



ALFRED HERBERT (INDIA) LTD.

**ANNUAL REPORT
2013 - 2014**



ANNUAL REPORT

2013-2014

BOARD OF DIRECTORS

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

CONTENTS

NOTICE	2
DIRECTORS' REPORT	8
CORPORATE GOVERNANCE	10
AUDITORS' REPORT	13
COMPLIANCE CERTIFICATE	16
BALANCE SHEET	18
STATEMENT OF PROFIT & LOSS	19
CASH FLOW STATEMENT	20
NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS	21
CONSOLIDATED BALANCE SHEET	32
CONSOLIDATED STATEMENT OF PROFIT & LOSS	33

AUDITORS

RAY & RAY
Chartered Accountants

REGISTERED OFFICE

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Fax : (91) 033 2229 9124
E-mail : kolkata@alfredherbert.com
CIN : L74999WB1919PLC003516

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ALFRED HERBERT LIMITED

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E.Mail : mfg@alfredherbert.com

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE 94TH ANNUAL GENERAL MEETING OF ALFRED HERBERT(INDIA) LIMITED will be held at Bengal National Chamber of Commerce & Industry at 23 Sir R N Mukherjee Road, Kolkata- 700 001 on Wednesday, 30th July 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a director in place of Mr. Aditya Vikram Lodha (DIN: 00036158), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Ray & Ray, Chartered Accountants (ICAI) Registration No.301072E) as statutory auditors of the Company and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ramesh Chandra Tapuriah (holding DIN: 00395997), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sanjeev Bhandari (holding DIN: 00724312), Director of the Company whose period of office is liable to determination

by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sardul Singh Jain (holding DIN: 00013732), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
8. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to entire exclusion, of the regulations contained in the existing Articles of Association of the Company; RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Date : 17th May, 2014
Place : Kolkata

On behalf of the Board
S. S. Jain
Director

IMPORTANT NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 23rd July 2014 to Wednesday 30th July, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2013-14.



2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. Dividend of Rs. 2/- per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 31st July, 2014

5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

6. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs.55,996/- being the unpaid and unclaimed dividend amount pertaining to Dividend of 2005-2006 on 26th September, 2013 to the Investor Education and Protection Fund of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 93rd Annual General Meeting (AGM) held on 26th July, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.alfredherbert.co.in

Members who have not yet encashed their dividend warrants for the financial year ended 31st March 2007 may approach the Company for revalidation of the dividend warrants before end of July, 2014.

7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

10. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.

ALFRED HERBERT (INDIA) LTD.

11. Electronic copy of the Notice of the 94th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 94th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the 94th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.alfredherbert.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: kolkata@alfredherbert.com.
13. Voting through electronic means
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 94th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. "ALFRED HERBERT (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company Name, i.e. "ALFRED HERBERT (INDIA) LIMITED" on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent



to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 24th July, 2014 at 10 a.m. and ends on 26th July, 2014 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 22nd July, 2014.
- (E) Mr. Abhijeet Jain, Practicing Company Secretary (Membership No. FCS - 4975) and Proprietor of M/s. A J & ASSOCIATES, Company Secretaries

has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- (F) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.alfredherbert.co.in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Ramesh Chandra Tapuriah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 1984. Mr. Tapuriah is a member of the Audit Committee and Investor Grievance Committee, of the Board of Directors of the Company.

Mr. Tapuriah is also a Director and is actively associated in The United Investment Company Limited, Vindhya Telelinks Limited, Maxworth Industrial Services Limited, New India Retailing & Investment Limited, Birla Ericsson Optical Limited, Calcutta Investment Company Limited, Mohta Carbide and Chemicals Limited, Lewis & Taylor Private Limited, Rajeeta Determined Traders Private Limited, Hetia Hospitality Private Limited, Rajgarh Industries Private Limited, Awadh Maintenance Private Limited. He holds 132 equity shares by himself in the Company.

Mr. Tapuriah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Tapuriah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Tapuriah as a candidate for the office of Director of the Company.

ALFRED HERBERT (INDIA) LTD.

In the opinion of the Board, Mr. Tapuriah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Tapuriah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Tapuriah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Tapuriah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Tapuriah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Sanjeev Bhandari is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 2006. Mr. Bhandari is the member of the Audit Committee, and the Investors Grievance Committee of the Board of Directors of the Company.

Apart from his experience in the field of Corporate Laws, he has also been associated as a Director with Herbert Holdings Limited.

Mr. Bhandari does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Bhandari retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Bhandari being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Bhandari as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Bhandari fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft

letter for appointment of Mr. Bhandari as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhandari as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. S. Bhandari as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Bhandari, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

Mr. Sardul Singh Jain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2004. Mr. Jain is the member Chairman of the Audit Committee of the Board of Directors of the Company.

Mr. Jain is also a Director and is actively associated in Alliance Udyog Limited, Alliance Mills South Limited, RTS Power Corporation Limited, Omni Holdings Limited, Sungrace Finvest Pvt. Ltd., RGF Capital Markets Ltd., East India Cotton Manufacturing Co. Ltd., East India Udyog Limited, Hari Holdings Pvt. Ltd., Jalan Chemical Industries Pvt. Ltd., Alfred Herbert Limited, Lodha Capital Markets Limited, E I T A India Ltd., Annapurna Savings & Finance Co. Pvt. Ltd., Baroda Agents and Trading Company Private Limited, Sri Vindhyachal Multimex Pvt. Ltd., Lindsay Securities Pvt. Ltd.

Mr. Jain does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Jain being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Jain as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an



Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Jain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jain as an Independent Director, for the approval by the shareholders of the Company. Except Mr. S. S. Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

The Articles of Association ("AoA") of the Company as presently in force were replaced in January 1984 from what they were when the Company was incorporated in 1919. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out

the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication - their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the company's website for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

For the details of Mr. Ramesh Chandra Tapuriah, Mr. Sanjeev Bhandari and Mr. Sardul Singh Jain, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 5 to 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

On behalf of the Board
S. S. Jain
Director

Date : 17th May, 2014
Place : Kolkata

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninety-fourth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2014.

FINANCIAL RESULTS

The Financial Results are as under :

	31st March 2014	31st March 2013
	Rs.	Rs.
Profit before Tax	11,051,309	23,892,126
Provision for Tax (including deferred tax)	338,546	191,184
Profit after Tax	10,712,763	23,700,942
Surplus from earlier years brought forward	30,543,094	15,178,308
Amount available for appropriation	41,255,857	38,879,250
Appropriations:		
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	262,209	250,298
General Reserve	810,000	1,800,000
Special Reserve	2,143,000	4,743,000
	4,758,067	8,336,156
Surplus carried to Balance Sheet	36,497,790	30,543,094
	41,255,857	38,879,250

DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of Rs.2/- (per share) for the year ended 31st March 2014.

FINANCIAL PERFORMANCE

The Company's gross income for the financial year ended 31st March 2014 stood at Rs. 230 lacs as against Rs.215.47 lacs in 2012-13. Profit before tax of the Company stood at Rs.110.51 lacs as against Rs. 238.92 lacs in 2012-13.

The performance of the Company was satisfactory considering the overall economic situation in the Country. The Company has deployed a part of its surplus funds in long-term investments which continue to perform well and will help maximize returns for future utilization in various opportunities. The Company is developing its property in Kolkata where the work is progressing and which shall further augment and consolidate the performance of the Company in the near future barring unforeseen circumstances.

There was a marginal improvement in the performance of the Company's wholly owned subsidiary Alfred Herbert Limited despite low demand in the capital goods industries. However, efforts are being made to improve its performance and find

alternative markets/ products to consolidate its operations.

DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, Mr. A V Lodha, Director, retires by rotation and being eligible, offers himself for re-appointment.

Mr. R C Tapuriah, Mr. S S Jain and Mr. S Bhandari whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 are being appointed as Independent Directors at this meeting for five consecutive years for a term upto 31st March 2019. Notice under Section 160 of the Companies Act, 2013 have been received by members signifying their intention to propose their candidatures as Independent Directors of the Company

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 Exchange. 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

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular. The said Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company.

DELISTING FROM CALCUTTA STOCK EXCHANGE LTD.

During the year, the Company delisted its equity shares from the Calcutta Stock Exchange Ltd. to optimize the administrative and compliance related costs.

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.14 & 15 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
Date : 17th May, 2014

On behalf of the Board
A. V. Lodha
Chairman

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14

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 2014 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 24.05.2013, 26.07.2013, 11.11.2013 & 31.01.2014.

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 2014 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	2	Yes	36,843	3	3	2
Mr. H V Lodha	Brother of Mr. A V Lodha	Non-independent Non-executive	4	Yes	32,164	23	4	2
Mr. R.C Tapuriah	None	Independent Non-executive	4	Yes	132	12	3	2
Mr. S.S Jain	None	Independent Non-executive	4	Yes	—	18	3	1
Mr. S Bhandari	None	Independent Non-executive	1	No	—	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 Exchange 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	4
Mr. S. Bhandari	Member	1

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.10,000/-, 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 2014

Name of Director	Sitting Fees (Rs.)
Mr. A. V. Lodha	20,000/-
Mr. R. C. Tapuriah	65,000/-
Mr. H. V. Lodha	45,000/-
Mr. S. S. Jain	55,000/-
Mr. S. Bhandari	20,000/-



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 one complaint was received from a Shareholder, which was duly attended to.

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
2012-13	Bengal National Chamber of Commerce & Industry 23, Sir R.N. Mukherjee Road Kolkata - 700 001	26.07.2013	11.00 a.m.
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.

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 at the Annual General Meeting.

7. DISCLOSURES

- Details of transactions with related parties during the year have been furnished in Note 11 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.
- 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.
- 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 Exchange 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

94th Annual General Meeting

Date & Time : 30th July 2014 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 2014
2nd quarterly results	: Before 15th November 2014
3rd quarterly results	: Before 15th February 2015
Audited yearly results for the year ending 31st March 2015	: Before the end of May 2015

Date of Book Closure : From 23rd July, 2014 to 30th July 2014
(both days inclusive)

Dividend Payment Date : On or after 31st July 2014

LISTING OF STOCK EXCHANGES

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

Listing Fees as prescribed have been paid to the above Stock Exchange for the Financial year 2013-14.

