



**ALFRED HERBERT (INDIA) LTD.**

**ANNUAL REPORT  
2015-2016**



# ANNUAL REPORT 2015-2016

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## **BOARD OF DIRECTORS**

Mr. A. V. Lodha - **Chairman**

Mr. H. V. Lodha

Mr. R. C. Tapuriah

Mr. S. S. Jain

Mr. S. Bhandari

Mrs. S. Lodha

## **CEO & COMPANY SECRETARY**

Mr. R. Radhakrishnan

## **AUDITORS**

Ray & Ray

Chartered Accountants

## **REGISTERED OFFICE**

Herbert House

13/3, Strand Road, Kolkata-700 001

Telephones : 2226 8619/2264 0106

Fax : (91) 033 2229 9124

E-mail : [kolkata@alfredherbert.com](mailto:kolkata@alfredherbert.com)

CIN : L74999WB1919PLC003516

## **MUMBAI OFFICE**

Kaiser-I-Hind Building, Sprott Road

Ballard Estate, Post Box 110

Mumbai - 400 038

Telephones : 2261 9981 (3 lines)

Fax : (91) 022 22619983

E-mail : [mumbai@alfredherbert.com](mailto:mumbai@alfredherbert.com)

## **ALFRED HERBERT LIMITED**

Whitefield Road, Post Box 4805

Mahadevapura P.O.

Bangalore-560 048

Telephones : (91) 080 2845 2263 (4 lines)

Fax : (91) 080 2845 3023

E-mail : [mfg@alfredherbert.com](mailto:mfg@alfredherbert.com)





## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 96TH ANNUAL GENERAL MEETING OF ALFRED HERBERT(INDIA) LIMITED will be held at Bengal National Chamber of Commerce & Industry Auditorium, at 23 Sir R N Mukherjee Road, Kolkata - 700 001 on Friday, 22nd July 2016 at 10.00 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, 2016 including audited Balance Sheet as at 31st March, 2016 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.

By Order of the Board of Directors  
for Alfred Herbert (India) Limited

R. Radhakrishnan  
Chief Executive Officer  
& Company Secretary

Date::26th May 2016

Place::Kolkata

### NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from 15th July 2016 to 22nd July 2016(both days inclusive) for annual closing and determining the entitlement of the shareholders to the Dividend for 2015-16.
2. A Statement giving the relevant details of the Directors seeking re-appointment under item 3 of the accompanying Notice as required under Sub-clause 3 of Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

4. Dividend on Equity Shares when sanctioned will be made payable to those shareholders whose name stand on the Company's Register of Members on 14th July 2016. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose. Dividend on equity shares if declared at the meeting will be paid/dispatched on and from 23rd July 2016.
5. 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.
6. 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's Registrar.
7. Pursuant to the provisions of Section 124 of the Companies Act, 2013, 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.57,518/- being the unpaid and unclaimed dividend amount pertaining to Dividend of 2007-2008 on 7th September 2015 to the Investor Education and Protection Fund of the Central Government.
8. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the

Company as on 21st July 2015 (date of the last Annual General Meeting) on the website of the Company [www.alfredherbert.co.in](http://www.alfredherbert.co.in) ), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in) )

9. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2009, may approach the Company for revalidation of the dividend warrants before end of August 2016.
10. 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 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's Registrar.
11. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company at 13/3 Strand Road, Kolkata –700 001 and its office at 1 Kyd Street, Flat No. 37, Kolkata –700 016 during normal business hours (10.00 a.m. to 3.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
12. 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 96th 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).
  - II. The Board of Directors of the Company has appointed Mr. Abhijeet Jain, Practicing Company Secretary (Membership No. FCS – 4975) and Proprietor of M/s. A J & Associates, Company Secretaries as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  - III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 15, 2016.

