 Rs.	Value as on 31.03.2009 Rs.	Value as on 31.03.2008 Rs.
Land	3,674,588	—	—	3,674,588	—	—	—	—	3,674,588	3,674,588
Building	50,550,507	—	—	50,550,507	11,717,674	899,712	—	12,617,386	37,933,121	38,832,833
Plant & Machinery	15,963,625	104,352	150,500	15,917,477	9,422,941	1,092,178	150,500	10,364,619	5,552,858	6,540,684
Furniture, Fixtures & Equipments	2,874,521	60,963	500,168	2,435,316	1,898,001	174,049	500,168	1,571,882	863,434	976,520
Vehicles	2,003,005	7,340	—	2,010,345	1,003,375	144,979	—	1,148,354	861,991	999,630
Total	75,066,246	172,655	650,668	74,588,233	24,041,991	2,310,918	650,668	25,702,241	48,885,992	51,024,255
Previous Year	74,546,220	2,156,209	1,636,183	75,066,246	23,424,709	2,235,593	1,618,311	24,041,991	51,024,255	

Note :

- Buildings Include a flat on leasehold land (original cost Rs 198,559). Registration of the relevent conveyance deed of the flat is pending execution
- The Company revalued its land and buildings as on 22.01.1968 and as on 30.06.1986 resulting in an increase in net value of such assets by Rs. 22,70,000 and Rs. 82,52,840 on the respective dates.
- Buildings includes leasehold premises valuing Rs. 110,109 (Previous year Rs. 113,877) original cost Rs. 342,945 the lease in respect of which has since expired. The Company is taking steps to renew the lease. Necessary adjustment in this respect, if any, shall be made as and when finally determined.

Consolidated Schedules
5. INVESTMENTS
**Long Term
Non-Trade
Quoted**

Equity Shares of Rs. 10 each except & fully paid up where otherwise stated

	Nos.	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
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	500	5,000	5,000
Reliance Industries Ltd.	33,500	19,351,842	19,351,842
Sterlite Industries (India) Ltd. (Face Value Rs.2 per share)	2,505	188,310	188,310
India Glycol Limited	18,000	2,354,307	2,354,307
I T C Limited (Face Value Rs.1 per share)	30,000	3,578,171	3,578,171
Reliance Capital Ltd.	1,175	184,413	184,413
Reliance Natural Resources Ltd. (Face Value Rs.5 per share)	23,500	99,300	99,300
Reliance Communication Ltd.	23,500	5,489,863	5,489,863
Reliance Infrastructure Ltd	1,762	1,035,555	1,035,555
I D F C Limited	50,000	3,511,762	3,511,762
Hindalco Industries Limited (Face Value Re.1 per share)	75,750	7,272,000	7,272,000
		62,955,655	62,955,655

Unquoted

Kirloskar Computer Services Ltd	10,000	100,000	100,000
Less : Provision for diminution in value		96,400	3,600
Lodha Capital Markets Limited.	264,000	2,640,000	2,640,000
Manoraj Investments Limited.	27,000	2,700,000	2,700,000
Advance Business Services Limited	19,000	1,900,000	1,900,000

Debentures

5% Non-Redeemable Debentures stock in Woodlands

Hospital & Medical Research Centre	1	5,000	5,000
1/2% Registered Mortgaged Debentures in Woodlands			
Hospital & Medical Research Centre	39	3,900	3,900

In Units

Units of Rs. 10 each in HDFC Mutual Fund	—	—	3,178,757
Units of Rs. 10 each in Prudential ICICI Income Plan - Growth Option	—	—	1,283,857
Units of Rs. 10 each in Prudential ICICI Long Term Floating Rate Plan	—	—	16,661
Units of Rs. 10 each in Prudential ICICI Long Term Floating Rate Plan - Growth	—	—	150,000

Current Investments

Units of Rs. 10 each in ABN Amro Money Plus Regular Weekly Dividend	—	—	24,208,700
Units of Rs. 10 each in HDFC Mutual Fund - Dividend Reinvest	—	—	38,230,994
Units of Rs. 10 each in ICICI Prudential Short Term Plan - Div. Reinvestment	—	—	45,441,889
Units of Rs. 10 each in ICICI Prudential Long Term Floating Rate Plan - Dividend Reinvest	—	—	1,007
Units of Rs. 10 each in HDFC Cash Management Fund - T. Adv. Plan - Div. Reinvestment	260842,436	2,613,800	—
		9,866,300	119,764,365

Aggregate Book Value of :

a) Quoted Investments

b) Unquoted Investments

Aggregate Market Value of Quoted Investments

72,821,955	182,720,020
62,955,655	62,955,655
9,866,300	119,764,365
72,821,955	182,720,020
80,725,674	145,277,271

Consolidated Schedules

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
6. INVENTORIES		
Raw Material at cost (including in transit Rs. 181,110/- Previous year Rs. 1,046,521/-)	23,111,064	25,553,812
Work-in-Progress	36,828,263	12,831,918
Stock-in-Trade	580,729	613,886
Loose Tools (net)	884,573	918,791
	<u>61,404,629</u>	<u>39,918,407</u>
7. SUNDRY DEBTORS		
(Unsecured - Considered good)		
Debts outstanding for a period exceeding six months		
- Considered good	16,336,535	14,711,986
- Considered doubtful	—	—
Other debts	11,536,420	27,646,536
	<u>27,872,955</u>	<u>42,358,522</u>
8. CASH AND BANK BALANCES		
Cash in hand	172,980	196,380
Remittance in Transit	198,590	—
Fixed Deposits with Scheduled Banks	111,900,000	—
Balances with Scheduled Banks :		
(i) On Current Accounts		
EEFC Account	15,265,358	11,648,316
Others	2,231,866	7,781,532
(ii) On Deposit Accounts	281,964	269,791
Margin Deposits - towards Bank Guarantee	227,500	929,250
	<u>130,278,258</u>	<u>20,825,269</u>
9. OTHER CURRENT ASSETS		
(Unsecured - considered good)		
Interest Receivable	2,546,443	—
Rent Receivable	2,109,850	2,474,016
Balance with Customs, Port Trust etc.	5,630,927	3,618,988
Security Deposit	1,068,134	876,791
	<u>11,355,354</u>	<u>6,969,795</u>
10. LOANS AND ADVANCES		
Secured		
Advance recoverable in cash or in kind or for value to be received (including short term deposits with companies and others)		
- considered good	—	—
- considered doubtful	20,000,000	20,000,000
Less : Provision for non-performing loans & advances	<u>20,000,000</u>	<u>20,000,000</u>
Unsecured - Considered good		
Advance recoverable in cash or in kind or for value to be received	18,085,177	3,557,099
Advance Income Tax (including tax deduction at source)	24,383,218	27,832,199
Interest Accrued on Margin Deposits	9,931	45,453
	<u>42,478,326</u>	<u>31,434,751</u>
11. LIABILITIES		
Sundry Creditors	37,598,591	32,995,543
Advances from customers	41,266,987	18,745,076
** Other Liabilities	30,473,986	10,840,669
** Includes unclaimed dividend amounting to Rs.281,964 and unclaimed deposit and interest therein for Rs. Nil (previous year Rs. 270,091 & 5,398 respectively) which is not due to be deposited to Investor Education and Protection Fund.	<u>109,339,564</u>	<u>62,581,288</u>
12. PROVISIONS		
Provision for Taxation	21,798,911	25,036,837
Provision for Fringe Benefit Tax	1,029,129	1,104,197
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	262,209	262,209
Provision for Warranty	125,000	100,000
	<u>24,758,107</u>	<u>28,046,101</u>

