



# ALFRED HERBERT (INDIA) LTD.



## **ANNUAL REPORT** 2005 - 2006

## BOARD OF DIRECTORS

---

- R. S. LODHA — **Chairman**
- R. C. TAPURIAH
- S. S. JAIN
- A. V. LODHA
- M. K. RAMACHANDRA
- H. V. LODHA
- S. BHANDARI



## ANNUAL REPORT

2005-2006

Report  junction.com

## CONTENTS

---

NOTICE	2
DIRECTORS' REPORT	3
AUDITORS' REPORT	4
BALANCE SHEET	8
PROFIT & LOSS A/C	9
SCHEDULES	10
CASH FLOW STATEMENT	19
CONSOLIDATED BALANCE SHEET	22
CONSOLIDATED PROFIT & LOSS A/C	23
SUBSIDIARY COMPANIES REPORTS & A/C	33

## REGISTERED OFFICE

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

---

**ALFRED HERBERT (INDIA) LTD.****NOTICE OF MEETING**

Notice is hereby given that the Eighty-sixth 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 - 700 001, on 8th August, 2006 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, 2006, together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. M. K. Ramachandra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. V. Lodha who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s. Ray & Ray, Chartered Accountants as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office :

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

30th June, 2006

On behalf of the Board

S. S. Jain  
*Director*

**NOTES :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. 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.
2. The Register of Members and Share Transfer books of the Company will remain closed from 27th July, 2006 to 8th August, 2006 (both days inclusive).
3. Dividend will be paid to those Members whose names appear in the Register of Members as on 26th July, 2006. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 26th July 2006 as per details furnished by the Depositories for this purpose.
4. Members are requested to notify promptly any

changes in their address / bank accounts details to the Registrars and Share Transfer Agents of the Company, M/s. Maheshwari Datamatics Pvt. Ltd., 6, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.

5. Shareholders who have not so far encashed their Dividend Warrants for the accounting years ended 31st March 1999, 2000, 2001, 2002, 2003, 2004 & 2005, may immediately approach the Company for revalidation of unclaimed Dividend Warrants.

The money lying in the Unpaid Dividend Account for the year ended 31st March 1999, will be transferred to Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956 on or before 17th September 2006.

6. 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.

7. M/s. Clark, Gardner, Wolf & Co., Chartered Accountants were appointed at the Eighty-fifth Annual General Meeting of the Company held on 29th July, 2005 as auditors of the Company. M/s. Clark, Gardner, Wolf & Co. have conveyed that they would not be seeking re-appointment as statutory auditors of the Company at the ensuing Annual General Meeting. M/s. Ray & Ray, Chartered Accountants have conveyed their willingness to be appointed as statutory auditors of the Company at the ensuing Annual General Meeting. Special Notice has been received by the Company from a Member proposing the appointment of M/s. Ray & Ray as statutory auditors for 2006-07.

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighty-sixth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2006.

## FINANCIAL RESULTS

The Financial Results are as under :

	31st March 2006 Rs.	31st March 2005 Rs.
Profit before Tax	79,575,221	1,704,752
Provision for Tax (Incl. Deferred Tax and Fringe Benefit Tax)	1,735,572	(10,064)
Profit after Tax	77,839,649	1,714,816
Surplus from earlier years brought forward	7,509,534	7,029,339
Amount available for appropriation	85,349,183	8,744,155
Appropriations :		
Proposed Dividend	1,542,858	771,429
Corporate Dividend Tax	216,386	108,192
General Reserve	60,000,000	--
Special Reserve	15,600,000	355,000
	77,359,244	1,234,621
Surplus carried to Balance Sheet	7,989,939	7,509,534
	85,349,183	8,744,155

## DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of 20 % (Rs. 2.00 per share) for the year ended 31st March, 2006.

## FINANCIAL PERFORMANCE

The Company's gross income for the financial year ended 31st March 2006 was Rs.1,020.71 lacs, compared to Rs104.34 lacs for the previous year.

The profit before tax of the Company was Rs.795.75 lacs, compared to Rs.17.05 lacs for the previous year.

Net profit increased to Rs.778.40 lacs from Rs.17.15 lacs in the previous year.