- IV. The Scrutinizer, after scrutinizing the votes cast at the meeting and through e-voting, will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.alfredherbert.co.in](http://www.alfredherbert.co.in) and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchange.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 19th July, 2016 at 10 a.m. and ends on 21st July 2016 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 15th July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and 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). <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company / Depository Participant</li> </ul>



	<p>are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name, i.e. "ALFRED HERBERT (INDIA) LIMITED" on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non- Individual Shareholders and Custodians
  - Non- Individual shareholders ( i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors  
for Alfred Herbert (India) Limited

R. Radhakrishnan  
Chief Executive Officer  
& Company Secretary

Date : 26th May 2016  
Place : Kolkata

**ANNEXURE TO ITEM NO.3 OF THE NOTICE**

Details of Director seeking re-appointment/appointment at the forthcoming Annual General Meeting  
(in pursuance of Sub-clause 3 of Regulation 36 of the SEBI  
(Listing Obligations and Disclosure Requirements)  
Regulation, 2015 of the Listing Agreement (As on 31st March, 2016)

<b>Name of Director</b>	Aditya Vikram Lodha
<b>Director identification Number (DIN)</b>	00036158
<b>Date of Birth</b>	11th October 1965
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	24th September 1987
<b>Qualification</b>	Chartered Accountant
<b>Expertise</b>	<p>He has over 28 years of experience in providing advisory services to a diverse client base across a wide spectrum of industries. He has handled various consultancy assignments in fields of corporate restructuring, mergers &amp; acquisitions, joint ventures, collaborations, business strategy etc. He has also assisted large corporates to raise resources from the overseas capital markets and also advises many clients on market investments.</p> <p>Mr. Lodha served as the President of the Indian Chamber of Commerce (ICC), Kolkata twice i.e. in 1998-99 and in 2001-02 in its 75th year (Platinum Jubilee Year) as well as the Chairman of its Banking and Finance Committee. He has also served as a Member of The National Council of CII (Confederation of Indian Industry) and was National Committee Chairman of its Accounting Standards &amp; Corporate Disclosures and Tax Committees. He has served as a member of the High Level Naresh Chandra Committee for corporate audit and governance, appointed by the Government of India, the Governing Body of the Indian Council of Arbitration, the Governing Council of the Central Manufacturing Technology Institute, Bangalore, Peer Review Board of Institute of Chartered Accountants of India, Industrial Development Bank of India's Eastern Regional Advisory Board, the State Advisory Board on Investment Promotion in Tripura and is the Hony. Secretary of the Alumnorum Societas, the old boys association of St. Xavier's Collegiate School, Kolkata.</p>
<b>Shareholding in AHIL</b>	38,043 Equity Shares
<b>List of Directorships held in other Companies</b>	Graphite India Limited Herbert Holdings Limited Newby S.E. Asia (Pvt.) Limited
<b>Memberships/Chairmanships of Committees across Public Companies</b>	<p>Chairman: Audit Committee: Graphite India Limited</p> <p>Member : Nomination &amp; Remuneration Committee: Graphite India Limited</p>
<b>Relationship between Directors inter-se</b>	Brother of Mr. H. V. Lodha & Husband of Ms. Simika Lodha





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninety-sixth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2016.

### FINANCIAL RESULTS

The Financial Results are as under:

	<b>31st March 2016</b>	31st March 2015
	Rs.	Rs.
Profit before Tax	<b>8,408,146</b>	8,167,651
Provision for Tax (including deferred tax)	<b>261,758</b>	237,113
Excess Tax provision written back	<b>(2,321,510)</b>	(2,809)
Profit after Tax	<b>10,467,898</b>	7,933,347
Surplus from earlier years brought forward	<b>40,439,070</b>	36,497,790
Amount available for appropriation	<b>50,906,968</b>	44,431,137
Appropriations:		
Proposed Dividend	<b>1,542,858</b>	1,542,858
Corporate Dividend Tax	<b>314,090</b>	262,209
General Reserve	<b>800,000</b>	600,000
Special Reserve	<b>21,000,000</b>	1,587,000
	<b>4,756,948</b>	3,992,067
Surplus carried to Balance Sheet	<b>46,150,020</b>	40,439,070
	<b>50,906,968</b>	44,431,137

### DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of Rs. 2/- (per share) for the year ended 31st March 2016.

### FINANCIAL PERFORMANCE

The Company's gross income for the financial year ended 31st March 2016 stood at Rs.200.71 lacs as against Rs.201.27 lacs in 2014-15. Profit before tax of the Company stood at Rs.84.08 lacs as against Rs.81.68 lacs in 2014-15.