Consolidated Schedules

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
13. INCOME FROM OPERATIONS		
Sales & Related Income	123,549,508	197,205,193
Less : Excise Duty	12,038,227	25,470,281
	111,511,281	171,734,912
Interest, Fees and other charges (Tax deducted at source Rs. 844,949/-) previous year Rs. 840,152/-)	4,209,565	4,078,654
Commission	54,341	3,583,798
Service Charges (Tax deducted at source Rs. 648,900/- Previous Year Rs. 967,035/-)	2,100,000	4,200,000
Exchange Gain	3,292,936	—
Rent (Tax deducted at source Rs. 531,480/- Previous Year Rs. 514,965/-)	2,676,000	2,387,043
	<u>123,844,123</u>	<u>185,984,407</u>
14. INCOME FROM INVESTMENTS		
Dividend	5,734,579	4,829,239
Profit on Sale of Investments	1,171,452	358,093
	<u>6,906,031</u>	<u>5,187,332</u>
15. OTHER INCOME		
Interest Income	198,183	147,405
Profit on Sale of Fixed Assets	—	12,600
Miscellaneous Income	92,600	2,828,051
	<u>290,783</u>	<u>2,988,056</u>
16. COST OF MATERIALS		
Opening Stock :		
Work-in-progress	12,831,918	39,351,013
Stock-in-trade	613,886	2,255,659
	<u>13,445,804</u>	<u>41,606,672</u>
Add : Raw Material Consumed	104,281,725	76,419,042
Add : Purchase of machine tools and spares	160,225	432,759
	<u>117,887,754</u>	<u>118,458,473</u>
Less : Closing Stock :		
Work-in-progress	36,828,263	12,831,918
Stock-in-trade	580,729	613,886
Jigmill capitalised from Stock	—	1,630,720
	<u>80,478,762</u>	<u>103,381,949</u>
17. EXPENSES		
Salaries, Wages & Bonus	25,606,433	28,988,501
Contribution to Provident Fund, Pensions and other Funds	4,060,568	3,830,988
Medical and welfare expenses	3,487,203	3,651,059
Repairs and Maintenance	5,126,877	3,127,653
Rent	849,578	957,360
Rates and Taxes	1,071,229	980,091
Service Charges	2,138,029	4,267,704
Insurance	169,277	156,811
Electricity	457,543	464,508
Power and Fuel	2,475,859	2,676,548
Postage and telephone	1,132,134	1,373,721
Printing and stationery	497,929	586,773
Travelling and conveyance	1,463,368	2,500,562
Motor Car Expenses	1,294,767	1,320,367
Legal and secretarial expenses	747,229	1,581,136
Commission	7,573,863	1,644,028
Fixed Assets discarded	—	15,372
Loss on Exchange Variance	92,052	1,065,095
Consumable Stores	3,853,678	2,873,053
Consultancy Charges	2,608,988	2,309,934
Miscellaneous expenditure (i)	3,765,680	4,376,959
Directors' Fees	170,000	185,000
	<u>68,642,284</u>	<u>68,933,223</u>
(i) Includes		
Audit Fees	87,000	87,000
Tax Audit Fees	22,000	22,000
In other capacity	47,596	28,084

18. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

A. 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%

B. 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. 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, except in the cases of fixed assets acquired from a country outside India, in which case, these are adjusted to the cost of respective fixed assets.

Income

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

Retirement Benefits

Retirement benefits to employees viz. Provident, Superannuation and Pension Funds and 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 appropriate authorities. Liability for leave encashment is accounted for on accrual basis as per Management's estimate.

Voluntary Retirement Compensation

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

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.

NOTES ON ACCOUNTS

a. Contingent liabilities not provided for in respect of :

	(Rs. Lacs)	
	<u>Current Year</u>	<u>Previous Year</u>
i) Claims towards wages/compensation by Employees which are pending in appeal.	4.07	4.85
ii) Performance Bank Guarantee issued in favour of customers.	2.28	10.50
iii) Penalty imposed by Zonal Joint Director General of Foreign Trade, Kolkata for non fulfillment of export obligation which has been stayed by the Hon'ble High Court, Calcutta on a writ petition filed by the Company.	48.26	48.26

	Current Year	(Rs. Lacs) Previous Year
iv) Central Excise demands not accepted by the Company	7.57	10.12
v) Penalties in respect of Excise / Service Tax	7.57	10.91
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.	—	0.58

- b. Building Plan Sanction Fees Rs. 3,147,954/-paid to Municipal Authorities for construction of building has been carried forward as Capital-Work-in-Progress to be allocated/adjusted on completion of Construction.
- c. Interest on loans except to the extent there is uncertainty as to the realisation has been accounted for on accrual basis.

d. **Units Subscribed and redeemed during the year**

MUTUAL FUNDS

(Units of Rs. 10/- each)

	No. of Units	Cost Price (Rs.)
1. HDFC FMP 181D	70,000.000	700,000/-
2. ICICI Prudential Floating Rate Plan	148,560.449	1,500,000/-
3. TATA Fixed Maturity Plan	3,000,000.000	30,000,000/-

- e) Loans and advances include Rs.200 lacs, which are overdue for payment. Pending outcome of steps for recovery taken by the Company, full provision for these non-performing assets amounting to Rs.200 lacs has been made in the previous years.

f) **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 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 2009.

1. Change in Defined Benefit Obligations

		Rs. In Lacs
a	Present Value of Defined Benefit Obligations at the beginning of period	133.80
b	Current Service Cost	7.14
c	Interest Cost	9.31
d	Curtailment Cost/(Credit)	0.00
e	Settlement Cost/(Credit)	0.00
f	Employee Contribution	0.00
g	Plan amendments	0.00
h	Acquisitions	0.00
i	Actuarial Losses/(Gains)	14.25
j	Benefits Paid	(25.85)
k	Present Value of Defined Benefit Obligations at the end of period	138.65

2. Change in Fair Value of Assets

a	Plan assets at beginning of period	133.82
b	Expected return on plan assets	9.95
c	Actual Company contributions	16.60
d	Actuarial gain/(loss)	1.41
e	Employee contributions	0.00
f	Benefits paid	(25.85)
g	Plan assets at the end of period	135.93

3. Total expense recognised in the statement of Profit & Loss Accounts for the year ended 31st March 2009.

	Components of employer expense	Rs. In Lacs
a	Current Service Cost	7.14
b	Interest Cost	9.31
c	Expected return on plan assets	(9.95)
d	Curtailment Cost/(Credit)	0.00
e	Settlement Cost/(Credit)	0.00
f	Past Service Cost	0.00
g	Actuarial Losses/(Gains)	12.84
h	Total expenses recognised in the Statement of Profit & Loss Account	19.34

4. Net Assets / (Liability) recognised in the Balance Sheet for the year ended 31st March 2009.

	Funded Status	Rs. In Lacs
a	Present value of Defined Benefits Obligations	138.65
b	Fair value of plan assets	135.93
c	Funded status (Surplus/(Deficit))	(2.72)
d	Effect of balance sheet asset limit	0.00
e	Unrecognised Past Service Costs	0.00
f	Net Asset/(Liability) recognised in the Balance Sheet	(2.72)
g	Net Asset/(Liability) recognised in the Balance Sheet at beginning of the period	0.02
h	Employer expenses	19.34
i	Employer contributions	16.60
j	Net Asset/(Liability) recognised in the Balance Sheet at the end of the period	(2.72)

5. Actuarial Assumptions as at 31st March 2009

a	Discount Rate	6.50%
b	Mortality	LIC (1994-96) Ultimate
c	Salary increases	5%
d	Expected return on assets	7.70%
e	Withdrawal rates	Upto 40 years 6.2% 40 years and above NIL

g. The following are the major components of deferred tax Assets/(Liabilities).

	As on 31.03.2009 (Rs)	As on 31.03.2008 (Rs)
Deferred Tax Liability		
On Account of Depreciation	(3, 312,117)	(3,277,585)
Deferred Tax Assets		
Expenses allowable on payment basis u/s 43B	536,878	717,922
Provision for Warranty	42,488	33,990
TOTAL	579,366	751,912
Net Deferred Tax Liability	(2,732,751)	(2,525,673)

h. 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:-

a) Name of the related parties where control exists - Subsidiary Companies :

- i) Alfred Herbert Limited. ii) Herbert Holdings Limited.

i. **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 and Realty, Business Services comprises the primary basis of segment. Others include Profit on Sale of Long Term Investments and income thereagainst. The only geographical segment is India.

