



ALFRED HERBERT (INDIA) LTD.

ANNUAL REPORT
2012 - 2013



ANNUAL REPORT

2012-2013

BOARD OF DIRECTORS

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

CONTENTS

NOTICE	2
DIRECTORS' REPORT	4
CORPORATE GOVERNANCE	6
AUDITORS' REPORT	9
COMPLIANCE CERTIFICATE	12
BALANCE SHEET	14
PROFIT & LOSS A/C	15
CASH FLOW STATEMENT	16
NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS	17
CONSOLIDATED BALANCE SHEET	26
CONSOLIDATED PROFIT & LOSS A/C	27
SUBSIDIARY COMPANIES REPORTS & A/C	39

AUDITORS

RAY & RAY
Chartered Accountants

REGISTERED OFFICE

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

MUMBAI OFFICE

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

ALFRED HERBERT LIMITED

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



NOTICE OF MEETING

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

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

SPECIAL BUSINESS

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

6. AS AN ORDINARY RESOLUTION

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

Registered Office :

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

On behalf of the Board
S. S. Jain
Director

NOTES :

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

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

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

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

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

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

ALFRED HERBERT (INDIA) LTD.

He does not hold any shares of the Company.

MR. SANJEEV BHANDARI

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

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

~~Other Directorships — Herbert Holdings Limited~~

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

Resolution at item no. 6.

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

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

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

Registered Office :

Herbert House

13/3 Strand Road

Kolkata - 700 001

24th May 2013

On behalf of the Board

S. S. Jain

Director

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder,

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

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

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

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

Thanking you,

Yours faithfully,

For Alfred Herbert (India) Limited,

A K Basu

Compliance Officer



DIRECTORS' REPORT

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

FINANCIAL RESULTS

The Financial Results are as under :

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

DIVIDEND

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

FINANCIAL PERFORMANCE

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

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

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

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

DIRECTORS

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

AUDITORS

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

CORPORATE GOVERNANCE

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

SUBSIDIARY COMPANIES

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

CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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 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;
- 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. 13 in the Notes to the Accounts. The other particulars relating to Conservation of Energy and Technology Absorption stipulated in the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

PERSONNEL

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

COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956

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

PARTICULARS OF EMPLOYEES

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

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

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

*Kolkata
Date : 24th May, 2013*



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

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

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

* including Alternate Directorships and Directorships of Private Companies.

CODE OF CONDUCT :

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

3. AUDIT COMMITTEE

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

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

To ensure that the financial reporting process and the disclosure of its financial information at the financial statements are correct, sufficient and credible. Recommend the appointment of Statutory Auditors and Fixation of Audit Fees. Reviewing, with the Management, the annual financial statements. Reviewing, with the Management, performance of Statutory and Internal

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

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

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

4. REMUNERATION COMMITTEE

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

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

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

ALFRED HERBERT (INDIA) LTD.

5. INVESTORS' GRIEVANCE COMMITTEE

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

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

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

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

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

6. GENERAL BODY MEETINGS

The last 3 Annual General Meetings were held as under:

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

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

7. DISCLOSURES

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

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

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

8. MEANS OF COMMUNICATIONS

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

the Company has listing arrangements to enable them to put them on their website. The Company's results are displayed on the Website www.alfredherbert.co.in

9. GENERAL SHAREHOLDER INFORMATION

93rd Annual General Meeting

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

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

NEXT FINANCIAL CALENDAR

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

1st quarterly results : Before 15th August 2013

2nd quarterly results : Before 15th November 2013

3rd quarterly results : Before 15th February 2014

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

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

Dividend Payment Date : On or after 27th July 2013

LISTING OF STOCK EXCHANGES

The Company's shares : 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 2012-13.

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

Bombay Stock Exchange Limited : Scrip Code No. 505216

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

Corporate Identity (CIN) : L74999WB1919PLC003516

ISIN : INE782D01027

MARKET PRICE DATA DURING THE FINANCIAL YEAR 2012-13 :

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



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

SHARE TRANSFER SYSTEM

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

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013

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

No. of Shareholders : 3488

Share Capital : 771429

SHAREHOLDING PATTERN AS ON 31ST MARCH 2013

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ALFRED HERBERT (INDIA) LIMITED

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

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

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

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

SECRETARIAL AUDIT

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

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

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

Fax : (033) 2229 91 24

DECLARATION ON CODE OF CONDUCT

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

for ALFRED HERBERT (INDIA) LIMITED

A.K.Basu

Date: 24th May 2013

Chief Financial Officer

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

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

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

For RAY & RAY

Chartered Accountants

Firm's Registration No.: 301072E

Asish Kumar Mukhopadhyay

(Partner)

(Membership No. 056359)

Place : Kolkata

Date : 24th May 2013

REPORT TO THE BOARD OF DIRECTORS

ALFRED HERBERT (INDIA) LIMITED

Dear Sirs,

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

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

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

Yours faithfully

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

Place : Kolkata
Date : 24th May 2013

INDEPENDENT AUDITORS' REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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