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

Bombay Stock Exchange Limited	: Scrip Code No. 505216
Corporate Identity (CIN)	: L74999WB1919PLC003516
ISIN	: INE782D01027

MARKET PRICE DATA DURING THE FINANCIAL YEAR 2013-14 :

Month	Bombay Stock Exchange Ltd.	
	High Rs.	Low Rs.
April	: 246.65	207.00
May	: 266.60	212.05
June	: 261.95	215.25
July	: 233.00	174.00
August	: 230.95	180.15
September	: 241.95	210.00
October	: 267.55	245.15
November	: 280.90	187.50
December	: 242.00	201.35
January	: 230.70	200.00
February	: 250.00	218.55
March	: 253.05	224.00

ALFRED HERBERT (INDIA) LTD.

Registrar and Share Transfer Agent : Maheshwari Datamatics Pvt. Limited
4, 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 15 days from the date of lodgment, if documents are complete in all respect.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2014

No. of Equity Shares held	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
Upto 1000	3401	99.3283	172416	22.3502
1001 to 5000	12	.3505	22174	2.8745
5001 to 10000	4	.1168	32572	4.2223
10001 to 50000	5	.1460	141257	18.3110
50001 and above	2	.0584	403010	52.2420
Total	3424	100.0000	771429	100.0000

No. of Shareholders : 3424
Share Capital : 771429

SHAREHOLDING PATTERN AS ON 31ST MARCH 2014

Category	No. of Shareholders	No. of Shares held	Total Shareholding as a % of Total Share
Individuals	3340	191548	24.83
Non-Resident Individuals	21	4345	0.56
Bodies Corporate	44	4732	0.61
Financial Institutions/Banks	2	90	0.01
Insurance Companies	1	13925	1.81

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, 2014, 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 and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate

Category	No. of Shareholders	No. of Shares held	Total Shareholding as a % of Total Share
Trusts	1	90	0.01
Clearing Member	2	125	.002
	3411	214855	27.85
Promoters	13	556574	72.15
Total	3424	771429	100.00

Dematerialisation of Shares :- 88.28% of Equity Shares have been dematerialised as on 31st March 2014.

SECRETARIAL AUDIT

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

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

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

Fax : **(033) 2229 91 24**

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company. It is further confirmed that all the Directors and Senior Management Personnel of the Company has affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2014 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

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

Date: 17th May 2014 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 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
Firm's Registration No.: 301072E
Asish Kumar Mukhopadhyay

Place : Kolkata
Date : 17th May 2014

(Partner)
(Membership No. 056359)



INDEPENDENT AUDITORS' REPORT

To the Members of Alfred Herbert (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Alfred Herbert (India) Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- 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

- 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.
- As required by section 227(3) of 'the Act', we report that:
 - 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;
 - 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;
 - 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;
 - 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;
 - on the basis of written representations received from the Directors as on 31 st March, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 st March, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- According to the information and explanations given to us and on the basis of such checks as we considered appropriate was carried out by us during the course of the audit of the company, our report on the matters specified under the Para 3(A) and 3(C) of Non - Banking Financial Companies Auditors Report (Reserve Bank) Directions 1998 is as follows:
 - The Company which was incorporated prior to 9 th 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 and the Certificate No. N. 05. 04665 dated 29 th November 2001. The Company is engaged in the business of Non Banking Financial Institution.
 - The asset/income pattern of the Company as on 31.03.2014 are as follows:

Investment Income to Total Income:	50.61%
Total Investments to Total Assets :	68.32%

In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2014.
 - The Company has not been classified as Assets Finance Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year under reference.
 - The Company has not been classified as Micro Finance Institution as defined in Non-Banking

ALFRED HERBERT (INDIA) LTD.

Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 with reference to the business carried on by it during the financial year under reference.

- v) The Board of Directors of the Company had passed a resolution at its meeting held on 31st January, 2014 for not accepting any public deposit.
- vi) The Company has not accepted any public deposit during the year under reference.
- vii) 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.
- viii) The Company is not a Systemically Important Non-Deposit taking NBFC as defined in paragraph 2 (1) (xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For RAY & RAY
Chartered Accountants
Firm's Registration No.: 301072E
Asish Kumar Mukhopadhyay
(Partner)
Date : 17th May 2014 (Membership No. 056359)

Place : Kolkata

Date : 17th May 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' 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) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification
- (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) The Company does not have any inventory. Accordingly, provisions of clauses (ii) (a), (b) and (c) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (iii) According to the information and explanation given to us, the company has neither granted nor taken any loans to and from the companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clauses (iii) (b) to (d), (f) and (g) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists reasonable internal control system commensurate with the size and the nature of its business with regard to purchase of

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 control system of the Company.

- (v) In our opinion and according to the information and explanations given to us, the Company has not entered into any contracts or arrangements referred to in the section 301 of the Act that need to be entered into the register required to be maintained under that section. Accordingly, clause (v) (b) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public during the year under section 58A, 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the internal audit system of the Company is generally commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed for the maintenance of any cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the products of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) On the basis of the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Value added Tax / Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute:

Sl. No.	Name of Statute	Nature of Dues	Period for which it relates	Forum where dispute is pending	Amount (Rs.)
1.	Income Tax Act, 1961	Income Tax	Assessment Year 2009-10	CIT (Appeals)	481,565
			Assessment Year 2011-12	CIT (Appeals)	19,720
Total					501, 285

- (x) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our report and in the immediately preceding financial year.



- (xi) The Company has no borrowings from financial institution and bank and the Company has no debenture holders. Accordingly, clause (xi) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- (xiii) In our opinion, the Company is not a chit fund or nidhi/ mutual benefit fund / society. Therefore, the provisions of the clause (xiii) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xiv) 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, we are of the opinion that reasonable records have been maintained of the transactions and contracts and timely entries have been made therein. The investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any term loan during the year. Accordingly, Clause (xvi) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that, no funds raised on short-term basis have been used for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies / firms covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debenture during the year. Accordingly, provisions of clause (xix) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issue during the year. Accordingly, provisions of clause (xx) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Kolkata
Date : 17th May 2014

REPORT TO THE BOARD OF DIRECTORS

ALFRED HERBERT (INDIA) LIMITED

Dear Sirs,

In terms of Non Banking Financial Companies Auditor's Report (Reserve Bank), Direction, 2008 we are pleased to submit this report on matters as specified in paragraph 3 of the said Directions.

- a) The Company which was incorporated prior to 9 th 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 and the Certificate No. N. 05. 04665 dated 29 th November 2001. The Company is engaged in the business of Non Banking Financial Institution.
- b) The asset/income pattern of the Company as on 31.03.2014 is as follows:
- | | |
|-------------------------------------|--------|
| Investment Income to Total Income: | 50.61% |
| Total Investments to Total Assets : | 68.32% |
- In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2014.
- c) The Company has not been classified as Assets Finance Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year under reference.

- d) The Company has not been classified as Micro Finance Institution as defined in Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 with reference to the business carried on by it during the financial year under reference.
- e) The Board of Directors of the Company passed a resolution at its meeting held on 31 st January, 2014 for not accepting any public deposit.
- f) The Company has not accepted any public deposit during the year under reference.
- g) The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it 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.
- h) The Company is not a Systemically Important Non-Deposit taking NBFC as defined in paragraph 2 (1) (ix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

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

Place : Kolkata
Date : 17th May 2014

ALFRED HERBERT (INDIA) LTD.

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 2014 (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 **24th May, 2013; 26th July, 2013; 11th November, 2013** and **31st January, 2014** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed, if any, in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from **16th July 2013 to 26th July 2013** 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 2013 was held on **26th July, 2013** after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act with regard to the general disclosure made by the directors.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Board of Directors or duly constituted committee of Directors has approved the issue of duplicate share certificates.
13. The company has:
 - i) delivered all the certificates on lodgement thereof per transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) deposited the amount of dividend declared in a separate bank account on 26.07.2013 which is within five days from the date of declaration of such dividend.
 - iii) paid/ posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and in respect of all unclaimed/unpaid dividend, the Bank has been instructed to change the nomenclature of the account as "Alfred Herbert (India) Limited Unpaid Dividend Account – 2013" on 24.08.2013 for the balance amount standing therein.
 - iv) Transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years through NEFT process to the MCA Account on 27.09.2013.
 - v) duly complied with the requirements of section 217 of the Act to the extent applicable to the company.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors, and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing director/Whole time director/Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.



17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted or renewed any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March, 2014.
25. The company, being an investment company and holding a certificate of registration as a NBFC, provisions pursuant to section 372A are not applicable.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. As informed by the management, there was no prosecution initiated against or show cause

notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.

32. The company has not received any money as security from its employees during the financial year.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **A. J. & ASSOCIATES**

Company Secretaries

CS Abhijeet Jain

Proprietor

C.P. No. : 3426

Place : Kolkata

Date : 17th May, 2014

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 2014.

1. Annual Return (Schedule V) in Form 20B made upto 26.07.2013 filed on 10.09.2013.
2. Balance Sheet (Schedule VI) in Form 23AC/ 23ACA as at 31.03.2013 filed on 22.08.2013.
3. Compliance Certificate in Form 66 for the year-ended 31.03.2013 filed on 31.07.2013.
4. Form 1 INV filed on 27.09.2013.
5. Form 5 INV filed on 17.10.2013

Balance Sheet

as at 31st March, 2014

	Note Number	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	7,714,290	7,714,290
(b) Reserves and surplus	2.2	286,288,457	277,562,161
(2) Non-current liabilities			
(a) Deferred Tax Liability (Net) (Refer Note No. 10)		3,326,558	3,138,012
(b) Other Long term liabilities	2.3	2,931,513	2,531,606
(c) Long-term provisions	2.4	—	101,562
(3) Current liabilities			
(a) Other current liabilities	2.5	447,650	432,990
(b) Short-term provisions	2.6	12,168,443	10,282,739
	TOTAL	312,876,911	301,763,360
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.7	39,760,636	38,263,715
(ii) Capital work-in-progress		37,245,719	7,135,678
(b) Non-current investments	2.8	130,896,445	104,527,555
(c) Long-term loans and advances	2.9	7,019,629	2,474,790
(2) Current assets			
(a) Current investments	2.10	82,866,867	134,782,061
(b) Trade Receivables	2.11	—	660,323
(c) Cash and Bank Balances	2.12	4,772,961	1,578,943
(d) Short-term loans and advances	2.13	9,907,575	11,901,120
(e) Other current assets	2.14	407,079	439,175
	TOTAL	312,876,911	301,763,360