Primary Segment	Year ended 31.03.2009					Year ended 31.03.2008				
	Manufac- turing Operations	Sales & Marketing Operations	Realty & Business Services	Others Elimin- ations	Total	Manufac- turing Operations	Sales & Marketing Operations	Realty & Business Services	Others Elimin- ations	Total
A. REVENUE										
External Sales/Income	1,115.09	3.79	122.47	69.06	1,310.41	1,739.44	43.62	106.98	51.56	1,941.60
Inter Segment Sales/Income			21.00	(21.00)	—			43.50	(43.50)	—
Total –	1,115.09	3.79	143.47	69.06	1,310.41	1,739.44	43.62	150.48	51.56	1,941.60
Segment Result (Profit (+) / Loss (-) before Tax & Interest)	(330.84)	(9.97)	46.39	69.06	—	(225.36)	87.72	37.72	51.56	198.59
Less : Un-allocable expenditure										
i) Interest					4.14					2.49
ii) Other un-allocable expenditure (Net of un allocable income)					4.87					5.86
Total Profit before Tax					(234.37)					190.24
Less : Taxes										
Current Tax					4.16					48.78
Deferred Tax					2.07					(2.83)
Fringe Benefit Tax					2.40					3.45
Net Income / (Loss) after Tax					(243.00)					140.84
OTHER INFORMATION										
Segment Assets	1,220.07	7.22	1,785.51	728.22	3,741.02	1,030.94	15.07	642.10	1,827.20	3,515.31
Un-Allocable Assets					243.83					278.32
Total					3,984.85					3,793.63
Segment Liabilities & Provisions	1,073.67	3.35	16.37	—	1,093.39	578.79	1.60	63.42	—	643.81
Un-Allocable Liabilities & Provisions					229.53					262.41
Total					1,322.92					906.22
Depreciation	13.16	0.77	7.33	—	21.26	12.33	0.82	7.35	—	20.50
Capital Expenditure Including CWIP	1.38	—	0.35	—	1.73	20.03	0.63	0.90	—	21.56
OTHER NON-CASH ADJUSTMENT										
Provision for Non Performing Loans & Advances	—	—	—	—	—	—	—	—	—	—
Irrecoverable Amount Written off	—	—	—	—	—	—	—	—	—	—

j 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	
	2008-09	2007-08
	Rs.	Rs.
Opening Provision	100,000	100,000
Provided during the year	1,073,639	616,198
Amount utilized	1,048,639	616,198
Unused written back	—	—
Closing provision	125,000	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.

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

Signature for Schedules 1 to 18

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

**Consolidated Cash Flow Statement of Alfred Herbert (India) Ltd.,
and its Subsidiary companies for the year ended 31st March, 2009**

	2008 - 2009		2007 - 2008	
	(Rs.)	(Rs.)	(Rs)	(Rs)
A. Cash Flow from Operating Activities				
Net Profit before Tax		(23,436,558)		19,024,393
Adjustment for :				
Depreciation	2,125,910		2,050,585	
Interest	411,796		248,758	
Loss on sale of Fixed Assets	—		1,376	
Profit on Sale of Fixed Assets	—		(12,600)	
Profit on sale of Investment	(554,157)		(328,593)	
Interest Accrued on Deposits	9,931	1,993,480	18,982	1,978,508
Operating Profit before Working Capital Changes		(21,443,078)		21,002,901
Adjustments for :				
Inventories	(21,486,222)		16,420,449	
Sundry Debtors	14,512,028		1,366,281	
Other Current Assets	(3,448,814)		1,314,288	
Loans & Advances	(12,469,004)		755,180	
Current Liabilities & Provisions	45,212,656	22,320,644	(14,107,912)	5,748,286
Cash (Utilised in)/ Generated from Operating Activities		877,566		26,751,187
Interest Paid	(411,796)		(248,758)	
Direct Tax (Net)	(1,957,757)	(2,369,553)	(5,399,091)	(5,647,849)
Net Cash (Utilised in)/ Generated from Operating Activities		(1,491,987)		21,103,338
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(172,655)		(756,209)	
Sale of Fixed Assets	—		29,096	
Proceeds from Sale/Redemption of Investments	148,736,333		11,505,704	
Purchase of Investments	(38,284,111)		(114,672,516)	
Net cash (Utilised in)/ Generated from Investment Activities		110,279,567		(103,893,925)
C. Cash Flow from Financing Activities				
Dividend Paid	(1,530,985)		(1,536,887)	
Corporate Dividend Tax	(262,209)		(262,209)	
Proceeds/(Repayment) of Borrowings	2,458,603		(6,734,370)	
Net Cash (Utilised in)/ Generated from Financing Activities		665,409		(8,533,466)
Net increase/(Decrease) in cash and cash equivalent		109,452,989		(91,324,053)
Cash and Cash equivalents (Opening Balance)		20,825,269		112,149,322
Cash and Cash equivalents (Closing Balance)		130,278,258		20,825,269
		109,452,989		(91,324,053)

Note :-

1. Cash & cash Equivalent includes :-
 - i) Cash in Hand - Rs. 172,980/-
 - ii) Bank Balance with Scheduled Banks :-
In Current A/c. & Deposit A/c. Rs. 130,105,278/-

As per our report of even date.

For RAY & RAY
Chartered Accountants
Abhijit Neogi
Partner
Membership No. 61380
Kolkata
10th June, 2009

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director

ALFRED HERBERT LTD.

Annual Report 2008-2009

NOTICE OF MEETING

NOTICE is hereby given that the Twenty-first 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 15th July 2009 at 11 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 and Profit & Loss Account 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. S.S.Jain, 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
8th June, 2009

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-first Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Year Ended 31.3.2009	Year Ended 31.3.2008
	Rs.	Rs.
Gross Income	111,509,442	173,943,704
Profit / (Loss) before Tax	(33,495,565)	8,522,517
Provision for Tax (Including Deferred Tax and Fringe Benefit Tax)	471,954	3,388,944
Profit / (Loss) after Tax	(33,023,611)	5,133,573
Surplus from earlier years brought forward	37,561,081	32,427,508
	<u>4,537,470</u>	<u>37,561,081</u>

DIVIDEND

Your Directors do not recommend any dividend for the year.

OPERATIONS

Despite your Company beginning the year with a very healthy order book, the global financial crisis had an extremely adverse impact. Many customers did not take delivery of or cancelled orders due to the lower demand for their products and /or severe financial challenges. Consequently your Company's performance suffered severely in line with the industry leading to a significant loss for the year.

Your Company has taken several measures of reducing costs including by increasing outsourcing of tasks. As there would be expansion of the Radial Segment, your company is looking at means to update its technology for the supply of machines in Radial Segment. Your company has also successfully executed the supply of Hydraulic Cylinders to Defence establishments and is attempting to expand the scope of this business.

DEVELOPMENT

The first 91" Tyre Curing Press manufactured by your company was successfully delivered. The installation and commissioning is expected to take place in the first half of 2009-10. In the areas of Tyre Building, we have undertaken to build a Tyre Building machine to cater to LCV Segment. We have also developed an improved version of Tyre Building machine catering to the need of Truck/OTR Segment for Ply method of Tyre Building. We have also enlarged the ranges of Turret Servicers from 42" to 84".

DIRECTORS

Mr. S S Jain retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.

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. A. J. 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 the 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:

- i) That the preparation of the annual accounts, the applicable accounting standard 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.

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.

Kolkata
8th June, 2009

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

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 Director's Report for the year ended 31st March 2009.

A. CONSERVATION OF ENERGY

- i) Eliminated High Power Intensive machines from our system.
- ii) Reduced working in night shifts
- iii) Surrendered 100 KVA to BESCOM by improving the load factor
- iv) By maintaining the power factor close to 0.9

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

- 1.
 - 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.
- 2. Benefits derived as a result of R & D
 - a) To retain Market Share
 - b) To enter into a New Market
 - c) Cost Reduction
 - d) Improved Customer Satisfaction
- 3. Future Plan
 - a) Enlarge the range of manufacture and supply of Tyre Curing Press.
 - b) Tyre Building Machines
 - c) Intermixes
 - d) To cater to the market needs preferably in the Radial Segment.
- 4. Expenditure in R & D
 - 1. Foreign Exchange used Nil
 - 2. Foreign Exchange Earned Nil

Kolkata
8th June, 2009

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

AUDITORS' REPORT To the Members of Alfred Herbert Limited

1. We have audited the attached Balance Sheet of Alfred Herbert Limited as at 31st March 2009 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order") issued by the Central Government of India in exercise of the power conferred by Section 227 (4A) of the Companies Act, 1956 ("the Act"), and according to the information and explanations given to us and on the basis of such checks as we considered appropriate 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 thereunder.
 - 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. 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 2009 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 :-

Name of Statute	Nature of Dues	Amount (Rs Lakhs)	Forum where pending
Central Excise/Service Tax Laws	Demand for Duty / Reversal of Cenvat Credit	4.07 7.57	Tribunal Commissioner/Addl Commissioner of Central Excise/Service Tax.
Foreign Trade (Development and Regulation) Act , 1992	Penalty for non-fulfillment of Export obligation	48.26	High Court, Kolkata

- 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 during the financial year covered by our audit but not incurred any cash loss in 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.