Profit after tax of the Company stood at Rs.104.68 lacs against Rs.79.33 lacs in 2014-15.

There was a marginal improvement in the performance of the Company's wholly owned subsidiary, Alfred Herbert Limited during the year and the Company made a profit before tax of Rs.18.39 lacs as against a loss of Rs.210.63 lacs in 2014-15. This was achieved despite poor demand in the capital intensive industry and the sluggish demand in the tyre industry. Customers continue to delay taking deliveries on time which have had made an adverse impact on the working capital of the Company. Alfred Herbert Limited is attempting to diversify its product mix and has installed a new machine to optimise a new CNC Machine to optimise its production facilities.

## 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.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### SHARE CAPITAL

The paid-up equity share capital of the Company as on 31st March 2016 was Rs.77.14 lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### DEPOSITS

The Company had discontinued its fixed deposit scheme in the financial year 2000-2001.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not taken or given any loans or given loans and investments covered under the provisions of Section 186 of the Companies Act, 2013.

During the year, the Company has provided a Corporate Guarantee to a Bank at Bangalore for advancing Working Capital facilities to its wholly owned subsidiary, Alfred Herbert Limited.

### STATUTORY 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.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Priyanka Lohia, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure A"

### 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 consolidated financial statements presented by the Company include financial results of its Subsidiary Companies, Alfred Herbert Limited and Herbert Holdings Limited.

### MEETINGS OF THE BOARD

During the year 5 meetings of the Board of Directors and 1 meeting of Independent Directors were convened and held. Also 4 meetings



of Audit Committee, and 2 meetings of Stakeholders Relationship Committee were held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

#### **BUSINESS RISK MANAGEMENT**

The main identified risks at the Company are Commercial Risks, Financial Risks, Operational Risks and Legal & Regulatory Risks. Your Company has established a comprehensive Risk Management System to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk Management strategy as approved by the Board of Directors is implemented by the Company Management.

#### **MANAGERIAL REMUNERATION**

During the year, the Company paid an aggregate sum of Rs.16.35 lacs to Key Managerial Personnel, Mr. R Radhakrishnan (CEO) and Mr. A K Basu (CFO).

#### **VIGIL MECHANISM**

Pursuant to the provisions of revised Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 166 (9)&(10) of the Companies Act, 2013, the Company had established a Vigil Mechanism for Directors and Employees to report concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 4(f) and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

#### **INTERNAL FINANCIAL CONTROLS**

Pursuant to Section 134(5) (e) of the Company's Act, 2013, the Directors of the Company had laid down internal financial control policy assuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation of reliable financial information.

#### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has an Internal Control System commensurate with the size and scale of its operations.

#### **RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were in the ordinary course of business. None of the Directors has any direct pecuniary relationships or transactions vis-à-vis the Company.

#### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the annual return in Form No. MGT- 9 is annexed herewith as "Annexure B".

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 134(3) (C) of the Companies Act, 2013, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- a) that in the preparation of the annual financial statements for the year ended 31st March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note No. 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2016 and of the profit of the Company for the year ended on that date
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

The particulars regarding foreign exchange earnings and expenditure appear as Annexure to Schedule at item No. 13 in the Notes to the Accounts. The other particulars relating to Conservation of Energy and Technology Absorption stipulated under Section 134(3M) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, 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.

On behalf of the Board

Kolkata  
Date: 26th May 2016

A. V. Lodha  
CHAIRMAN



**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON **31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

**Alfred Herbert (India) Limited**

I have conducted the secretarial audit of the Compliance of applicable statutory provisions and adherence to good corporate practices by **Alfred Herbert (India) Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by the company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings - **(Not Applicable to the company during the Audit period)**;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **(Not Applicable to the company during the Audit period)**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase scheme) Guidelines, 1999 - **(Not Applicable to the company during the Audit period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not Applicable to the company during the Audit period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not Applicable to the company during the Audit period)**;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **(Not Applicable to the company during the Audit period)**;
- (vi) I further report that having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with the following laws specifically applicable to the company, as identified by the management, that is to say:
  - a. Reserve Bank of India Act, 1934 (Section 45-IA) and directions thereon, viz.,
    - I Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
    - I Non Banking Finance (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007).
  - b. Prevention of Money Laundering Act, 2002

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard (SS 1 & SS 2) issued by the Institute of Company Secretaries of India (ICSI);

(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange (BSE).