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

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

For RAY & RAY
Chartered Accountants

Asish Kumar Mukhopadhyay
Partner
Membership No. 056359
Kolkata, 17th May, 2014

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



Statement of Profit and Loss

For the year ended 31st March, 2014

PARTICULARS	Note Number	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
I Revenue from operations	2.15	22,773,572	21,547,036
II Other Income	2.16	226,551	—
III Total Revenue (I + II)		23,000,123	21,547,036
IV Expenses :			
Purchases of Stock-in-Trade		52,166	67,196
Employee benefits expenses	2.17	1,982,268	1,877,080
Depreciation and amortization expenses	2.7	1,016,905	977,717
Less: Transferred from Revaluation Reserve	2.2	(181,400)	(181,400)
Other expenses	2.18	9,078,875	6,980,202
Total Expenses		11,948,814	9,720,795
V Profit before exceptional items and tax (III - IV)		11,051,309	11,826,241
VI Exceptional items :			
Provision no longer required written back	—	—	20,000,000
Less : Irrecoverable amount written off	—	—	10,200,000
Profit on sale of materials of dismantling building		—	2,265,885
VII Profit/(Loss) before tax (V + VI)		11,051,309	23,892,126
VIII Tax expenses			
(1) Current tax	150,000	—	—
(2) Deferred tax (Refer Note No. 10)	188,546	338,546	191,184
IX Profit after tax (VII - VIII)		10,712,763	23,700,942
X Earning per equity Share :			
Basic & diluted (Face Value Rs.10/- each)	12	13.89	30.72

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

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

For RAY & RAY
Chartered Accountants

Asish Kumar Mukhopadhyay
Partner
Membership No. 056359
Kolkata, 17th May, 2014

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

CASH FLOW STATEMENT

	Year ended 31st March,	
	2014 (Rs.)	2013 (Rs.)
A. Cash Flow from Operating Activities		
Profit before Tax	11,051,309	23,892,126
Adjustment for :		
Depreciation	835,505	796,317
Profit on sale of Fixed Assets	-	(2,265,885)
Loss on sale of Investments (Long Term)	173,361	-
Profit on sale of Investments (Long Term)	-	(4,000)
Profit on sale of Investments (Short Term)	(51,744)	(95,400)
	<u>957,122</u>	<u>(1,568,968)</u>
Operating Profit before Working Capital Changes	12,008,431	22,323,158
Adjustments for :		
Other Current Assets	32,096	4,256
Trade Receivables	660,323	(660,323)
Loans & Advances	(1,768,308)	16,815,791
Provision no longer required written back	-	(20,000,000)
Liabilities & Provisions	2,022,138	204,055
	<u>946,249</u>	<u>(3,636,221)</u>
Cash (utilised in)/generated from Operating Activities	12,954,680	18,686,937
Direct Tax (Net)	(782,986)	(704,713)
	<u>(782,986)</u>	<u>(704,713)</u>
Net Cash (utilised in)/ Generated from Operating Activities	<u>12,171,694</u>	<u>17,982,224</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2,513,826)	(48,460)
Sale/Discard of Fixed Assets	-	2,500,000
Capital work-in-progress	(30,110,041)	-
Proceeds from Sale/Redemption of Investments	212,488,962	80,103,000
Purchase of Investments	(187,064,275)	(102,232,127)
	<u>(7,199,180)</u>	<u>(19,677,587)</u>
Net Cash (utilised in)/ generated from Investment Activities	<u>(7,199,180)</u>	<u>(19,677,587)</u>
C. Cash Flow from Financing Activities		
Maturity of Fixed Deposit	115,000	-
Dividend Paid	(1,528,198)	(1,503,924)
Corporate Dividend Tax	(250,298)	(250,298)
	<u>(1,663,496)</u>	<u>(1,754,222)</u>
Net Cash (utilised in)/ generated from Financing Activities	<u>(1,663,496)</u>	<u>(1,754,222)</u>
Net Increase/(Decrease) in cash & Cash Equivalent	<u>3,309,018</u>	<u>(3,449,585)</u>
Cash and Bank Balances (Opening Balance)	1,463,943	4,913,528
Cash and Bank Balances (Closing Balance)	4,772,961	1,463,943
(Refer Note No. 2.12)	<u>3,309,018</u>	<u>(3,449,585)</u>

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

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

For RAY & RAY

Chartered Accountants

Asish Kumar Mukhopadhyay

Partner

Membership No. 056359

Kolkata, 17th May, 2014

For and on behalf of the Board

H. V. Lodha

R. C. Tapuriah

Directors



Notes to the Balance Sheet and Statement of Profit & Loss

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Basis of preparation of financial statements

The Financial Statements are prepared on accrual basis under the historical cost convention (except where impairment is made and revaluation is carried out) on the basis of going concern and in accordance with the provisions of the Companies Act, 1956 and Accounting Standards notified under the Companies (Accounting Standards) Rules 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

Use of Estimates

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

Fixed Assets

Tangible Fixed Assets other than those, which have been revalued, are stated at cost net of impairment loss, if any, less depreciation/amortisation. Cost represents 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 of Assets

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

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. The additional depreciation due to revaluation is adjusted against Capital Revaluation Reserve.

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 market price or realisable value whichever is lower.

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 recognised in the profit and loss account.

Revenue Recognition

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 is accrued and recognised on time basis and determined by contractual rate of interest.

Employee Benefits

Short term employee benefits is recognized as expense in the Statement of Profit and Loss of the year in which related service is rendered. Post employment and other long term employee benefits are provided in the accounts in the following manner :

- i) Gratuity (Defined Benefit Plan) : The Company has a Gratuity Fund administered by the Trustees, which is independent of the Company's finance. The liability in respect of Gratuity has been determined by actuarial valuation following Projected Unit Credit Method.
- ii) Leave Encashment : Leave encashment is accounted for on the basis of unutilised leave for each year of service and not on actuarial valuation.
- iii) Provident Fund (Defined Contribution Scheme) : Accounted for on accrual basis based on the monthly contribution made to the appropriate authorities.

Taxes on Income

Income tax is accounted for in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income" notified pursuant to the Companies (Accounting Standards) Rules, 2006.

Deferred tax is provided and recognised on timing differences between taxable income and accounting income subject to prudential consideration.

ALFRED HERBERT (INDIA) LTD.

Deferred tax assets on unabsorbed depreciation and carry forward losses are not recognized unless there is a virtual certainty about availability of future taxable income to realise such assets.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or statutory obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the Financial Statements.

2. Notes forming part of Balance Sheet

2.1 SHARE CAPITAL

Authorised

5,000,000 - Equity shares of Rs.10 each
(2013 - 5,000,000)

Issued, subscribed and paid-up

771,429 - Equity shares of Rs.10 each fully paid-up
(2013 - 771,429)

As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<u>50,000,000</u>	<u>50,000,000</u>
<u>7,714,290</u>	<u>7,714,290</u>

2.1.1 There has been no change/movement in the number outstanding shares as at the beginning and at the end of our reporting period.

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

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

Name of Shareholders	No. of Shares held on		No. of Shares held on	
	31.3.2014	% holding	31.3.2013	% holding
City Holdings Limited	252,561	32.74	252,561	32.74
Meenakshi Industries Limited	150,449	19.50	150,449	19.50

2.2 RESERVES AND SURPLUS

Capital Revaluation Reserve - opening balance

Less : Transferred to Depreciation (Note No. 5)

Less : Adjustment upon dismantling building

Capital Reserve

General Reserve - opening balance

Add : Transferred from surplus

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

Add : Transferred from surplus

As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
5,217,130	5,453,464
<u>181,400</u>	<u>181,400</u>
5,035,730	5,272,064
-	54,934
<u>5,035,730</u>	<u>5,217,130</u>
9,937	9,937
207,500,000	205,700,000
<u>810,000</u>	<u>1,800,000</u>
208,310,000	207,500,000
34,292,000	29,549,000
<u>2,143,000</u>	<u>4,743,000</u>
36,435,000	34,292,000



Notes forming part of Balance Sheet (Contd.)

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Surplus in the Statement of Profit & Loss - opening balance	30,543,094	15,178,308
Add : Profit after tax transferred from statement of Profit & Loss	<u>10,712,763</u>	<u>23,700,942</u>
Amount available for appropriation	41,255,857	38,879,250
APPROPRIATIONS		
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	262,209	250,298
General Reserve	810,000	1,800,000
Special Reserve	<u>2,143,000</u>	<u>4,743,000</u>
Surplus - closing balance	36,497,790	30,543,094
TOTAL	286,288,457	277,562,161
2.3 OTHER LONG-TERM LIABILITIES		
Security deposit	2,796,461	2,405,174
Others	<u>135,052</u>	<u>126,432</u>
	2,931,513	2,531,606
2.4 LONG-TERM PROVISIONS		
Provision for Employee benefit	-	101,562
	-	<u>101,562</u>
2.5 OTHER CURRENT LIABILITIES		
Balances in Unpaid Dividend Accounts	<u>447,650</u>	432,990
	447,650	432,990
2.6 SHORT-TERM PROVISIONS		
Provision for Employee benefit	58,962	123,500
Taxation	7,977,544	7,827,544
Proposed Dividend	1,542,858	1,542,858
Tax on Dividend	262,209	250,298
Others	<u>2,326,870</u>	<u>538,539</u>
	12,168,443	10,282,739

2.7 FIXED ASSETS

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	Original Cost/ Revaluation as on 01.04.2013	Additions during the year	Sales/ Adjust- ments	Original Cost/ Revaluation as on 31.03.2014	Upto 31.03.2013	Depreciaton for the year	Sales/ Adjust- ments	Total 31.03.2014	Value as on 31.03.2014	Value as on 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	3,674,588	—	—	3,674,588	—	—	—	—	3,674,588	3,674,588
Building :										
Freehold	49,031,236	1,804,497	—	50,835,733	15,062,957	891,888	—	15,954,845	34,880,888	33,968,279
Leasehold	342,945	—	—	342,945	247,908	3,768	—	251,676	91,269	95,037
Plant & Machinery	1,720,217	690,880	—	2,411,097	1,195,290	109,259	—	1,304,549	1,106,548	524,927
Furniture, Fixtures & Equipments	138,591	18,449	179	156,861	137,707	11,990	179	149,518	7,343	884
Total	54,907,577	2,513,826	179	57,421,224	16,643,862	1,016,905	179	17,660,588	39,760,636	38,263,715
Previous year	56,105,364	48,460	1,246,247	54,907,577	16,623,343	977,717	957,198	16,643,862	38,263,715	

2.8 NON-CURRENT INVESTMENTS

	Nos.	As at 31st March, 2014 Rs.	Nos.	As at 31st March, 2013 Rs.
Long Term, (Non-Trade), Quoted				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Graphite India Limited (Face value Rs.2 per share)	350,000	19,866,484	350,000	19,866,484
Aditya Birla Nuvo Limited	105	14,648	105	14,648
Mangalore Refinery and Petrochemicals Ltd.	400	4,000	400	4,000
HDFC Bank Limited (Face value Rs.2 per share)	2,500	5,000	2,500	5,000
Hindalco Industries Ltd.(Face Value Re.1 per share)	75,750	7,272,000	75,750	7,272,000

ALFRED HERBERT (INDIA) LTD.