4. Further to the above, 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 the law have been kept by the Company so far as appears from our examination of such books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956.
- v) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi) In our Opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes thereon, give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - b) In the case of Profit and Loss Account, of the loss for the year ended on that date and
 - c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Place : Bangalore
Date : 8th June, 2009

For RAY & RAY
Chartered Accountants
M. Kishore
Partner
Membership No. 23148

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 2009 (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 **20th May, 2008; 29th September, 2008; 21st October, 2008; 7th November, 2008 and 27th March 2009** 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 2008 was held on **24th July 2008** 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. One Extra-Ordinary General Meeting was held on 24th December, 2008 during the financial year after giving due notice to the members of the company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
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 under scrutiny.
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.
11. 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 there was no declaration of dividend during the financial year.
 - c. not required 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 appointment of Manager has been made in compliance with the provision of Section 269 read with Schedule XIII to the Act.
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.
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 those specified under the definition of section 293 (1) (d) during the financial year ended 31st March, 2009.
25. The company has not made any Loans or investments or given any guarantees or provided any 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 employees and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Kolkata

Date : 5th June, 2009

For A. J. & ASSOCIATES

Company Secretaries

Abhijeet Jain

Proprietor

C.P. No. : 3426

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 2009.

1. Annual Return (Schedule V) in Form 20B made upto 24.07.2008 filed on 23.08.2008.
2. Balance Sheet (Schedule VI) & Profit & Loss A/c in Form 23AC & 23ACA as at 31.03.2008 filed on 05.08.2008.
3. Compliance Certificate in Form 66 for the year-ended 31.03.2008 filed on 05.08.2008.
4. Form 25C dated 07.11.2008 filed on 22.01.2009 and being rejected, revised form submitted on 07.04.2009.
5. Form 32 dated 01.01.2009 filed on 25.02.2009
6. Form 23 dated 07.11.2008 filed on 20.01.2009

BALANCE SHEET AS AT 31ST MARCH, 2009
I. SOURCES OF FUNDS

Share Holders' Funds — Capital
— Reserves and Surplus
Loan Funds
— Secured Loan
Deferred Tax Liability (Net)

II. APPLICATION OF FUNDS
Fixed Assets :

Gross Block
Less : Depreciation
Net Block

Current Assets, Loans and Advances :

Inventories
Sundry Debtors
Cash and Bank Balances
Other Current Assets
Loans and Advances

Less : Current Liabilities and Provisions :

Liabilities
Provisions

Net Current Assets

Accounting Policies and Notes to Accounts
Note : The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For RAY & RAY

Chartered Accountants

M. Kishore

Partner

Membership No. 23148

Bangalore

8th June, 2009

Schedules	As at 31.03.2009		As at 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
1	9,000,070		9,000,070	
2	4,538,170	13,538,240	37,561,781	46,561,851
3		2,458,603		—
		344,608		367,864
		16,341,451		46,929,715
4		17,830,613		17,692,878
		11,319,904		10,004,446
		6,510,709		7,688,432
5	61,404,629		39,918,407	
6	27,871,752		41,730,807	
7	1,820,150		7,018,944	
8	6,313,231		4,300,649	
9	29,523,106		18,222,848	
	126,932,868		111,191,655	
10	107,367,348		57,878,666	
11	9,734,778		14,071,706	
	117,102,126		71,950,372	
		9,830,742		39,241,283
		16,341,451		46,929,715
15				

For and on behalf of the Board

S. S. Jain

A. K. Basu

Directors

R. Subramanian

Executive Director / Manager

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009
INCOME

Sales and Related Income
Less : Excise Duty

Other Income

EXPENDITURE

Cost of Materials
Excise Duty
Other Expenditure
Interest
Depreciation

PROFIT / (LOSS) BEFORE TAX

Less : Provision for Taxation
- Current Tax
- Income tax relating to earlier years (Net)
- Deferred Tax
- Fringe Benefit Tax

PROFIT/(LOSS) AFTER TAX

Add : Balance brought forward from previous year

BALANCE CARRIED TO BALANCE SHEET

Basic and Diluted Earning per share (Face value of Rs. 10 each)

No. of shares used in computing earning per share

- Basic & Diluted

Accounting Policies and Notes to Accounts

Note : The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

For RAY & RAY

Chartered Accountants

M. Kishore

Partner

Membership No. 23148

Bangalore

8th June, 2009

Schedules	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
	123,257,146		196,427,094	
	12,038,227		25,470,281	
	111,218,919		170,956,813	
12	290,523		2,986,891	
	111,509,442		173,943,704	
13	80,318,537		102,949,190	
	151,528		520,887	
14	62,807,688		60,469,023	
	411,796		248,758	
	1,315,458		1,233,329	
	145,005,007		165,421,187	
	(33,495,565)		8,522,517	
	—		3,425,000	
	(656,252)		53,671	
	(23,256)		(381,527)	
	207,554		291,800	
	(33,023,611)		5,133,573	
	37,561,081		32,427,508	
	4,537,470		37,561,081	
	(36.69)		5.70	
	900007		900,007	
15				

For and on behalf of the Board

S. S. Jain

A. K. Basu

Directors

R. Subramanian

Executive Director / Manager

SCHEDULES

1. CAPITAL

Authorised — 909,000 - Equity Shares of Rs. 10 Each
— 100 - 8% Redeemable Preference Shares of Rs. 100 each

Issued, subscribed and paid-up

900,007 equity shares of Rs. 10 each fully paid up
(Out of above 900,000 equity shares of Rs. 10 each were issued to Alfred Herbert (India) Limited 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.

As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
9,090,000	9,090,000
10,000	10,000
<u>9,100,000</u>	<u>9,100,000</u>
9,000,070	9,000,070
<u>9,000,070</u>	<u>9,000,070</u>

2. RESERVES AND SURPLUS

DESCRIPTION	Balance as at 01.04.2008 Rs.	Additions Rs.	Transfers/ (Deductions) Rs.	Balance as at 31.03.2009 Rs.
Capital Redemption Reserve	700	—	—	700
Surplus in Profit and Loss Account	37,561,081	—	(33,023,611)	4,537,470
	<u>37,561,781</u>	—	<u>(33,023,611)</u>	<u>4,538,170</u>

3. SECURED LOANS

From Banks :

Cash Credit

Secured by hypothecation of stocks and book debts both present and future and Plant and Machinery, Furniture and Fixtures and Vehicles.

As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
2,458,603	—
<u>2,458,603</u>	<u>—</u>

4. FIXED ASSETS

DESCRIPTION	ORIGINAL COST / BOOK VALUE				DEPRECIATION				NET BLOCK	
	AS AT 1-4-2008	ADDITIONS DURING THE YEAR	SALES DURING THE YEAR	AS AT 31-3-2009	UP TO 31-3-2008	FOR THE YEAR	SALES DURING THE YEAR	UP TO 31.3.2009	AS AT 31.3.2009	AS AT 31.3.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant & Machinery	14,161,248	73,382	—	14,234,630	8,420,662	1,014,126	—	9,434,788	4,799,842	5,740,586
Furniture, Fixtures & Equipment	2,012,030	57,013	—	2,069,043	1,063,814	156,353	—	1,220,167	848,876	948,216
Vehicles	1,519,600	7,340	—	1,526,940	519,970	144,979	—	664,949	861,991	999,630
	<u>17,692,878</u>	<u>137,735</u>	<u>—</u>	<u>17,830,613</u>	<u>10,004,446</u>	<u>1,315,458</u>	<u>—</u>	<u>11,319,904</u>	<u>6,510,709</u>	<u>7,688,432</u>
Previous Year	15,751,241	2,003,413	(61,776)	17,692,878	8,829,017	1,233,329	(57,900)	10,004,446	7,688,432	