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards, etc. mentioned above except to the extent as mentioned below:

1. MGT 14 for appointment of Secretarial Auditor u/s 179(3) is filed with some delay.
2. MGT 14 for giving Guarantee u/s 179(3) is filed with some delay.
3. It was noted that the company has complied the Secretarial Standards issued by the ICSI to some extent; however the stricter applicability of the Secretarial Standards is yet to be observed by the Company.
4. Compliance report on Corporate Governance for the quarter ended on 31.03.2015 was filed after the due date.
5. Policies as required to be adopted under LODR has been made with some delay.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded, wherever required, as part of the minutes. However, the resolutions in the Board /Committee meetings as observed, were unanimous and hence, no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable law, rules, regulations and guidelines. A compliance report by the CFO is submitted to the Board quarterly.

**CS Priyanka Lohia**

FCS No.: 7893

C. P. No.: 8843

Place: Kolkata

Date: 26.05.2016

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**'Annexure A'**

To,

The Members

**Alfred Herbert (India) Limited**

13/3, Strand Road,

Kolkata - 700 001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management; my examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**CS Priyanka Lohia**

FCS No.: 7893

C. P. No.: 8843

Place: Kolkata

Date: 26.05.2016



<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2016</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i CIN	L74999WB1919PLC003516
ii Registration Date	2ND DECEMBER 1919
iii Name of the Company	ALFRED HERBERT (INDIA) LIMITED
iv Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
v Address of the Registered office & contact details	13/3, STRAND ROAD, KOLKATA - 700001. TEL. NO. 033-2226 8619, 033-2229 9124
vi Whether listed company	YES
vii Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAHESHWARI DATAMATICS PVT. LTD. 6, MANGOE LANE, KOLKATA - 700001. TEL. NO. 033 2248 2248, 033-2243 5809

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	NON-BANKING FINANCIAL ACTIVITIES	N-05.04665 DT. 29.11.2001	42.66
2			
3			
4			

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	ALFRED HERBERT LIMITED	U32109WB1987PLC043261	SUBSIDIARY	100	2(87)
2	HERBERT HOLDINGS LIMITED	U67120WB1987PLC043328	SUBSIDIARY	100	2(87)
3					

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	5,22,374	—	5,22,374	67.7151	2,63,755	—	2,63,755	34.1904	(33.5247)
b) Central Govt.or State Govt.	—	—	—	—	—	—	—	—	—
c) Bodies Corporates	38,270	—	38,270	4.9609	38,270	—	38,270	4.9609	—
d) Bank/Fl	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL:(A) (1)</b>	<b>5,60,644</b>	<b>—</b>	<b>5,60,644</b>	<b>72.6760</b>	<b>3,02,025</b>	<b>—</b>	<b>3,02,025</b>	<b>39.1514</b>	<b>(33.5247)</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	—	—	—	—	2,58,619	—	2,58,619	33.5247	33.5247
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/Fl	—	—	—	—	—	—	—	—	—
e) Any other...	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (A) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,58,619</b>	<b>—</b>	<b>2,58,619</b>	<b>33.5247</b>	<b>33.5247</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>5,60,644</b>	<b>—</b>	<b>5,60,644</b>	<b>72.6760</b>	<b>5,60,644</b>	<b>—</b>	<b>5,60,644</b>	<b>72.6760</b>	<b>—</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	30	60	90	0.0117	30	60	90	0.0117	—
c) Central Govt.	—	—	—	—	—	—	—	—	—
d) State Govt.	—	—	—	—	—	—	—	—	—
e) Venture Capital Fund	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FII—	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (B)(1):</b>	30	60	90	0.0117	30	60	90	0.0117	—
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	2,571	1,155	3,726	0.4830	3,924	1,055	4,979	0.6454	0.1624
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1,08,610	75,713	1,84,323	23.8937	1,11,171	74,654	1,85,825	24.0884	0.1947
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (specify)									
i) Trusts	90	—	90	0.0117	90	—	90	0.0117	—
ii) Clearing Member	5,061	—	5,061	0.6561	789	—	789	0.1023	(0.5538)
iii) Non Resident Individual	17,270	225	17,495	2.2679	18,787	225	19,012	2.4645	0.1966
<b>SUB TOTAL (B)(2):</b>	1,33,602	77,093	2,10,695	27.3123	1,34,761	75,934	2,10,695	27.3123	—
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1,33,632	77,153	2,10,785	27.3240	1,34,791	75,994	2,10,785	27.3240	—
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	6,94,276	77,153	7,71,429	100.0000	6,95,435	75,994	7,71,429	100.0000	—