Notes forming part of Balance Sheet (Contd.)

	Nos.	As at 31st March, 2014 Rs.	Nos.	As at 31st March, 2013 Rs.
Reliance Industries Ltd.	65,000	18,982,115	65,000	18,982,115
I D F C	50,000	3,511,762	50,000	3,511,762
I T C Limited (Face value Re.1 per share)	60,000	3,578,171	60,000	3,578,171
Reliance Capital Ltd.	1,125	175,170	1,125	175,170
Reliance Power Ltd.	5,625	94,323	5,625	94,323
Reliance Communication Ltd.(Face Value Rs.5 per share)	22,500	5,214,701	22,500	5,214,701
Reliance Infrastructure Ltd.	1,687	983,651	1,687	983,651
Sterlite Industries (India) Ltd. (Face value Re.1 per share)	-	-	10,020	188,310
Sesa Sterlite Ltd. (Face value Re.1 per share) (Transferred from Sterlite Industries Ltd. as per scheme of Amalgamation dt. 17th August, 2013 bearing ratio 5:3 shares)	6,012	188,310	-	-
Bonds				
6.85% I I F C L Tax Free Bond 2014	-	-	285	28,628,250
8.30% NHA1 Tax Free Bond	3,743	3,837,493	-	-
8.50% NHA1 Tax Free Bond	30,000	30,000,000	-	-
8.75% NHA1 Tax Free Bond	21,200	21,159,647	-	-
		114,887,475		88,518,585
Long Term, (Non-Trade), Unquoted				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Woodlands Multispeciality Hospital Limited	1,780	8,900	1,780	8,900
Kirloskar Computer Services Limited	10,000	100,000	10,000	-
Less : Provision for diminution in value of shares		<u>100,000</u>		<u>-</u>
In Subsidiary Companies:				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Herbert Holdings Ltd	220,000	7,000,000	220,000	7,000,000
Alfred Herbert Limited	900,007	9,000,070	900,007	9,000,070
		16,008,970		16,008,970
		130,896,445		104,527,555
a) Quoted Investments - Book value		114,887,475		88,518,585
b) Unquoted Investments - Book value		16,008,970		16,008,970
		130,896,445		104,527,555
Aggregate Market Value of Quoted Investments		171,554,889		144,366,094
2.9 LONG-TERM LOANS & ADVANCES				
Unsecured-considered good				
Capital Advance		5,372,826		899,055
Security Deposits		1,646,803		1,575,735
		7,019,629		2,474,790
2.10 CURRENT INVESTMENTS (Unquoted)				
Units of Rs.10 each in UTI Fixed Income Interval Fund-Quarterly Interval Plan Series I - Institutional Dividend Plan - Payout	-	-	1,500,000.000	15,000,000
Units of Rs.1000 each in UTI T.A. Fund weekly Div. Reinvest	3,643,974	3,657,832	-	-
Units of Rs.10 each in UTI Fixed Income Interval Fund-Series II - Quarterly Interval Plan VI Institutional Dividend Plan - Payout	-	-	2,099,160.252	20,997,900
Units of Rs.1000 each in DSP BlackRock Money Manager Fund - Institutional Plan - Weekly Dividend	-	-	21,206,097	21,232,507
Units of Rs.1000 each in DSP BlackRock Money Manager Fund - Regular Plan - Weekly Dividend	17,000,648	17,073,014	569,226	570,007
Units of Rs.10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan)	-	-	1,025,440.821	10,365,181



Notes forming part of Balance Sheet (Contd.)

	Nos.	As at 31st March, 2014 Rs.	Nos.	As at 31st March, 2013 Rs.
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	1,773,111,996	17,767,386	2,076,518.232	20,809,814
Units of Rs.10 each in ICICI Prudential Interval Fund Quarterly Interval Plan 1 - Institutional Dividend	2,020,000.000	20,200,000	2,020,000.000	20,200,000
Units of Rs.1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	3,854.670	4,164,635	3,854.670	4,164,635
Units of Rs.10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	1,367,720.056	20,004,000	1,367,720.056	20,004,000
Units of Rs.10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend - Option : Reinvest	-	-	143,459,621	1,438,017
		<u>82,866,867</u>		<u>134,782,061</u>
2.11 TRADE RECEIVABLES				
<i>Unsecured - Considered Good</i>				
Debts outstanding for a period exceeding six months from the due date		-		-
Other debts		-		660,323
		<u>-</u>		<u>660,323</u>
2.12 CASH AND BANK BALANCES				
A. Cash and Cash equivalents				
Balances with Banks :				
(i) On Current Accounts		4,318,323		1,019,479
(ii) On Unpaid Dividend Accounts		447,650		432,990
Cash in hand		6,988		11,474
TOTAL (A)		<u>4,772,961</u>		<u>1,463,943</u>
B. Other Balances with Banks:				
In Fixed Deposits with maturity period within 12 months from the reporting date		-		115,000
TOTAL (B)		<u>-</u>		<u>115,000</u>
TOTAL (A+B)		<u>4,772,961</u>		<u>1,578,943</u>
2.13 SHORT-TERM LOANS AND ADVANCES				
<i>Unsecured- Considered good</i>				
Advance recoverable in cash or in kind or for value to be received		547,006		3,323,537
Advance Income Tax		9,360,569		8,577,583
		<u>9,907,575</u>		<u>11,901,120</u>
2.14 OTHER CURRENT ASSETS				
<i>Unsecured- Considered good</i>				
Interest Accrued		357,605		369,629
Prepaid Expenses		30,084		42,792
Balances with Commercial Tax Dept.		19,390		26,754
		<u>407,079</u>		<u>439,175</u>
		For the year ended 31st March, 2014 Rs.		For the year ended 31st March, 2013 Rs.
2.15 REVENUE FROM OPERATIONS				
Sale of products (Refer Note No.13)		102,030		129,149
Sales of services		9,421,764		8,754,393
Commission		1,608,076		671,650
Dividend from shares (Long Term)		2,423,634		2,344,737
Dividend from Mutual Funds (Short Term)		6,647,476		7,581,927
Profit on Sale of Investments (Short Term)		51,744		95,400
Profit on sale of Investments (Long Term)		-		4,000
Other operating revenues :				
Interest Income :				
Interest on Bonds		2,393,883		1,952,250
Interest on Fixed Deposit		3,397		10,453
Others		121,568		3,077
		<u>22,773,572</u>		<u>21,547,036</u>

ALFRED HERBERT (INDIA) LTD.

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

	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
2.16 OTHER INCOME		
Exchange Gain	11,327	-
Liability no longer required written back	210,000	-
Scrap Sales	5,224	-
	<u>226,551</u>	<u>-</u>
2.17 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	1,801,653	1,631,740
Contribution to Provident and other Funds	149,661	215,295
Staff Welfare Expenses	30,954	30,045
	<u>1,982,268</u>	<u>1,877,080</u>
2.18 OTHER EXPENSES		
Electricity	955,099	612,628
Rent	1,220,019	1,152,876
Repairs to Building	3,295,473	1,234,888
Repairs - others	254,358	162,146
Insurance	18,961	21,088
Rates and Taxes	814,921	869,123
Flat Maintenance	184,808	180,305
Loss on sale of Investments (Long Term)	173,361	-
Postage and telephone	209,939	208,275
Provision for Diminution in value of Shares	-	3,600
Legal & Secretarial Expenses	291,028	657,952
Consultancy charges	143,270	-
Professional Fees	621,000	620,800
Traveling and conveyance	110,145	502,108
Exchange Loss	-	11,327
Miscellaneous expenses (i)	786,493	743,086
	<u>9,078,875</u>	<u>6,980,202</u>
(i) Includes		
Auditors' Remuneration :		
Statutory Audit Fees	35,000	35,000
Tax Audit Fees	12,000	12,000
Other services	30,000	55,000

3. Contingent Liability not provided for in respect of Income Tax demand amounting to Rs.501,285/- (2012-13 Rs.481,565/-).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.36,151,192/- (2012-13 Nil).
5. Depreciation for the year as per Fixed Assets Schedule (Note 2.7) includes Rs.181,400/- (2013 – Rs.181,400/-) being depreciation on the increased value of Building due to the effect of revaluation and accordingly the same has been adjusted from Capital Revaluation Reserve.

6. Gratuity Plan

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

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

Reconciliation of Defined Benefit Obligation and Fair Value of Assets over the year ended 31st March, 2014.

i) Change in Defined Benefit Obligations

(Amount in Rs.)

		As on 31.03.2014	As on 31.03.2013
A	Present Value of Defined Benefit Obligations at the beginning of period	945,006	804,793
B	Current Service Cost	39,506	39,245
C	Interest Cost	75,600	69,212
D	Actuarial Losses/(Gains)	(38,014)	31,756
E	Plan Amendments	-	-
F	Present Value of Defined Benefit Obligations at the end of period	1,022,098	945,006



ii) Change in Fair Value of Assets

(Amount in Rs.)

		As on 31.03.2014	As on 31.03.2013
A	Plan assets at beginning of period	864,900	780,642
B	Expected return on plan assets	72,396	68,174
C	Actual Company contributions	80,106	24,151
D	Actuarial gain/(loss)	(10,132)	(8,067)
E	Plan assets at the end of period	1,007,270	864,900

iii) Total expense recognised in the Statement of Profit & Loss

(Amount in Rs.)

	Components of employer expense	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
A	Current Service Cost	39,506	39,245
B	Interest Cost	75,600	69,212
C	Expected return on plan assets	(72,396)	(68,174)
D	Past Service Cost	-	-
E	Actuarial Losses/(Gains)	(27,882)	39,823
F	Total expenses recognised in the Statement of Profit & Loss	14,828	80,106

iv) Net Assets / (Liability) recognised in the Balance Sheet

(Amount in Rs.)