5. INVENTORIES (Ref Note 1 (a) of Schedule 15 for Inventory Valuation Policy)

Raw Material (Including Goods in transit Rs.181,110 Previous year Rs. 1,046,521)
Work-in-Progress
Stock-in-Trade
Loose Tools

As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
23,111,064	25,553,812
36,828,263	12,831,918
580,729	613,886
884,573	918,791
<u>61,404,629</u>	<u>39,918,407</u>

6. SUNDRY DEBTORS

(Unsecured - Considered Good)

Debts outstanding for a period exceeding six months
Other debts

As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
16,336,535	14,711,986
11,535,217	27,018,821
<u>27,871,752</u>	<u>41,730,807</u>

7. CASH & BANK BALANCES

Cash in hand
Balance with Scheduled Banks :
On Current Accounts
Margin Deposit - towards Bank Guarantee

As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
171,058	187,276
1,421,592	5,902,418
227,500	929,250
<u>1,820,150</u>	<u>7,018,944</u>

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
8. OTHER CURRENT ASSETS		
(Unsecured - Considered Good)		
Balance with Customs, Port Trust etc.	5,630,927	3,618,988
Security Deposit	682,304	681,661
	<u>6,313,231</u>	<u>4,300,649</u>
9. LOANS AND ADVANCES		
(Unsecured - Considered Good)		
Advance recoverable in cash or in kind or for value to be received	18,078,016	3,228,337
Advance Tax (including Tax deducted at source)	11,435,159	14,949,058
Interest Accrued on Margin Deposits	9,931	45,453
	<u>29,523,106</u>	<u>18,222,848</u>
10. LIABILITIES		
Sundry Creditors	37,261,510	28,161,864
Advances received from Customers	41,266,987	18,732,201
Other Liabilities	28,838,851	10,984,601
	<u>107,367,348</u>	<u>57,878,666</u>
11. PROVISIONS		
Provision for Taxation	8,718,731	13,028,657
Provision for Fringe Benefit Tax	891,047	943,049
Provision for Warranty	125,000	100,000
	<u>9,734,778</u>	<u>14,071,706</u>
	For the year ended 31.03.2009	For the year ended 31.03.2008
	Rs.	Rs.
12. OTHER INCOME		
Interest Income	198,183	147,405
Misc. Income	92,340	2,827,486
Profit on sale of Fixed Assets	—	12,000
	<u>290,523</u>	<u>2,986,891</u>
13. COST OF MATERIALS		
Opening Stock		
Work-in-progress	12,831,918	39,351,013
Stock-in-trade	613,886	2,255,659
	<u>13,445,804</u>	<u>41,606,672</u>
Raw Material consumed	104,281,725	76,419,042
	<u>117,727,529</u>	<u>118,025,714</u>
Less : Closing Stock		
Work-in-progress	36,828,263	12,831,918
Stock-in-trade	580,729	613,886
	<u>37,408,992</u>	<u>13,445,804</u>
	<u>80,318,537</u>	<u>104,579,910</u>
Jigmill capitalised from stock	—	1,630,720
	<u>80,318,537</u>	<u>102,949,190</u>
14. OTHER EXPENDITURE		
Consumable stores	3,853,678	2,873,053
Power and Fuel	2,475,859	2,676,548
Salaries, Wages & Bonus	24,444,362	27,878,869
Contribution to PF, Pension and other funds	3,940,535	3,703,404
Medical and Welfare Expenses	3,452,879	3,609,435
Repairs to Buildings	449,917	119,505
Repairs to Plant and Machinery	3,589,825	1,796,388
Repairs : Others	569,837	557,180
Rent	—	157,888
Service Charge	2,100,000	4,200,000
Rates and Taxes	289,203	372,854
Insurance	143,642	131,301
Postage, Telephone and Courier	737,035	929,873
Travelling Expenses	1,328,314	2,355,539
Commission	7,573,863	1,644,028
Loss on sale/discardation of Fixed Assets	—	1,376
Miscellaneous Expenses (i)	7,858,739	7,461,782
	<u>62,807,688</u>	<u>60,469,023</u>
(i) Includes Auditor's Remuneration :		
a) Audit Fees	50,000	50,000
b) Tax Audit Fees	10,000	10,000
c) Other Services	24,000	25,500
	<u>84,000</u>	<u>85,500</u>

SCHEDULE 15

1) ACCOUNTING POLICIES & NOTES TO ACCOUNTS

a) 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 standard issued by the Institute of Chartered Accountants of India. The accounting policies unless specifically stated to be otherwise are in 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 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, Leave Encashment, Gratuity 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.

Gratuity Plan

The Company has adopted the revised Accounting Standard on Employee benefits (AS 15).

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

a) Reconciliation of Present Value of Defined Benefit Obligation:

Sl. No.	Particulars	Gratuity (Rs. in Lakhs)
i)	Present value of Defined Benefit Obligation as on 1st April 2008	129.53
ii)	Current Service Cost	6.91
iii)	Interest Cost	8.98
iv)	Actuarial Losses/(Gains)	13.95
v)	Past Service Cost	—
vi)	Benefits paid	(25.85)
vii)	Present value of Defined Benefit Obligation as on 31st March 2009 (i+ii+iii+iv-v-vi)	133.52

b) Reconciliation of Opening and Closing balances of Fair Value of Plan Assets:

Sl. No.	Particulars	Gratuity (Rs. In Lakhs)
i)	Fair Value of Plan Assets as on 1st April 2008	129.54
ii)	Expected Return on Plan Assets	9.60
iii)	Actual Company Contributions	16.15
iv)	Actuarial Gain/ (Loss)	1.36
v)	Benefits paid	(25.85)
vi)	Fair Value of Plan Assets as on 31st March 2009 (i+ii+iii+iv-v)	130.80

c) Reconciliation of Fair Value of Assets and Defined Benefit Obligation:

Sl. No.	Particulars	Gratuity (Rs. In Lakhs)
i)	Fair Value of Plan Assets as on 31st March 2009	130.80
ii)	Present Value of Defined Benefit Obligation as on 31st March 2009	133.52
iii)	Net Asset/ (Liability) recognised in Balance Sheet	(2.72)

d) Actuarial Assumptions:

Sl. No.	Assumptions	As on 31st March 2009
i)	Discount Rate	6.50%
ii)	Mortality	LIC (1994-96) Ultimate
iii)	Salary increase	5.00%
iv)	Expected Return on Assets	7.70%
v)	Withdrawal Rates	Nil-6.2% depending on age

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 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 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.

b) Contingent liabilities not provided in accounts in respect of:

	(Rs. Lakhs)	
	Current Year	Previous Year
i) Claims towards wages/compensation by Employees which are pending in appeal.	4.07	4.85
ii) Performance Bank Guarantees issued in favour of customers.	2.28	10.50
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	48.26
iv) Central Excise demands not accepted by the Company	7.57	10.12
v) Penalties in respect of Excise/Service Tax	7.57	10.91
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.	—	0.58

c) The following are the major components of deferred tax Assets/(liabilities).

	As on 31.03.2009 (Rs)	As on 31.03.2008 (Rs)
Deferred Tax Liability		
On Account of Depreciation	(899,150)	(1,096,117)
Deferred Tax Assets		
Expenses allowable on payment basis u/s 43B	512,054	694,263
Provision for Warranty	42,488	33,990
	554,542	728,253
Net Deferred Tax Liability	(344,608)	(367,864)

d) 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 issued by the Institute of Chartered Accountants of India.

e) 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 given below:

- (i) Holding Company Alfred Herbert (India) Ltd
(ii) Key Managerial Person R Subramanian
Designation Executive Director / Manager
Gross Remuneration for the year 11.88 Lakhs
(iii) Transactions with the related parties: (Rs.Lakhs)

	Holding Company
1) Service Charges Paid	21.00
	(42.00)
2) Advances given	15.36
	(57.24)
3) Advances taken	4.58
	(35.37)
4) Outstandings Receivable Payable	2.41
	(8.37)

5) No amounts have been written off or written back during the year.

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

f) 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	
	2008-09	2007-08
	Rs.	Rs.
Opening Provision	100,000	100,000
Provided during the year	1,073,639	616,198
Amount utilised	1,048,639	616,198
Unused written back	—	—
Closing Provision	125,000	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.