Certain long term investments were sold during the year resulting in the realisation of Capital gains of Rs.882.85 lacs. Such gain was Rs.22.67 lacs in the previous year.

The Directors confirm that investments made/held by the Company are long term investments and would normally be held for more than one year from the date of acquisition, unless otherwise decided in specific cases. Taking advantage of the continuous increase in the market prices, the Company considered it prudent to realise a large level of capital gains than in earlier years. Arising from the substantial amounts realised from the sale of investments during the year, the surplus funds realised increased and were either deployed in long term investments or temporarily invested in Fixed Deposits & pending deployment.

The Company's Realty and Business Services Division performed satisfactorily contributing to the increased profitability of the Company. The Division has been pro-active and is exploring further opportunities to increase its returns.

The performance of the Company's wholly owned subsidiary Alfred Herbert Limited improved considerably during the year and barring unforeseen circumstances, should continue to contribute significantly to the continuing satisfactory performance of your Company.

Efforts continue by the Company to improve the performance of Sales and Marketing Division and with the improvement in the market for the Tyre industry it is expected that the performance of this Division should improve in the coming years.

## DIRECTORS

Mr V. K. Bhandari, a Director of your Company passed away

on 22nd May, 2006. The Board records its appreciation of the valuable support and guidance extended by Mr. V.K. Bhandari to the Company.

Mr. Sanjeev Bhandari was appointed Director of your Company with effect from 30th June, 2006 in the casual vacancy caused by the death of Mr. V.K. Bhandari.

Mr. M. K. Ramchandra and Mr. A. V. Lodha retire by rotation under the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

## AUDITORS

M/s. Clark, Gardner, Wolf & Co., Chartered Accountants, the statutory auditors, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. M/s. Clark, Gardner, Wolf & Co. have conveyed that they would not be seeking re-appointment as statutory auditors of the Company at the ensuing Annual General Meeting. M/s. Ray & Ray, Chartered Accountants have indicated their willingness to be appointed as statutory auditors of the Company for the financial year 2006-07. The Company has received letter from M/s. Ray & Ray to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. It is accordingly proposed to appoint M/s. Ray & Ray as statutory auditors of the Company for the year 2006-07.

## 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 :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- that the Directors have selected such accounting policies and applied them consistently and made judgements 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 ;
- 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;
- 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(i) 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, 30th June, 2006

On behalf of the Board  
R. S. Lodha  
Chairman

**ALFRED HERBERT (INDIA) LTD.****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 31st March, 2006 and the 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 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 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 rea-

sonable 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 and 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 for 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, Investor Education and Protection Fund, Employees' 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 31st March, 2006 for a pe-





- riod 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.
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 accounts 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 accounts;
- 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, 2006 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
- c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

for Clark, Gardner, Wolf & Co.  
Chartered Accountants

Kolkata  
Date : 30th June, 2006

P. L. SONI  
Partner  
Membership No. 55335

**ALFRED HERBERT (INDIA) LTD.**

Regn. No. 21-003516

**COMPLIANCE CERTIFICATE**

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

We have examined the registers, records, books and papers of Messrs. **Alfred Herbert (I) 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 2006 (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 **25th June 2005, 29th July 2005, 24th October 2005 and 30th January 2006** 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 closed its Register of Members from **20th July 2005 to 29th July 2005** 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 2005 was held on **29th July 2005** 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 person 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 share certificates during the financial year.
13. The company has :
  - (i) delivered all the certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act.
  - (ii) deposited amount of dividend declared by cheque in a separate bank account on 02.08.2005 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 27.08.2005 to the unpaid dividend account of the company.
  - (iv) transferred the amounts in unpaid dividend account which has 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. The appointment of Mr. S. S. Jain as an Additional Director in the previous year has been regularised in the Annual General Meeting during the financial year.
15. The company has not appointed any managing director/wholtime 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 31.03.2006.
25. The company, being an investment company, 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.

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 2006.

1. Annual Return (Schedule V) made upto 29.07.2005 filed on 09.09.2005.
2. Balance Sheet (Schedule VI) as at 31.03.2005 filed on 12.08.2005.
3. Compliance Certificate for the year-ended 31.03.2005 filed on 12.08.2005.