	Funded Status	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
A	Present Value of Defined Benefit Obligations	1,022,098	945,006
B	Fair value of plan assets	1,007,270	864,900
C	Funded Status (Surplus/(Deficit))	(14,828)	(80,106)
D	Employer expenses	14,828	80,106
E	Employer contributions	80,106	24,151
F	Net asset / (liability) recognised in the Balance Sheet at end of the period	(14,828)	(80,106)

v) Actuarial Assumptions

		As on 31.03.2014	As on 31.03.2013
A	Discount Rate	9.20%	8.00%
B	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
C	Salary Increases	8%	8%
D	Expected return on assets	8.00%	8.60%
E	Withdrawal rates	Upto 40 years 4.2% 40 years and above Nil	Upto 40 years 4.2% 40 years and above Nil

vi) Experience Adjustments*

(Amount in Rs.)

		Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
A	Present Value of Defined Benefit Obligation	1,022,098	945,006	804,793	742,844
B	Fair Value of Plan Assets	1,007,270	864,900	780,642	632,483
C	Funded Status (Surplus/(Deficit))	(14,828)	(80,106)	(24,151)	(110,361)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	6,897	8,490	(16,169)	3,982
E	Experience Gain/(Loss) adjustment on Plan Assets	(10,133)	(8,067)	(17,903)	1,811
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	(44,911)	23,266	(20,238)	(4,037)

* Note : Figures for "Experience Adjustment" in respect of Gratuity for the year ended 31.03.2010 are not available, hence could not be disclosed.

7. Leave Encashment

Leave Encashment is accounted for on the basis of unutilised leave for each year of service and not on actuarial valuation.

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

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

(Amount in Rs.)

	As on 31.03.2014	As on 31.03.2013
Deferred Tax Liability On Account of Depreciation	3,326,558	3,169,395
Deferred Tax Assets Provision for Leave encashment	-	(31,383)
Net Deferred Tax Liability	3,326,558	3,138,012

11. Related party disclosure as identified by the management in accordance with the Accounting Standard 18 on "Related Party Transactions" are as follows :

Related Parties

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

Disclosure of transactions with Related Parties and outstanding balances as on 31st March 2014.

(Amount in Rs.)

	Subsidiary Companies		Associate Company
	Alfred Herbert Ltd.	Herbert Holdings Ltd.	Jain Industrial
Advance Given	7,559,688 (853,765)	Nil (Nil)	Nil (Nil)
Advance Received Back	7,559,688 (853,765)	Nil (Nil)	Nil (Nil)
Lease Rent	Nil (Nil)	Nil (Nil)	1,440,000 (1,440,000)

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



12. EARNINGS PER SHARE (EPS)

	For the year ended 31st March 2014	For the year ended 31st March 2013
i. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	10,712,763	23,700,942
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	13.89	30.72
iv. Face Value per Equity Share (Rs.)	10	10

13. Particulars in respect of Sales

DESCRIPTION	2013-2014		2012-2013	
	Qty. (Unit)	Value Rs.	Qty. (Unit)	Value Rs.
Spares		102,030		129,149

14. Earning in Foreign Currency

Commission on Direct sales	1,608,076	671,650
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15. Expenditure in Foreign Currency

Foreign Travel	Nil	211,800
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16. Previous year's figures have been regrouped / rearranged / reclassified wherever necessary, to make it comparable with current year figures.

Statement Regarding Subsidiary Companies For 2013-14

Sl. No	Name of Subsidiary Company/ Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Alfred Herbert Limited India	INR	9,000,070	25,847,395	88,021,767	88,021,767	-	160,293,069	1,047,625	695,962	351,663	-
2	Herbert Holdings Limited India	INR	2,200,000	11,669,106	13,883,789	13,883,789	13,716,001	657,985	622,345	200	622,145	-

ALFRED HERBERT (INDIA) LTD.

CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

2013 - 2014



INDEPENDENT AUDITORS' REPORT

On Consolidated Financial Statements

To

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

We have audited the accompanying consolidated financial statements of **Alfred Herbert (India) Limited** ('the Company') and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, But not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata
Date : 17th May 2014

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

Consolidated Balance Sheet as at 31st March, 2014

	Note Number	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	7,714,290	7,714,290
(b) Reserves and Surplus	2.2	319,004,958	309,304,854
(2) Non-current liabilities			
(a) Deferred Tax Liability (Net) (Refer Note No. 10)	2.3	3,365,442	2,770,934
(b) Other Long term liabilities	2.4	2,931,513	2,531,606
(c) Long-term Provisions	2.5	422,942	684,858
(3) Current liabilities			
(a) Short-term borrowings	2.6	1,497,140	–
(b) Trade payables		27,363,817	20,128,264
(c) Other current liabilities	2.7	12,907,080	18,064,274
(d) Short-term provisions	2.8	23,575,215	38,287,738
	TOTAL	398,782,397	399,486,818
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.9	41,841,244	40,769,699
(ii) Capital work-in-progress		37,910,419	7,135,678
(b) Non-current Investments	2.10	118,247,388	91,878,498
(c) Long-term loans and advances	2.11	7,686,283	3,141,444
(d) Other Non-current Assets	2.12	3,753,000	–
(2) Current assets			
(a) Current Investments	2.13	93,231,855	144,231,129
(b) Inventories	2.14	28,538,069	49,277,977
(c) Trade receivables	2.15	24,772,614	15,965,094
(d) Cash and Bank Balances	2.16	7,866,214	4,320,605
(e) Short-term loans and advances	2.17	23,223,765	35,517,570
(f) Other current assets	2.18	11,711,546	7,249,124
	TOTAL	398,782,397	399,486,818

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

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

For RAY & RAY
Chartered Accountants

Asish Kumar Mukhopadhyay
Partner
Membership No. 056359
Kolkata, 17th May, 2014

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



Consolidated Statement of Profit and Loss

For the year ended 31st March, 2014

PARTICULARS	Note Number	For the year ended 31st March, 2014 (Rs.)	For the year ended 31st March, 2013 (Rs.)
I Revenue from operations	2.19	198,493,518	135,519,622
Less : Excise Duty		<u>15,429,751</u>	<u>11,241,688</u>
Net Revenue from Operations		183,063,767	124,277,934
II Other Income	2.20	887,410	<u>789,472</u>
III Total Revenue (I + II)		183,951,177	<u>125,067,406</u>
IV Expenses :			
Cost of materials consumed		93,137,432	74,447,781
Excise Duty Expenses		133,494	670,884
Purchase of Stock-in-Trade		52,166	67,196
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.21	14,476,158	(7,769,949)
Employee benefits expenses	2.22	30,270,771	31,767,165
Finance costs	2.23	810,907	322,427
Depreciation and amortization expenses	2.9	1,655,796	2,114,110
Less: Transferred from Revaluation Reserve		(181,400)	(181,400)
Other expenses	2.24	30,874,574	<u>27,989,372</u>
Total Expenses		171,229,898	<u>129,427,586</u>
V Profit before exceptional and extraordinary items and tax (III - IV)		12,721,279	(4,360,180)
VI Exceptional items :			
Provision no longer required written back	-	-	20,000,000
Less : Irrecoverable amount written off	-	-	10,200,000
Profit on sale of materials of dismantling building	-	-	2,265,885
VII Profit before tax (V - VI)		12,721,279	<u>7,705,705</u>
VIII Tax expenses			
(1) Current tax		440,200	1,000
(2) Income Tax relating to earlier years (net)		-	-
(3) Excess provision for Income Tax relating to earlier years Written back		-	-
(4) Deferred tax		594,508	(376,788)
IX Profit after tax		11,686,571	<u>8,081,493</u>
X Earning per equity Share :			
Basic & Diluted (Rs.)	14	15.15	10.48
Number of shares used in computing earning per share		771,429	771,429

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

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

For RAY & RAY

Chartered Accountants

Asish Kumar Mukhopadhyay

Partner

Membership No. 056359

Kolkata, 17th May, 2014

For and on behalf of the Board

H. V. Lodha

R. C. Tapuriah

Directors

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31st March,	
	2014 (Rs.)	2013 (Rs.)
A. Cash Flow from Operating Activities		
Profit before Tax	12,721,279	7,705,705
Adjustment for :		
Depreciation	1,474,396	1,932,710
Interest	810,907	322,427
Loss on Sale of Investment (Long Term)	173,361	-
Profit on Sale of Fixed Assets	-	(2,265,885)
Loss on Sale of Fixed Assets	47,722	-
Profit on Sale of Investments (Short Term)	(51,744)	(95,400)
Profit on Sale of Investments (Long Term)	-	(4,000)
Interest Accrued on Deposits	(113,097)	182,838
Operating Profit before Working Capital Changes	<u>15,062,824</u>	<u>7,778,395</u>
Adjustments for :		
Inventories	16,986,908	1,700,876
Trade Receivables	(1,571,967)	11,023,569
Other Current Assets	(4,349,325)	12,559,359
Loans & Advances	(1,194,093)	18,864,468
Provision no longer required written back	-	(20,000,000)
Liabilities & Provisions	(10,471,612)	(21,400,510)
Cash (Utilised in)/Generated from Operating Activities	<u>14,462,735</u>	<u>10,526,157</u>
Interest Paid	(810,907)	(322,427)
Direct Tax (Net)	(783,826)	(705,863)
Net Cash (Utilised in)/ Generated from Operating Activities	<u>12,868,002</u>	<u>9,497,867</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,439,763)	(95,060)
Sale / Discard of Fixed Assets	-	2,500,000
Capital work-in-progress	(30,110,041)	-
Proceeds from Sale/Redemption of Investments	218,888,962	82,903,000
Purchase of Investments	(194,380,195)	(105,481,195)
Net Cash (utilised in)/Generated from Investment Activities	<u>(9,041,037)</u>	<u>(20,173,255)</u>
C. Cash Flow from Financing Activities		
Maturity of Fixed Deposit	115,000	-
Dividend Paid	(1,528,198)	(1,503,924)
Corporate Dividend Tax	(250,298)	(250,298)
Proceeds/(Repayment) of Borrowings	1,497,140	-
Net Cash (utilised in)/ generated from Financing Activities	<u>(166,356)</u>	<u>(1,754,222)</u>
Net Increase/(Decrease) in cash & cash equivalent	<u>3,660,609</u>	<u>(12,429,610)</u>
Cash and Bank Balances (Opening Balance)	4,205,605	16,635,215
Cash and Bank Balances (Closing Balance) (Refer Note No. 2.16)	<u>7,866,214</u>	<u>4,205,605</u>
	<u>3,660,609</u>	<u>(12,429,610)</u>

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

For RAY & RAY
Chartered Accountants
Asish Kumar Mukhopadhyay
Partner
Membership No. 056359
Kolkata, 17th May, 2014

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



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

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

BASIS OF CONSOLIDATION

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

PRINCIPLES OF CONSOLIDATION

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

COMPANIES INCLUDED IN CONSOLIDATION:

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

Basis of preparation of financial statements

The Financial Statements are prepared on accrual basis under the historical cost convention (except where impairment is made and revaluation is carried out) on the basis of going concern and in accordance with the provisions of the Companies Act, 1956 and Accounting Standards notified under the Companies (Accounting Standards) Rules 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with the accounting principles generally accepted in India.