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

h) Information pursuant to the provisions of paragraph 3, 4(c) and (d) of part II and IV of Schedule VI to the Companies Act, 1956 as per separate annexure.

ANNEXURE TO SCHEDULE 15 (h) TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Description	Unit of Quantity	2008-2009		2007-2008	
		Quantity	Value. Rs.	Quantity	Value Rs.
Castings and Forgings	MT	384.58	30,766,515	150.77	13,569,610
Control Panel with fittings	Set	14.00	4,478,716	9.00	3,429,645
Gear Unit Instruments, Motors	Set	57.00	9,748,458	75.00	11,961,769
Rotor Assembly	Set	7.00	1,819,701	13.00	3,217,137
Others		—	57,468,335	—	44,240,881
Total			104,281,725		76,419,042

Note : Other Items are numerous and none of these individually exceeds 10% of total consumption.

2. Consumption of Imported and Indigenous raw materials, components and spares and the percentage of each to total consumption (for production)

Description	2008-2009		2007-2008	
	Amount Rs.	%	Amount Rs.	%
Raw Materials, Components and Spares :				
Imported	6,028,059	5.78	4,126,486	5.40
Indigenous	98,253,666	94.22	72,292,556	94.60
	<u>104,281,725</u>	<u>100.00</u>	<u>76,419,042</u>	<u>100.00</u>

3. Particulars in respect of Sales

Description	2008-2009		2007-2008	
	Quantity	Value Rs.	Quantity	Value Rs.
Rubber Processing Machineries	21	100,964,466	29	130,578,675
Spares / Cylinders		20,529,424		56,927,280
Reconditioning / Machining / Other charges		1,763,256		8,921,139
	<u>21</u>	<u>123,257,146</u>	<u>29</u>	<u>196,427,094</u>

4. Particulars in respect of Closing Stocks

Description	2008-2009				2007-2008			
	Qty. (Opening Stock)	Value.	Qty. (Closing Stock)	Value	Qty. (Opening Stock)	Value	Qty. (Closing Stock)	Value
Presses (Rubber Processing Machinery)	1	613,886	1	580,729	1	624,939	1	613,886
Jigmill	2	—	2	—	3	1,630,720	2	—
	<u>3</u>	<u>613,886</u>	<u>3</u>	<u>580,729</u>	<u>4</u>	<u>2,255,659</u>	<u>3</u>	<u>613,886</u>

5. Particulars in respect of goods manufactured

Sl. No.	Description	Registered Licensed Capacity (Unit)	Installed Capacity (Unit)	Actual Production 2008-2009 (Unit)	Actual Production 2007-2008 (Unit)
i)	Intermixes	12	15	3	8
ii)	Shear Strip Tube Presses	60	75	—	—
iii)	Autoform Tyre Presses/Tyre Curing Presses	28	14	10	4
iv)	Tyre Building Machine	12	6	3	7
v)	Servicers / Band Apps.	12	6	5	10
vi)	Bias Cutters	4	4	—	—
vii)	Machine Tools (Metal Cutting including Grinding Machines)	138	76	—	—
viii)	Plastic Processing	126	—	—	—
				<u>21</u>	<u>29</u>

NOTE :

- Capacity registered with Director General of Technical Development in respect of Serial (i) to (vi.)
- 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.

	2008-2009 Rs.	2007-2008 Rs.
1. Value of Imports on CIF basis		
Raw Materials	4,878,753	3,932,681
2. Expenditure in Foreign Currency		
- Foreign Travel	—	22,350
- Royalty	—	302,503

For RAY & RAY
Chartered Accountants
M. Kishore
Partner
Membership No. 23148
Place : Bangalore
Date : 8th June, 2009

For and on behalf of the Board
S. S. Jain
A. K. Basu
Directors
R. Subramanian
Executive Director / Manager

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	2008-2009 (Rs.)	2007-2008 (Rs)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax	(33,495,565)	8,522,517
Adjustment for :		
Depreciation	1,315,458	1,233,329
Interest Paid	411,796	248,758
Profit on Sale of Fixed Assets	—	(12,000)
Loss on Sale of Fixed Assets	—	1,376
Interest Accrued on Deposits	9,931	18,982
	1,737,185	1,490,445
Operating Profit before Working Capital Changes	(31,758,380)	10,012,962
Adjustment for :		
Inventories	(21,486,222)	16,420,449
Sundry Debtors	13,859,055	1,884,142
Other Current Assets	(2,012,582)	1,146,937
Loans & Advances	(13,386,146)	(1,411,699)
Current Liabilities & Provisions	49,513,682	26,487,787
Cash Generated from Operating Activities	(5,270,593)	12,453,421
Interest Paid	(411,796)	(248,758)
Direct Tax (Net)	(1,837,273)	(3,014,350)
Net Cash from/used in Operating Activities	(7,519,662)	9,190,313
B. Cash Flow from Investing Activities		
Sale of Fixed Assets	—	14,500
Purchase of Fixed Assets	(137,735)	(603,413)
Net Cash from/used in Investing Activities	(137,735)	(588,913)
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Borrowings	2,458,603	(6,734,370)
Net Cash used in Financing Activities	2,458,603	(6,734,370)
Net increase/(Decrease) in cash or cash equivalent	(5,198,794)	1,867,030
Cash and Cash equivalents (Opening Balance)	7,018,944	5,151,914
Cash and Cash equivalents (Closing Balance)	1,820,150	7,018,944
	(5,198,794)	1,867,030

As per our attached report of even date

For RAY & RAY
Chartered Accountants
M. Kishore
Partner
Membership No. 23148
Place : Bangalore
Date : 8th June, 2009

For and on behalf of the Board
S. S. Jain
A. K. Basu
Directors
R. Subramanian
Executive Director / Manager

PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No	43261	State Code	21
Balance Sheet Date	31.03.2009		

**II. Capital Raised During the year
(Amount in Rs. Thousands)**

Public issue	NIL	Right Issue	NIL
Bonus issue	NIL	Private placement	NIL

**III. Position of Mobilisation and Deployment of funds
(Amount in Rs. Thousands)**

Total Liabilities	133444	Total Assets	133444
Sources of Funds			
Paid-up Capital	9,000	Reserves & Surplus	13538
Secured Loans	2,459	Unsecured Loans	NIL
Deferred Tax Liability	345		
Application of Funds			
Net Fixed Assets	6511	Investments	NIL
Net Current Assets	9831	Misc. Expenditure	NIL
Accumulated Losses	NIL		

**IV. Performance of Company
(Amount in Rs. Thousands)**

Turnover	111509	Total Expenditure	145005
Profit/ (Loss) before Tax	(33496)	Profit/(Loss) after Tax	(33024)
Earnings Per Share (Rs.)	—	Dividend Rate %	NIL

**V. Generic Names of Three Principal Products/Services of Company
(As per monetary terms)**

Item Code No. (ITC Code)	84594001
Product Description	Jig Boring Machines, Horizontal
Item Code No. (ITC Code)	84775100
Product Description	Rubber Processing Machines
Item Code No. (ITC Code)	84201000
Product Description	Calendering or other Rolling Machines

For RAY & RAY
Chartered Accountants
M. Kishore
Partner
Membership No. 23148
Place : Bangalore
Date : 8th June, 2009

For and on behalf of the Board
S. S. Jain
A. K. Basu
Directors
R. Subramanian
Executive Director / Manager

HERBERT HOLDINGS LIMITED

Annual Report 2008-2009

NOTICE OF MEETING

NOTICE is hereby given that the Twenty-first 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 10th July 2009 at 10 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 and Profit and Loss Account 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.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification (s) the following Resolution as an Ordinary Resolution:
"Resolved that Mr. S Bhandari be and is hereby appointed a Director of the Company, liable to retire by rotation".

Registered Office :
13/3 Strand Road
Kolkata - 700 001
6th June, 2009

On behalf of the Board
R. Subramanian
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.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4.

Mr. S Bhandari was appointed as an Additional Director of the Company on 29th September 2008. He will hold Office upto the date of the forthcoming Annual General Meeting of the Company. The Company received a notice U/s. 257 of the Companies Act, 1956 from a member of the Company proposing the candidature of Mr. S Bhandari for the office of a Director.