**(ii) SHARE HOLDING OF PROMOTERS**

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ADITYA VIKRAM LODHA	38,043	4.9315	—	38,043	4.9315	—	—
2	HARSH VARDHAN LODHA	35,040	4.5422	—	35,040	4.5422	—	—
3	ANAMIKA LODHA	2,20,576	28.5932	—	2,20,576	28.5932	—	—
4	SIMIKA LODHA	2,20,576	28.5932	—	2,20,576	28.5932	—	—
5	ADITYA VIKRAM LODHA	8,133	1.0543	—	8,133	1.0543	—	—
6	JAIN INDUSTRIAL AND COMMERCIAL SERVICES PVT. LTD.	38,270	4.9609	—	38,270	4.9609	—	—
7	VARDHAMAN LODHA	6	0.0008	—	6	0.0008	—	—
	<b>Total</b>	<b>5,60,644</b>	<b>72.6760</b>	<b>—</b>	<b>5,60,644</b>	<b>72.6760</b>	<b>—</b>	<b>—</b>



**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>THERE IS NO CHANGE IN THE TOTAL SHAREHOLDING OF PROMOTERS BETWEEN 01.04.2015 &amp; 31.03.2016</b>				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ROSHAN SORABJI BATLIBOI At the beginning of the year As on 17/04/2015 - Transfer At the end of the year	1242 -1242 -	0.1610 -0.1610 -	1242 0 0	0.1610 0.0000 0.0000
2	MANU STOCK BROKING PVT. LTD. At the beginning of the year As on 10/04/2015 - Transfer At the end of the year	4519 -4519 -	0.5858 -0.5858 -	4519 0 0	0.5858 0.0000 0.0000
3	O P CHUGH At the beginning of the year As on 31/03/2016 - Transfer At the end of the year	4041 -681 -	0.5238 -0.0883 -	4041 3360 3360	0.5238 0.4356 0.4356
4	ASHOK KUMAR DAMANI At the beginning of the year As on 10/04/2015 - Transfer As on 10/07/2015 - Transfer As on 17/07/2015 - Transfer As on 24/07/2015 - Transfer At the end of the year	0 4691 51 25 11 -	0.0000 0.6081 0.0066 0.0032 0.0014 -	0 4691 4742 4767 4778 4778	0.0000 0.6081 0.6147 0.6179 0.6194 0.6194
5	AJIT ARAVIND PRABHU At the beginning of the year As on 17/04/2015 - Transfer As on 01/05/2015 - Transfer As on 08/05/2015 - Transfer As on 29/05/2015 - Transfer As on 12/06/2015 - Transfer As on 19/06/2015 - Transfer As on 10/07/2015 - Transfer As on 24/07/2015 - Transfer As on 31/07/2015 - Transfer As on 07/08/2015 - Transfer As on 14/08/2015 - Transfer As on 21/08/2015 - Transfer As on 28/08/2015 - Transfer As on 11/09/2015 - Transfer As on 08/01/2016 - Transfer As on 15/01/2016 - Transfer As on 29/01/2016 - Transfer As on 05/02/2016 - Transfer As on 19/02/2016 - Transfer As on 31/03/2016 - Transfer At the end of the year	16164 25 70 20 -75 -100 140 -50 450 -80 -370 170 191 204 20 10 70 160 61 119 450 -	2.0953 0.0032 0.0091 0.0026 -0.0097 -0.0130 0.0181 -0.0065 0.0583 -0.0104 -0.0480 0.0220 0.0248 0.0264 0.0026 0.0013 0.0091 0.0207 0.0079 0.0154 0.0583 -	16164 16189 16259 16279 16204 16104 16244 16194 16644 16564 16194 16364 16555 16759 16779 16789 16859 17019 17080 17199 17649 17649	2.0953 2.0986 2.1076 2.1102 2.1005 2.0876 2.1057 2.0992 2.1576 2.1472 2.0992 2.1213 2.1460 2.1725 2.1751 2.1764 2.1854 2.2062 2.2141 2.2295 2.2878 2.2878