Use of Estimates

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

Fixed Assets

Tangible Fixed Assets other than those, which have been revalued, are stated at cost net of impairment loss, if any, less depreciation/amortisation. Cost represents 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 of Assets

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

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 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.
- (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. The additional depreciation due to revaluation is adjusted against Capital Revaluation Reserve.

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 market price 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.

Consolidated Notes to the Balance Sheet and Statement of Profit & Loss (contd.)**Revenue Recognition**

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

Employee Benefits

Employee benefits viz. Provident, Superannuation and Pension Funds are accounted for on accrual basis. The year-end liability in respect of Gratuity is determined on the basis of actuarial valuation. Liability for Leave Encashment is accounted for on the basis of unutilised leave for each year of service and not on actuarial valuation in the case of Alfred Herbert (India) Limited, the holding Company and on the basis of actuarial valuation in Alfred Herbert Limited, the subsidiary Company. Contribution to Provident, Superannuation, Pension and Gratuity Funds are made to the appropriate authorities.

Warranty Expenses

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

Taxes on Income

Income tax is accounted for in accordance with Accounting Standard (AS-22) – “Accounting for Taxes on Income” notified pursuant to the Companies (Accounting Standards) Rules, 2006.

Deferred tax is provided and recognised on timing differences between taxable income and accounting income subject to prudential consideration.

Deferred tax assets on unabsorbed depreciation and carry forward losses are not recognized unless there is a virtual certainty about availability of future taxable income to realize such assets.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or statutory obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the Financial Statements.

2. Notes forming part of Consolidated Balance Sheet**2.1 SHARE CAPITAL****Authorised**

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

Issued, subscribed and paid-up

771,429 - Equity shares of Rs.10 each fully paid-up
(2013 - 771,429)

As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
10,000	10,000
10,000	10,000
50,000,000	50,000,000
50,020,000	50,020,000
7,714,290	7,714,290
7,714,290	7,714,290

2.1.1 There has been no change / movement in the number of outstanding shares as at the beginning and at the end of our reporting period.

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

2.1.3 Equity shares in the Company held by each shareholder holding more than 5% Equity Shares.

Name of Shareholders	No. of Shares held on 31.3.2014	% holding	No. of Shares held on 31.3.2013	% holding
City Holdings Limited	252,561	32.74	252,561	32.74
Meenakshi Industries Limited	150,449	19.50	150,449	19.50



Notes forming part of Consolidated Balance Sheet (Contd.)

2.2 RESERVES AND SURPLUS

Capital Revaluation Reserve - opening balance

Less : Transferred to Depreciation

Less : Adjustment upon dismantling of building

Capital Reserve on Consolidation

Capital Redemption Reserve

General Reserve - opening balance

Add : Transferred from surplus

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

Add : Transferred from surplus

Surplus in Profit & Loss Account - opening balance

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

Surplus available for appropriation

APPROPRIATIONS

Proposed Dividend

Corporate Dividend Tax

General Reserve

Special Reserve

Surplus - closing balance

TOTAL

2.3 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

Deferred Tax Assets

2.4 OTHER LONG-TERM LIABILITIES

Security deposit

Others

2.5 LONG-TERM PROVISIONS

Provision for Employee Benefits : Provision for Leave Encashment

2.6 SHORT-TERM BORROWINGS

Loan repayable on demand from Bank :

Cash Credit/Current A/c

From Canara bank, Bangalore :

Secured by Hypothecation of stocks and book debts and Plant & Machinery, Furniture and Fixtures

2.7 OTHER CURRENT LIABILITIES

Advances received from Customers

Others (Excise Duty, TDS, Payroll Deductions, unpaid Dividend Accounts etc.)

2.8 SHORT-TERM PROVISIONS

Provision for Employee Benefits

Taxation

Proposed Dividend

Tax on Dividend

Other

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
	5,217,130	5,453,464
	181,400	181,400
	<u>5,035,730</u>	<u>5,272,064</u>
	-	54,934
	<u>5,035,730</u>	<u>5,217,130</u>
	59,937	59,937
	1,400	1,400
	212,788,775	210,988,775
	810,000	1,800,000
	<u>213,598,775</u>	<u>212,788,775</u>
	35,072,150	30,209,150
	<u>2,268,000</u>	<u>4,863,000</u>
	<u>37,340,150</u>	<u>35,072,150</u>
	56,165,462	56,540,125
	<u>11,686,571</u>	<u>8,081,493</u>
	<u>67,852,033</u>	<u>64,621,618</u>
	1,542,858	1,542,858
	262,209	250,298
	810,000	1,800,000
	<u>2,268,000</u>	<u>4,863,000</u>
	<u>62,968,966</u>	<u>56,165,462</u>
	<u>319,004,958</u>	<u>309,304,854</u>
	3,662,827	3,619,289
	<u>(297,385)</u>	<u>(848,355)</u>
	<u>3,365,442</u>	<u>2,770,934</u>
	2,796,461	2,405,174
	135,052	126,432
	<u>2,931,513</u>	<u>2,531,606</u>
	422,942	684,858
	<u>422,942</u>	<u>684,858</u>
	1,497,140	-
	<u>1,497,140</u>	<u>-</u>
	12,204,307	17,370,853
	702,773	693,421
	<u>12,907,080</u>	<u>18,064,274</u>
	587,574	1,730,987
	18,112,570	7,828,544
	1,542,858	1,542,858
	262,209	250,298
	<u>3,070,004</u>	<u>26,935,051</u>
	<u>23,575,215</u>	<u>38,287,738</u>

2.9 FIXED ASSETS

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	Original Cost/ Revaluation as on 31.03.2013	Additions during the year	Sales/ Adjust- ments	Original Cost/ Revaluation as on 31.03.2014	Upto 31.03.2013	For the year	Sales/ Adjust- ments	Upto 31.03.2014	Value as on 31.03.2014	Value as on 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Land	3,674,588	—	—	3,674,588	—	—	—	—	3,674,588	3,674,588
Building										
Freehold	49,031,236	1,804,497	—	50,835,733	15,062,957	891,888	—	15,954,845	34,880,888	33,968,279
Leasehold	342,945	—	—	342,945	247,908	3,768	—	251,676	91,269	95,037
Plant & Machinery	15,902,078	721,880	247,596	16,376,362	14,034,715	403,292	240,606	14,197,401	2,178,961	1,867,363
Furniture, Fixtures & Equipments	738,527	18,449	179	756,797	448,025	38,212	179	486,058	270,739	290,502
Vehicles	1,526,940	—	—	1,526,940	1,245,185	145,059	—	1,390,244	136,696	281,755
Office Equipment	2,250,319	230,237	348,825	2,131,731	1,658,144	173,577	308,093	1,523,628	608,103	592,175
Total	73,466,633	2,775,063	596,600	75,645,096	32,696,934	1,655,796	548,878	33,803,852	41,841,244	40,769,699
Previous year	74,617,820	2,316,979	3,468,166	73,466,633	31,540,022	2,114,110	957,198	32,696,934	40,769,699	—

2.10 NON-CURRENT INVESTMENTS
Long Term, (Non-Trade), Quoted

	No. of Share	As at 31st March, 2014 Rs.	No. of Share	As at 31st March, 2013 Rs.
Equity Shares of Rs. 10 each except where otherwise Stated (fully paid)				
Graphite India Limited (Face value Rs.2 per share)	350,000	19,866,484	350,000	19,866,484
Aditya Birla Nuvo Limited	105	14,648	105	14,648
Mangalore Refinery and Petrochemicals Ltd.	400	4,000	400	4,000
HDFC Bank Limited (Face value Rs.2 per share)	2,500	5,000	2,500	5,000
Hindalco Industries Ltd. (Face Value Re.1 per share)	75,750	7,272,000	75,750	7,272,000
Reliance Industries Ltd.	67,000	19,351,842	67,000	19,351,842
IDFC	50,000	3,511,762	50,000	3,511,762
ITC Limited (Face value Re.1 per share)	60,000	3,578,171	60,000	3,578,171
Reliance Capital Ltd.	1,175	184,413	1,175	184,413
Reliance Power Ltd.	5,875	99,300	5,875	99,300
Reliance Communications Ltd. (Face value Rs.5 per share)	23,500	5,489,863	23,500	5,489,863
Reliance Infrastructure Ltd.	1,762	1,035,555	1,762	1,035,555
Sterlite Industries (India) Ltd. (Face value Re.1 per share)	—	—	10,020	188,310
Sesa Sterlite Ltd. (Face value Re.1 per share) (Transferred from Sterlite Industries Ltd. as per scheme of Amalgamation dt. 17th August, 2013 bearing ratio 5:3 shares)	6,012	188,310	—	—
Bonds				
6.85% IIFCL Tax Free Bond 2014	—	—	285	28,628,250
8.30% NHA1 Tax Free Bond	3,743	3,837,493	—	—
8.50% NHA1 Tax Free Bond	30,000	30,000,000	—	—
8.75% NHA1 Tax Free Bond	21,200	21,159,647	—	—
		115,598,488		89,229,598
Unquoted Shares				
Equity Shares of Rs. 10 each except where otherwise Stated (fully paid)				
Woodlands Multispeciality Hospital Limited	1,780	8,900	1,780	8,900
Lodha Capital Markets Limited	264,000	2,640,000	264,000	2,640,000
Kirloskar Computer Services Limited	100,000	—	10,000	—
Less : Provision for diminution in value of shares of Kirloskar Computer Services Ltd.	100,000	—	—	—
		2,648,900		2,648,900
TOTAL		118,247,388		91,878,498
a) Quoted Investments		115,598,488		89,229,598
b) Unquoted Investments		2,648,900		2,648,900
		118,247,388		91,878,498
Aggregate Market Value of Quoted Investments		173,612,757		146,022,538



Notes forming part of Consolidated Balance Sheet (Contd.)