The Board considers his appointment will be beneficial to the Company and accordingly, recommends passing of the Resolution in the interest of the Company.

Except Mr. S Bhandari, no other Director is concerned or interested in the Resolution.

Kolkata
6th June, 2009

On behalf of the Board
R. Subramanian
Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty-first Annual Report of the Company together with Audited Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS

The Financial Results are as under:

	Year Ended 31.03.2009	Year Ended 31.03.2008
	Rs.	Rs.
Gross Income	6,94,197	31,580
Profit before Tax	6,65,310	11,496
Provision for Tax	72,000	—
Profit after Tax	5,93,310	11,496
Profit brought forward	4,45,271	17,46,775
Amount available for appropriation	10,38,581	17,58,271
Appropriations:		
General Reserve	—	13,10,700
Special Reserve	1,19,000	2,300
Balance carried to Balance Sheet	9,19,581	4,45,271
	10,38,581	17,58,271

DIVIDEND

Your Directors do not recommend any dividend for the year.

DIRECTORS

Mr. A. K Basu retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment. The Board has been strengthened by the appointment of Mr. S. Bhandari as Additional Director with effect from 29th September 2008. Mr. S. Bhandari will vacate office at the forthcoming Annual General Meeting and notice has been received U/s. 257 of the Companies Act, 1956 proposing his re-appointment as a Director.

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

- 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.

For and on behalf of the Board

R. Subramanian

Kolkata
6th June, 2009

A. K. Basu
Directors

AUDITORS' REPORT

To the Members of Herbert Holdings Limited

1. We have audited the attached Balance Sheet of **HERBERT HOLDINGS LIMITED** as at 31 March 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the "Order"), issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 of India ('the Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in **ANNEXURE**, a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in Paragraph 3 above, 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 the law have been kept by the Company, so far as appears from our examination of those books;
- (iii) The financial statements dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the financial statements dealt with by this report comply with the Accounting Standards referred to in section 211 (3C) of the 'Act';
- (v) On the basis of the written representations received from the directors, as on 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the 'Act';
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes gives the information as required by the Companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at 31 March, 2009;
 - (b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. 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 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.
 - ii) The Board of Directors of the Company had passed a resolution at its meeting held on 19th May 2008 for not to accept any public deposit.
 - iii) The Company has not accepted any public deposit during the year under reference.
 - iv) 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
Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date : 6th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 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 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 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 under section 58A, 58AA or any other relevant provisions of the Act from the public during the year.
- (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 Income tax and other statutory dues applicable to it. 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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were outstanding as at 31 March, 2009 for a period of more than six months from the date they became payable.
(b) According to the records of the Company and according to the information and explanations given to us by the management, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (x) As per the records of the Company, the Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year 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, proper 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 except to the extent of the exemption granted under section 49 of the 'Act'.
- (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 Company has not raised funds on short-term basis and therefore provisions of Clause 4(xvii) of the order are not applicable to the Company.
- (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 accounts 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
Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date : 6th June, 2009

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 2009 (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 **19th May, 2008; 29th September, 2008; 14th November, 2008, 26th December, 2008 and 25th March, 2009** 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 2008 was held on **16th July 2008** 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 under scrutiny.
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 under scrutiny.
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.
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, as the case may be.
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 there was no declaration of dividend during the financial year.
 - c. was not required posted 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 an appointment of Additional Director duly made 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.
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, 2009.
25. The company being an investment company registered as NBFC the provisions of section 372A shall 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 is 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 not deducted any contribution towards Provident Fund during the financial year.

For A J & Associates
Company Secretaries
Abhijeet Jain
Proprietor
C. P. No. 3426

Place : Kolkata
Date : 04.06.2009

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 2009.

1. Annual Return (Schedule V) in Form 20B made upto 16.07.2008 filed on 23.08.2008.
2. Balance Sheet (Schedule VI) in Form 23AC/23ACA as at 31.03.2008 filed on 04.08.2008.
3. Compliance Certificate in Form 66 for the year-ended 31.03.2008 filed on 04.08.2008.
4. Form 32 dated 29.09.2008 filed on 29.10.2008.

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedules	As at		As at	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
Share Capital	1	2,200,000		2,200,000	
Reserves and Surplus	2	7,925,031		7,331,721	
		<u>10,125,031</u>		<u>9,531,721</u>	
II. APPLICATION OF FUNDS					
Investments	3	9,959,049		9,402,538	
Current Assets, Loans and Advances :					
Sundry Debtors	4	—	26,461		
Cash and Bank Balances	5	178,085	113,807		
Loans and Advances	6	83,689	12,955		
		<u>261,774</u>	<u>153,223</u>		
Less : Current Liabilities and Provisions :					
Current Liabilities	7	13,236	13,484		
Provisions	8	82,556	10,556		
		<u>95,792</u>	<u>24,040</u>		
Net Current Assets		<u>165,982</u>	<u>129,183</u>		
		<u>10,125,031</u>	<u>9,531,721</u>		

Notes to Accounts 10

Note : The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For RAY & RAY

Chartered Accountants

Abhijit Neogi

Partner

Membership No. 61380

Kolkata

6th June, 2009

For and on behalf of the Board

R. Subramanian

A. K. Basu

Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedules	For the year ended		For the year ended	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
		Rs.	Rs.	Rs.	Rs.
INCOME					
Dividend		32,685	2,080		
Profit on Sale of Units		617,295	—		
Interest Received		44,217	—		
(Tax deducted at source Rs.8,434/- Previous Year Rs.Nil)					
Income From Service Charges		—	29,500		
		<u>694,197</u>	<u>31,580</u>		
EXPENDITURE					
Administrative & Other Expenses	9	28,887	20,084		
		<u>28,887</u>	<u>20,084</u>		
PROFIT BEFORE TAX		<u>665,310</u>	<u>11,496</u>		
Less : Provision for Taxation		72,000	—		
PROFIT AFTER TAX		<u>593,310</u>	<u>11,496</u>		
Add : Balance brought forward from previous year		445,271	1,746,775		
Balance available for Appropriation		<u>1,038,581</u>	<u>1,758,271</u>		
APPROPRIATIONS					
General Reserve		—	1,310,700		
Special Reserve		119,000	2,300		
Balance carried to Balance Sheet		919,581	445,271		
		<u>1,038,581</u>	<u>1,758,271</u>		
Basic and Diluted Earning per share (Face value of Rs.10 each)		2.70	0.05		
No. of shares used in computing earning per share - Basic & Diluted		220,000	220,000		

Notes to Accounts 10

Note : The Schedules referred to above form an integral part of the Profit and Loss Account This is the Profit and Loss Account referred to in our report of even date

For RAY & RAY

Chartered Accountants

Abhijit Neogi

Partner

Membership No. 61380

Kolkata

6th June, 2009

For and on behalf of the Board

R. Subramanian

A. K. Basu

Directors

Schedules

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1. SHARE CAPITAL		
Authorised		
249,000 Equity Shares of Rs. 10 each	2,490,000	2,490,000
100 Redeemable Preference Shares of Rs. 100 each	10,000	10,000
	<u>2,500,000</u>	<u>2,500,000</u>
Issued and subscribed		
220,000 Equity shares of Rs. 10 each fully paid up	2,200,000	2,200,000
All equity shares are held by Alfred Herbert (India) Ltd., the holding company and its nominees.	<u>2,200,000</u>	<u>2,200,000</u>

2. RESERVES AND SURPLUS

Description	Balance as at 31.3.08 Rs.	Additions Rs.	Transfers/ Deduction Rs.	Balance as at 31.3.09 Rs.
Capital Reserve	50,000	—	—	50,000
Share Premium Account	4,800,000	—	—	4,800,000
General Reserve	2,000,000	—	—	2,000,000
Special Reserve	35,750	119,000	—	154,750
(Under Section 45 1C of RBI Act)				
Capital Redemption Reserve	700	—	—	700
Surplus in Profit and Loss Account	445,271	919,581	445,271	919,581
	<u>7,331,721</u>	<u>1,038,581</u>	<u>445,271</u>	<u>7,925,031</u>
	<u>As at 31.03.09 Rs.</u>			<u>As at 31.03.08 Rs.</u>