Place : Kolkata

For **A. J. & ASSOCIATES**

Date : 25th June, 2006

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



ALFRED HERBERT (INDIA) LTD.

**Balance Sheet**

as at 31st March, 2006

	Schedules	As at 31st March, 2006 (Rs.)	As at 31st March, 2005 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	7,714,290	7,714,290
Reserves and Surplus	2	213,378,389	137,482,992
Deferred Tax Liability		1,673,645	1,743,639
		<b>222,766,324</b>	<b>146,940,921</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	3		
Gross Block		27,554,199	27,869,907
Less : Depreciation		14,581,284	14,396,982
Net Block		12,972,915	13,472,925
<b>Capital Work-in-progress</b>		3,147,954	3,147,954
<b>Investments</b>	4	119,482,705	121,598,025
<b>Current Assets, Loans and Advances :</b>			
Inventories	5	2,006	—
Sundry Debtors	6	54,842	—
Cash and Bank Balances	7	95,331,762	10,689,763
Other Current Assets	8	234,274	218,887
Loans and Advances	9	27,834,052	27,870,365
		<b>123,456,936</b>	<b>38,779,015</b>
<b>Less : Current Liabilities and Provisions :</b>			
Liabilities	10	8,986,652	15,218,812
Provisions	11	27,307,534	14,838,186
		<b>36,294,186</b>	<b>30,056,998</b>
<b>Net Current Assets</b>		<b>87,162,750</b>	<b>8,722,017</b>
		<b>222,766,324</b>	<b>146,940,921</b>
Accounting Policies and Notes to Accounts	17		

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

As per our report of even date.

For CLARK, GARDNER, WOLF AND COMPANY  
Chartered Accountants

P. L. Soni  
Partner

Kolkata

30th June, 2006

On behalf of the Board

R. S. Lodha  
Chairman  
R. C. Tapuriah  
Director



## Profit and Loss Account

For the year ended 31st March, 2006

	Schedules	For the year ended 31st March, 2006 (Rs.)	For the year ended 31st March, 2005 (Rs.)
<b>INCOME</b>			
Income from Operations	12	9,885,215	5,822,297
Income from Investments	13	91,714,044	3,701,502
Other Income	14	472,181	910,257
		<b>102,071,440</b>	<b>10,434,056</b>
<b>EXPENDITURE</b>			
Cost of Materials	15	653,829	531,132
Other Expenses	16	7,463,558	5,511,924
Depreciation		<b>563,840</b>	593,684
Less : Transferred from Revaluation Reserve		<b>185,008</b>	<b>185,008</b>
Provision for non-performing Loans and Advances		14,000,000	2,000,000
Provision for doubtful debts		—	277,572
		<b>22,496,219</b>	<b>8,729,304</b>
<b>PROFIT BEFORE TAX</b>		<b>79,575,221</b>	<b>1,704,752</b>
Less : Provision for Taxation :			
Current Tax		1,750,000	200,000
Deferred Tax		(69,994)	(210,064)
Fringe Benefit Tax		55,566	—
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>77,839,649</b>	<b>1,714,816</b>
Add : Balance brought forward from previous year		7,509,534	7,029,339
Available for appropriation		<b>85,349,183</b>	<b>8,744,155</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		1,542,858	771,429
Corporate Dividend Tax		216,386	108,192
General Reserve		60,000,000	—
Special Reserve		15,600,000	355,000
Balance carried to Balance Sheet		7,989,939	7,509,534
		<b>85,349,183</b>	<b>8,744,155</b>
Basic & diluted Earning per share - (Face value Rs. 10/- each)		<b>100.90</b>	<b>2.22</b>
No. of shares used in computing earning per share - Basic and diluted		<b>771,429</b>	<b>771,429</b>
Accounting Policies and Notes	17		
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 CLARK, GARDNER, WOLF AND COMPANY  
Chartered Accountants

P. L. Soni  
Partner  
Kolkata  
30th June, 2006

On behalf of the Board

R. S. Lodhi  
Chairman  
R. C. Tapuriah  
Director