		As at 31st March, 2014 Rs.		As at 31st March, 2013 Rs.
2.11 LONG-TERM LOANS & ADVANCES				
(Unsecured-considered good)				
Capital Advances		5,372,826		899,055
Security Deposits		2,313,457		2,242,389
		<u>7,686,283</u>		<u>3,141,444</u>
2.12 OTHER NON-CURRENT ASSETS				
OTHERS				
Inventory :		-		-
Raw Material		3,753,000		-
		<u>3,753,000</u>		<u>-</u>
2.13 CURRENT INVESTMENTS (Unquoted)	<u>No. of Units</u>		<u>No. of Units</u>	
Units of Rs.10 each in UTI Fixed Income Interval Fund-Quarterly Interval Plan Series I - Institutional Dividend Plan - Payout	-	-	2,100,000.000	21,000,000
Units of Rs.10 each in UTI Fixed Income Interval Fund-Series II - Quarterly Interval Plan VI Institutional Dividend Plan - Payout	-	-	2,139,148.256	21,397,900
Units of Rs.1000 each in DSP BlackRock Money Manager Fund - Institutional Plan - Weekly Dividend	-	-	21,206.097	21,232,507
Units of Rs.1000 each in DSP BlackRock Money Manager Fund - Regular Plan - Weekly Dividend	17,000,648	17,073,014	569.226	570,007
Units of Rs.10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan)	41,062,309	414,623	1,066,503.130	10,779,804
Units of Rs.10 each in IDFC Banking Debt Fund Growth option	46,947,916	500,000	-	-
Units of Rs.10 each in IDFC Super Saver Income Fund Growth option	16,893,775	500,000	-	-
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	1,773,111.996	17,767,386	2,076,518.232	20,809,814
Units of Rs.10 each in ICICI Prudential Interval Fund Quarterly Interval Plan 1 - Institutional Dividend	2,020,000.000	20,200,000	2,020,000.000	20,200,000
Units of Rs.1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	6,287.690	6,799,080	6,287.690	6,799,080
Units of Rs.1000 each in UTI Treasury Advantage Fund - Plan Weekly Dividend Reinvestment	9,981,777	9,973,752	-	-
Units of Rs.10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	1,367,720.056	20,004,000	1,367,720.056	20,004,000
Units of Rs.10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Weekly Dividend	-	-	143,459.621	1,438,017
		<u>93,231,855</u>		<u>144,231,129</u>
2.14 INVENTORIES				
Raw Materials		11,950,630		18,058,760
Work-in-Progress		14,367,383		24,479,368
Finished Goods		1,529,983		5,894,156
Loose Tools		690,073		845,693
		<u>28,538,069</u>		<u>49,277,977</u>
2.15 TRADE RECEIVABLES				
(Unsecured - Considered Good)				
Debts outstanding for a period exceeding six months		2,972,003		5,738,541
Other debts		21,800,611		10,226,553
		<u>24,772,614</u>		<u>15,965,094</u>

ALFRED HERBERT (INDIA) LTD.

Notes forming part of Consolidated Balance Sheet (Contd.)

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
2.16 CASH AND BANK BALANCES		
A. Cash and Cash equivalents		
Balances with Banks :		
(i) On Current Accounts	5,252,939	3,189,130
(ii) On Unpaid Dividend Accounts	447,650	432,990
(iii) On Margin Deposit- towards Bank Guarantee	2,018,750	313,000
Cash in hand	146,875	270,485
TOTAL (A)	<u>7,866,214</u>	<u>4,205,605</u>
B. Other Balances with Banks:		
In Fixed Deposits with maturity period within 12 months from the reporting date	-	115,000
TOTAL (B)	<u>-</u>	<u>115,000</u>
TOTAL (A+B)	<u>7,866,214</u>	<u>4,320,605</u>
2.17 SHORT-TERM LOANS AND ADVANCES (Unsecured-considered good)		
Advance recoverable in cash or in kind or for value to be received	1,044,194	4,100,040
Advance Income Tax	22,179,571	31,417,530
	<u>23,223,765</u>	<u>35,517,570</u>
2.18 OTHER CURRENT ASSETS (Unsecured - considered good)		
Interest Accrued	496,980	395,907
Prepaid Expenses	30,084	42,792
Balances with Excise/Commercial Tax Dept.	11,184,482	6,810,425
	<u>11,711,546</u>	<u>7,249,124</u>
	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
2.19 REVENUE FROM OPERATIONS		
Sale of products :		
i) Domestic Sales	173,050,223	104,969,530
ii) Exports	336,139	6,382,889
Sale of services	9,823,139	9,446,456
Commission	1,608,076	671,650
Other operating revenues	1,376,254	1,409,341
Interest Income :-		
Interest on Bonds	2,393,883	1,952,250
Interest on Fixed Deposit	3,397	10,453
Others	121,568	3,077
Dividend from shares (Long Term)	2,442,839	2,363,159
Dividend from Mutual Fund (Short Term)	7,285,296	8,206,647
Profit on Sale of Investment (net) (Short Term)	52,704	100,170
Profit on Sale of Investment (net) (Long Term)	-	4,000
	<u>198,493,518</u>	<u>135,519,622</u>
2.20 OTHER INCOME		
Scrap Sales	5,224	-
Exchange Gain	11,327	-
Interest Income (on Fixed Deposit & others)	211,018	373,307
Liability no longer required written back	645,676	399,775
Miscellaneous Income	14,165	16,390
	<u>887,410</u>	<u>789,472</u>
2.21 CHANGES IN INVENTORY OF FINISHED GOODS & WORK IN PROGRESS		
a) Changes in Inventory of Finished Goods		
Opening Stock	5,894,156	3,973,633
Less : Closing Stock	1,529,983	5,894,156
	<u>4,364,173</u>	<u>(1,920,523)</u>
b) Changes in Inventory of Work in Progress		
Opening Stock	24,479,368	18,629,942
Less : Closing Stock	14,367,383	24,479,368
	<u>10,111,985</u>	<u>(5,849,426)</u>
	<u>14,476,158</u>	<u>(7,769,949)</u>



Notes forming part of Consolidated Balance Sheet (Contd.)

	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
2.22 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	25,083,906	25,455,989
Contribution to Provident and other Funds	1,941,318	3,167,758
Staff Welfare Expenses	3,245,547	3,143,418
	<u>30,270,771</u>	<u>31,767,165</u>
2.23 FINANCE COSTS		
Interest on Overdraft	437,471	271,615
Interest on late payment of ED/VAT	9,959	50,812
Other interest charges	363,477	-
	<u>810,907</u>	<u>322,427</u>
2.24 OTHER EXPENSES		
Power and Fuel	2,464,213	2,293,717
Consumable Stores	3,612,418	3,725,699
Repairs to Building	3,770,201	1,415,536
Repairs to Plant & Machinery	2,395,678	1,952,021
Repairs - Others	949,793	1,095,588
Rent	1,220,019	1,152,876
Rates and Taxes	893,503	1,005,367
Insurance	137,406	120,443
Electricity	955,099	612,628
Flat Maintenance	184,808	180,305
Loss on sale of investment (Long Term)	173,361	-
Postage and telephone	593,368	707,338
Provision for Diminution in value of Shares	-	3,600
Legal & Secretarial Expenses	351,352	839,105
Loss/Net Gain on Foreign Currency Transactions	(142,864)	(111,493)
Loss on sale / Discardation of Fixed Assets	47,722	-
Bad Debts	354,198	717,399
Consultancy Charges	5,743,127	5,860,944
Professional Fees	621,000	-
Security Service	1,312,026	1,395,919
Traveling and conveyance	1,610,650	1,866,650
Miscellaneous expenses (I)	3,627,496	3,155,730
	<u>30,874,574</u>	<u>27,989,372</u>
(I) Includes		
Auditors' Remuneration		
Statutory Audit Fees	117,000	117,000
Tax Audit Fees	24,500	24,500
Other services	41,236	76,236
3. Contingent liabilities not provided for in respect of :		(Amount in Rs.)
	<u>2013 - 2014</u>	<u>2012 - 2013</u>
i) Income Tax demand	501,285	481,565
ii) Bank Guarantees for advance issued in favour of customers	8,075,000	1,252,000
iii) Penalty imposed by Zonal Joint Director General of Foreign Trade, Kolkata for non fulfillment of export obligation has been stayed by the Hon'ble High Court, Kolkata on a writ petition filed by the Company	-	4,826,000
iv) Central Excise demands not accepted by the Company	2,652,328	713,000
v) Penalties in respect of Excise / Service Tax	3,163,685	713,000
vi) Penalty u/s 72 of KVAT Act for delay in filing VAT 100 for the month of January 07, against which the Interim order was passed by the Hon'ble High Court of Karnataka on 13.04.07 staying the order of Penalty until further consideration of the writ petition.	57,968	57,968

ALFRED HERBERT (INDIA) LTD.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs.36,151,192/- (2012-13 Nil).
5. Interest on loans except to the extent there is uncertainty as to the realisation has been accounted for on accrual basis.
6. Depreciation for the year as per Fixed Assets Schedule includes Rs.181,400/- (2012-13 – Rs.181,400/-) being depreciation on the increased value of Building due to the effect of revaluation and accordingly the same has been adjusted from Capital Revaluation Reserve.
7. 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 tables set 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 2014.

i) Change in Defined Benefit Obligations

(Amount in Rs.)

		As on 31.03.2014	As on 31.03.2013
A	Present Value of Defined Benefit Obligations at the beginning of period	13,509,156	14,788,940
B	Current Service Cost	591,745	646,106
C	Interest Cost	957,853	1,116,209
D	Actuarial Losses/(Gains)	(452,132)	577,420
E	Benefits Paid	(3,071,997)	(3,619,519)
F	Plan Amendments	-	-
G	Present Value of Defined Benefit Obligations at the end of period	11,534,625	13,509,156

ii) Change in Fair Value of Assets

(Amount in Rs.)