3. INVESTMENT (Long Term Non-trade)

Quoted

Equity Shares of Rs.10 each except where otherwise stated (fully paid)	No.		No.	
Reliance Industries Limited	1,000	369,727	1,000	369,727
Reliance Capital Ltd.	50	9,243	50	9,243
Reliance Natural Resources Ltd. (Face Value Rs.5 each)	1,000	4,977	1,000	4,977
Reliance Communication Ltd. (Face Value Rs.5 each)	1,000	275,162	1,000	275,162
Reliance Infrastructure Ltd	75	51,904	75	51,904
		<u>711,013</u>		<u>711,013</u>

Unquoted

Equity Shares of Rs.10 each fully paid-up in Lodha Capital Markets Limited.	264,000	2,640,000	264,000	2,640,000
Equity Shares of Rs.10 each fully paid-up in Manoj Investments Limited.	27,000	2,700,000	27,000	2,700,000
Equity Shares of Rs.10 each fully paid-up in Advance Business Services Limited.	19,000	1,900,000	19,000	1,900,000

In Units

Units of Rs.10 each in ICICI Prudential Income Plan - Growth Option	—	—76,176.726	1,283,857	
Units of Rs.10 each in ICICI Prudential Floating Rate Plan A - Long Term - Growth	—	—14,909.055	150,000	
Units of Rs.10 each in ICICI Prudential Floating Rate Plan A - Long Term -Dividend	—	—1,727.338	17,668	

	As at 31.03.09 Rs.	As at 31.03.08 Rs.
Current Investment		
Units of Rs.10 each in HDFC 200389.156	2,008,036	—
Cash Management Fund - Treasury Adv. Plan	<u>9,248,036</u>	<u>8,691,525</u>
	<u>9,959,049</u>	<u>9,402,538</u>
Aggregate Book Value of :		
a) Quoted Investments	711,013	711,013
b) Unquoted Investments	9,248,036	8,691,525
	<u>9,959,049</u>	<u>9,402,538</u>
Aggregate Market Value of Quoted Investments as on 31st March, 2009.	<u>1,800,789</u>	<u>3,030,604</u>

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
--	----------------------------	----------------------------

4. SUNDRY DEBTORS

(Unsecured - Considered Good)

Debts outstanding for a period exceeding six months	—	—
Other debts	<u>—</u>	<u>26,461</u>
	<u>—</u>	<u>26,461</u>

5. CASH & BANK BALANCES

Balances with Scheduled Banks On Current Accounts	<u>178,085</u>	113,807
	<u>178,085</u>	<u>113,807</u>

6. LOANS & ADVANCES

Advance Income Tax (including Tax deducted at source)	<u>83,689</u>	12,955
	<u>83,689</u>	<u>12,955</u>

7. CURRENT LIABILITIES

Sundry Creditors	<u>13,236</u>	13,484
	<u>13,236</u>	<u>13,484</u>

8. PROVISIONS

Provision for Taxation	<u>82,556</u>	10,556
	<u>82,556</u>	<u>10,556</u>

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
--	--	--

9. ADMINISTRATIVE & OTHER EXPENSES

Auditors' remuneration in other capacity	<u>6,742</u>	—
Audit Fee	<u>13,236</u>	13,484
Rates & Taxes	<u>1,850</u>	484
Bank Charges	<u>85</u>	168
Filing Fees	<u>1,500</u>	1,500
Secretarial Expenses	<u>3,874</u>	4,350
Professional Fees	<u>1,000</u>	—
Charges General	<u>600</u>	98
	<u>28,887</u>	<u>6,600</u>

10. NOTES TO ACCOUNTS

(a) 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. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principals.

Use of Estimates

The preparation of financial statements require management to make estimates and assumption 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 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.

Contingencies

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

Contingent Assets are neither recognised nor disclosed in the financial statements.

- (b) 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:

(i) List of Related Party

Alfred Herbert (India) Limited Holding Company

- (ii) Transaction with related party :-

Service Charges received Nil 29,500

- (c) There are no reported micro, small and medium enterprises, as defined in the Micro, Small Medium

Enterprises Development Act, 2006, to whom Company owes dues.

- (d) Information with regard to other matters specified in clauses 3, 4(A) and 4(C) of Part II of Schedule VI of the Companies Act, 1956 are either nil or not applicable to the Company for the year under audit.

For RAY & RAY

Chartered Accountants

Abhijit Neogi

Partner

Membership No. 61380

Kolkata

6th June, 2009

For and on behalf of the Board

R. Subramanian

A. K. Basu

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	2008-2009 (Rs.)	2007- 2008 (Rs.)
A. Cash Flow from Operating Activities		
Net Profit before Tax	665,310	11,496
Adjustment for Non Cash & Non Operating Items	—	—
Operating Profit before Working Capital Changes	665,310	11,496
Adjustments for :		
Sundry Debtors	26,461	(11,461)
Other Current Assets	—	11,000
Current Liabilities	(248)	(1,065)
Cash (Utilised in)/Generated from Operating Activities	691,523	9,970
Direct Tax (Net)	(70,734)	(3,039)
Net Cash (Utilised in)/Generated from Operating Activities	620,789	6,931
B. Cash Flow from Investing Activities		
Purchase of Investments	(556,511)	(1,007)
Net Cash (utilised in)/ Generated from Investment Activities	(556,511)	(1,007)
C. Cash Flow from Financing Activities		
Net increase/(Decrease) in cash & cash equivalent	64,278	5,924
Cash and Cash equivalents (Opening Balance)	113,807	107,883
Cash and Cash equivalents (Closing Balance)	178,085	113,807
	64,278	5,924

Note:-

1. Cash & Cash Equivalent includes:-

(i) Cash in Hand - Nil

(ii) Bank Balance with Schedule Bank in Current A/c - Rs.178, 085/-

As per our report of even date.

For RAY & RAY

Chartered Accountants

Abhijit Neogi

Partner

Membership No. 61380

Kolkata

6th June, 2009

For and on behalf of the Board

R. Subramanian

A. K. Basu

Directors

PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code
 Balance Sheet Date

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public issue Right issue
 Bonus issue Private Placement

III. Position of Mobilisation and deployment of funds

(Amount in Rs. Thousands)

Total Liabilities Total Assets

Source of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousand)

Turnover Total Expenditure
 Profit before Tax Profit / (Loss) after tax
 Earnings Per Share Dividend Rate %

V. Generic Name of Three Principal Products/Services of Company (As per monetary terms)

Item Code No.
 Product Description

For RAY & RAY
 Chartered Accountants
 Abhijit Neogi
 Partner
 Membership No. 61380
 Kolkata
 6th June, 2009

For and on behalf of the Board
 R. Subramanian
 A. K. Basu
 Directors

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 EIGHTY-NINTH ANNUAL GENERAL MEETING of the Company to be held at 10.00 a.m. on Friday, 24th July, 2009 and at any adjournment thereof.

Signed

Affix
Revenue
Stamp

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 89th ANNUAL GENERAL MEETING of the Company held on Friday, 24th July, 2009 at 10.00 a.m. at Indian Chamber of Commerce Auditorium, 4 India Exchange Place, 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.

ALFRED HERBERT (INDIA) LIMITED

Registered & Head Office :
Herbert House
13/3, Strand Road, Post Box : 681
Kolkata - 700 001
Telephones : 2248 4801/2
Fax : (91) 033 2248 6960
E-mail : kolkata@alfredherbert.com

SALES & MARKETING DIVISION

BANGALORE

Whitefield Road, Post Box 4805
Mahadevapura P. O.
Bangalore - 560048
Telephones : 28452263 (4 lines)
Fax : (91) 080 28453023
E-mail : mfg@alfredherbert.com

MUMBAI

Kaiser-I-Hind Building, Sprott Road
Ballard Estate, Post Box 110
Mumbai - 400 038
Telephones : 22619981 (3 lines)
Fax : (91) 022 22619983
E-mail : mumbai@alfredherbert.com

ALFRED HERBERT LIMITED

Whitefield Road, Post Box 4805
Mahadevapura P.O.
Bangalore - 560 048
Telephones : 28452263 (4 lines)
Fax : (91) 080 28453023
E-Mail : mfg@alfredherbert.com

BOOK POST

If undelivered please return to :

ALFRED HERBERT (INDIA) LIMITED

Post Box 681, 13/3, Strand Road, Kolkata 700 001