		As on 31.03.2014	As on 31.03.2013
A	Plan Assets at beginning of period	12,273,470	14,283,246
B	Expected return on Plan Assets	908,425	1,094,465
C	Actual Company contributions	1,235,686	505,694
D	Actuarial Gain/(Loss)	43,174	9,584
E	Benefits Paid	(3,071,997)	(3,619,519)
F	Plan Assets at the end of period	11,388,758	12,273,470

iii) Total expense recognised in the Statement of Profit & Loss

(Amount in Rs.)

	Components of employer expense	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
A	Current Service Cost	591,745	646,106
B	Interest Cost	957,853	1,116,209
C	Expected return on Plan Assets	(908,425)	(1,094,465)
D	Past Service Cost	-	-
E	Actuarial Losses/(Gains)	(495,306)	567,836
F	Total expenses recognised in the Statement of Profit & Loss	145,867	1,235,686



Consolidated Notes to the Balance Sheet and Statement of Profit & Loss (Contd.)

(iv) Net Assets / (Liability) recognised in the Balance Sheet

(Amount in Rs.)

	Funded Status	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
A	Present Value of Defined Benefits Obligations	11,534,625	13,509,156
B	Fair Value of Plan Assets	11,388,758	12,273,470
C	Funded Status (Surplus / (Deficit))	(145,867)	(1,235,686)
D	Net Asset / (Liability) recognized in Balance Sheet at beginning of period	(1,235,686)	(505,694)
E	Employer expenses	145,867	1,235,686
F	Employer contributions	1,235,686	505,694
G	Net Asset / (Liability) recognised in Balance Sheet at end of the period	(145,867)	(1,235,686)

(v) Actuarial Assumptions

		As on 31.03.2014	As on 31.03.2013
A	Discount Rate	9.20%	8.00%
B	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
C	Salary increases	8%	8%
D	Expected return on assets	8.00%	8.60%
E	Withdrawal rates	Upto 40 years 4.2% 40 years & above Nil	Upto 40 years 4.2% 40 years & above Nil

vi) Experience Adjustments*

(Amount in Rs.)

		Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
A	Present Value of Defined Benefit Obligation	11,534,625	13,509,156	14,788,940	15,187,189
B	Fair Value of Plan Assets	11,388,758	12,273,470	14,283,246	11,774,518
C	Funded Status (Surplus/(Deficit))	(145,867)	(1,235,686)	(505,694)	(3,412,671)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	199,063	202,500	11,857	473,427
E	Experience Gain/(Loss) adjustment on Plan Assets	43,174	9,584	(6,828)	18,830
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	(651,195)	374,920	(353,267)	(78,531)

* Note : Figures for "Experience Adjustment" in respect of Gratuity for the year ended 31.03.2010 are not available, hence could not be disclosed.

8. Leave Encashment Scheme

The table below shows a summary of the key results :

Assets/Liabilities

(Amount in Rs.)

		As on 31.03.2014	As on 31.03.2013
A	Present Value of obligation	429,696	586,895
B	Fair Value of Plan Assets	-	-
C	Net Asset/(Liability) recognized in Balance Sheet	(429,696)	(586,895)

Employer Expense

(Amount in Rs.)

		For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
A	Current Service Cost	79,573	54,888
B	Interest Cost	37,745	42,811
C	Actuarial Losses/(Gains)	(44,353)	100,700
D	Total Employer Expense	72,965	198,399

The financial assumptions employed for the calculations are as follows :

(Amount in Rs.)

	As on 31.03.2014	As on 31.03.2013
Discount rate per annum compound	9.20% p.a.	8.00% p.a.
Rate of increase in Salaries	8.00% p.a.	8.00% p.a.
Expected average remaining working lives of employees (years)	11.40	10.74

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

Demographic Assumptions :

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

2. The following withdrawal rates have been assumed :

	Age	As on 31.03.2014	As on 31.03.2013
Withdrawal Rate	Upto 40 years	4.2%	4.2%
	40 years and above	Nil	Nil
Early retirement and disability	40 - 54 years	1.8%	1.8%
	55 - 59 years	2.2%	2.2%

Experience Adjustments*

(Amount in Rs.)

		Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
A	Present Value of Defined Benefit Obligation	429,696	586,895	607,098
B	Fair Value of Plan Assets	-	-	-
C	Funded Status (Surplus/(Deficit))	(429,696)	(586,895)	(607,098)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	(17,030)	80,508	(62,267)
E	Experience Gain/(Loss) adjustment on Plan Assets	-	-	-
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	(27,323)	20,192	(14,586)

*Note : Figures for "Experience Adjustments" in respect of one of the subsidiary, Alfred Herbert Limited, Leave Encashment for the year ended 31.03.2011 and 31.03.2010 are not available, hence could not be disclosed.

In the case of holding Company, Alfred Herbert (India) Limited, leave encashment is accounted for on the basis of unutilised leave for each year of service and not on actuarial valuation.

9. There are no reported Micro Enterprises and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues.



Consolidated Notes to the Balance Sheet and Statement of Profit & Loss (Contd.)

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

(Amount in Rs.)

	As on 31.03.2014	As on 31.03.2013
Deferred Tax Liability		
On Account of Depreciation	3,662,827	3,650,672
Deferred Tax Assets		
Expenses allowable on payment basis u/s 43B	(264,940)	(847,293)
Provision for Warranty	(32,445)	(32,445)
TOTAL	(297,385)	(879,738)
Net Deferred Tax Liability	3,365,442	2,770,934

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

Related Party

Name	Relationship
Jain Industrial & Commercial Services Pvt. Ltd.	Associate Company

Disclosure of transactions with Related Party :

(Amount in Rs.)

	2013-14	2012-13
Lease Rent	1,440,000	1,440,000

12 Segment Reporting

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

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

(Amount in Rs.)

Primary Segment	Year ended 31.03.2014				Year ended 31.03.2013			
	Manufac- turing Operations	Realty & Business Services	Others	Total	Manufac- turing Operations	Realty & Business Services	Others	Total
A. REVENUE								
External Sales/Income	160,293,069	23,000,123	657,985	183,951,177	102,872,458	21,547,036	647,912	125,067,406
Inter Segment Sales/Income	-	-	-	-	-	-	-	-
Total-	160,293,069	23,000,123	657,985	183,951,177	102,872,458	21,547,036	647,912	125,067,406
Segment Result (Profit+)								
Loss(-)before Tax & Interest)	1,858,532	11,051,309	622,345	13,532,186	(16,463,705)	23,892,126	599,711	8,028,132
Less: Un-allocable expenditure								
i) Interest				810,907				322,427
ii) Other un-allocable expenditure (Net of un-allocable income)				-				-
Total Profit before Tax				12,721,279				7,705,705
Less: Taxes								
Current Tax				440,200				1,000
Deferred Tax				594,508				(376,788)
Net Income / (Loss) after Tax				11,686,571				8,081,493
OTHER INFORMATION								
Segment Assets	75,203,605	287,516,272	13,882,949	376,602,826	77,622,137	277,185,707	13,261,444	368,069,288
Un-Allocable Assets				22,179,571				31,417,530
Total				398,782,397				399,486,818
Segment Liabilities & Provisions	43,001,592	5,764,995	13,483	48,780,070	46,762,649	5,521,353	13,483	52,297,485
Un-Allocable Liabilities & Provisions				18,112,570				27,399,255
Total				66,892,640				79,696,740
Depreciation	638,891	835,505	-	1,474,396	1,136,393	796,317	-	1,932,710
Capital Expenditure including CWIP	664,700	37,245,719	-	37,910,419	-	7,135,678	-	7,135,678

ALFRED HERBERT (INDIA) LTD.

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

Nature of Item	Provision for Warranty (Amount in Rs.)	
	2013-14	2012-13
Opening Provision	100,000	100,000
Provided during the year	358,417	222,542
Amount utilized	358,417	222,542
Closing provision	100,000	100,000

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

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

	For the year ended	
	31st March 2014	31st March 2013
i. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	11,686,571	8,081,493
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	15.15	10.48
iv. Face Value per Equity Share (Rs.)	10	10

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

**ALFRED HERBERT (INDIA) LIMITED****ATTENDANCE SLIP**

CIN : L74999WB1919PLC003516

Registered Office : 13/3, Strand Road, Kolkata – 700 001

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 94th Annual General Meeting of the Company held on Wednesday, July 30, 2014 at 11.00 a.m. at Bengal National Chamber of Commerce & Industry at 23, Sir R. N. Mukherjee Road, Kolkata – 700 001.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy**ALFRED HERBERT (INDIA) LIMITED****PROXY FORM**

CIN : L74999WB1919PLC003516

Registered Office : 13/3, Strand Road, Kolkata – 700 001

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):		e-mail Id:	
Registered address:		Folio No/*Client Id:	
		*DP Id:	

I/We, being the member(s) of _____ shares of Alfred Herbert (India) Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 94th Annual General Meeting of the Company, to be held on Wednesday, July 30, 2014 at 11.00 a.m. at Bengal National Chamber of Commerce & Industry at 23, Sir R. N. Mukherjee Road, Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors
2. Declaration of Dividend on Equity Shares
3. Re-appointment of Mr. Aditya Vikram Lodha who retires by rotation
4. Appointment of Auditors and fixing there remuneration
5. Appointment of Mr. Ramesh Chandra Tapuriah as an Independent Director
6. Appointment of Mr. Sanjeev Bhandari as an Independent Director
7. Appointment of Mr. Sardul Singh Jain as an Independent Director
8. Adoption of new Articles of Association of the Company

*Applicable for investors holding shares in electronic form.

Signed this.....day of.....2014

Signature of Shareholder_____
Signature of first proxy holder_____
Signature of second proxy holder_____
Signature of third proxy holderAffix a
Revenue
Stamp**Note :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

BOOK POST

If undelivered please return to :

ALFRED HERBERT (INDIA) LIMITED

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



ALFRED HERBERT (INDIA) LTD.

13/3, Strand Road, Kolkata - 700 001
Telephone : 2226 8619, 2264 0106
E-mail : kolkata@alfredherbert.com
Fax : (033) 2229 9124
CIN : L74999WB1919PLC003516
Website : www.alfredherbert.co.in

FORM A

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

1	Name of the Company	Alfred Herbert (India) Limited
2	Annual financial statements for the year ended	31 st March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	
5	Signature of the Chairman of the Company	
	Signature of the Chief Financial Officer	
	Signature of Auditor of the Company	

Signature of Audit Committee Chairman