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	SHALINI A PRABHU				
	At the beginning of the year	2466	0.3197	2466	0.3197
	As on 10/04/2015 - Transfer	13	0.0017	2479	0.3214
	As on 17/04/2015 - Transfer	-64	-0.0083	2415	0.3131
	As on 24/04/2015 - Transfer	30	0.0039	2445	0.3169
	As on 08/05/2015 - Transfer	-42	-0.0054	2403	0.3115
	As on 15/05/2015 - Transfer	1	0.0001	2404	0.3116
	As on 22/05/2015 - Transfer	-15	-0.0019	2389	0.3097
	As on 29/05/2015 - Transfer	-49	-0.0064	2340	0.3033
	As on 05/06/2015 - Transfer	-145	-0.0188	2195	0.2845
	As on 12/06/2015 - Transfer	-95	-0.0123	2100	0.2722
	As on 19/06/2015 - Transfer	13	0.0017	2113	0.2739
	As on 26/06/2015 - Transfer	-16	-0.0021	2097	0.2718
	As on 30/06/2015 - Transfer	-22	-0.0029	2075	0.2690
	As on 03/07/2015 - Transfer	-21	-0.0027	2054	0.2663
	As on 10/07/2015 - Transfer	-54	-0.0070	2000	0.2593
	As on 24/07/2015 - Transfer	151	0.0196	2151	0.2788
	As on 31/07/2015 - Transfer	-86	-0.0111	2065	0.2677
	As on 07/08/2015 - Transfer	157	0.0204	2222	0.2880
	As on 14/08/2015 - Transfer	124	0.0161	2346	0.3041
	As on 21/08/2015 - Transfer	67	0.0087	2413	0.3128
	As on 28/08/2015 - Transfer	18	0.0023	2431	0.3151
	As on 04/09/2015 - Transfer	45	0.0058	2476	0.3210
	As on 11/09/2015 - Transfer	30	0.0039	2506	0.3249
	As on 30/09/2015 - Transfer	8	0.0010	2514	0.3259
	As on 09/10/2015 - Transfer	-22	-0.0029	2492	0.3230
	As on 23/10/2015 - Transfer	38	0.0049	2530	0.3280
	As on 30/10/2015 - Transfer	-110	-0.0143	2420	0.3137
	As on 06/11/2015 - Transfer	-109	-0.0141	2311	0.2996
	As on 13/11/2015 - Transfer	-20	-0.0026	2291	0.2970
	As on 20/11/2015 - Transfer	-50	-0.0065	2241	0.2905
	As on 04/12/2015 - Transfer	26	0.0034	2267	0.2939
	As on 11/12/2015 - Transfer	85	0.0110	2352	0.3049
As on 18/12/2015 - Transfer	-47	-0.0061	2305	0.2988	
As on 25/12/2015 - Transfer	22	0.0029	2327	0.3016	
As on 31/12/2015 - Transfer	23	0.0030	2350	0.3046	
As on 08/01/2016 - Transfer	35	0.0045	2385	0.3092	
As on 15/01/2016 - Transfer	12	0.0016	2397	0.3107	
As on 22/01/2016 - Transfer	-4	-0.0005	2393	0.3102	
As on 29/01/2016 - Transfer	21	0.0027	2414	0.3129	
As on 05/02/2016 - Transfer	10	0.0013	2424	0.3142	
As on 12/02/2016 - Transfer	44	0.0057	2468	0.3199	
As on 19/02/2016 - Transfer	90	0.0117	2558	0.3316	
As on 26/02/2016 - Transfer	23	0.0030	2581	0.3346	
As on 04/03/2016 - Transfer	63	0.0082	2644	0.3427	
As on 31/03/2016 - Transfer	31	0.0040	2675	0.3468	
At the end of the year		-	2675	0.3468	
7	KESHAV GARG				
	At the beginning of the year	2075	0.2690	2075	0.2690
	As on 10/04/2015 - Transfer	53	0.0069	2128	0.2759
	As on 17/04/2015 - Transfer	1019	0.1321	3147	0.4079
As on 01/05/2015 - Transfer	78	0.0101	3225	0.4181	





Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 11/03/2016 - Transfer	579	0.0751	3804	0.4931
	As on 18/03/2016 - Transfer	190	0.0246	3994	0.5177
	As on 25/03/2016 - Transfer	6	0.0008	4000	0.5185
	At the end of the year			4000	0.5185
8	ARAVIND PRABHU KV				
	At the beginning of the year	8059	1.0447	8059	1.0447
	As on 10/04/2015 - Transfer	93	0.0121	8152	1.0567
	As on 17/04/2015 - Transfer	8	0.0010	8160	1.0578
	As on 24/04/2015 - Transfer	-90	-0.0117	8070	1.0461
	As on 01/05/2015 - Transfer	35	0.0045	8105	1.0506
	As on 08/05/2015 - Transfer	-104	-0.0135	8001	1.0372
	As on 15/05/2015 - Transfer	-1	-0.0001	8000	1.0370
	As on 22/05/2015 - Transfer	-25	-0.0032	7975	1.0338
	As on 29/05/2015 - Transfer	87	0.0113	8062	1.0451
	As on 12/06/2015 - Transfer	-13	-0.0017	8049	1.0434
	As on 19/06/2015 - Transfer	-50	-0.0065	7999	1.0369
	As on 26/06/2015 - Transfer	15	0.0019	8014	1.0389
	As on 10/07/2015 - Transfer	-10	-0.0013	8004	1.0376
	As on 24/07/2015 - Transfer	108	0.0140	8112	1.0516
	As on 31/07/2015 - Transfer	1	0.0001	8113	1.0517
	As on 07/08/2015 - Transfer	19	0.0025	8132	1.0541
	As on 14/08/2015 - Transfer	15	0.0019	8147	1.0561
	As on 04/09/2015 - Transfer	1	0.0001	8148	1.0562
	As on 11/09/2015 - Transfer	27	0.0035	8175	1.0597
	As on 18/09/2015 - Transfer	27	0.0035	8202	1.0632
	As on 30/09/2015 - Transfer	11	0.0014	8213	1.0646
	As on 16/10/2015 - Transfer	-54	-0.0070	8159	1.0576
	As on 23/10/2015 - Transfer	-27	-0.0035	8132	1.0541
	As on 30/10/2015 - Transfer	-82	-0.0106	8050	1.0435
	As on 13/11/2015 - Transfer	-76	-0.0099	7974	1.0337
	As on 20/11/2015 - Transfer	-46	-0.0060	7928	1.0277
	As on 27/11/2015 - Transfer	-20	-0.0026	7908	1.0251
	As on 04/12/2015 - Transfer	115	0.0149	8023	1.0400
	As on 11/12/2015 - Transfer	6	0.0008	8029	1.0408
	As on 31/12/2015 - Transfer	27	0.0035	8056	1.0443
	As on 08/01/2016 - Transfer	13	0.0017	8069	1.0460
	As on 15/01/2016 - Transfer	72	0.0093	8141	1.0553
	As on 12/02/2016 - Transfer	56	0.0073	8197	1.0626
	As on 19/02/2016 - Transfer	10	0.0013	8207	1.0639
	As on 26/02/2016 - Transfer	21	0.0027	8228	1.0666
	As on 04/03/2016 - Transfer	-68	-0.0088	8160	1.0578
	As on 11/03/2016 - Transfer	-30	-0.0039	8130	1.0539
	As on 18/03/2016 - Transfer	-40	-0.0052	8090	1.0487
	As on 25/03/2016 - Transfer	1	0.0001	8091	1.0488
	As on 31/03/2016 - Transfer	69	0.0089	8160	1.0578
	At the end of the year			8160	1.0578
9	HITESHKUMAR NARANBHAI PATEL				
	At the beginning of the year	1431	0.1855	1431	0.1855
	At the end of the year			1431	0.1855
10	MAYYAPPAN RM				
	At the beginning of the year	0	0.0000	0	0.0000
	As on 15/05/2015 - Transfer	1068	0.1384	1068	0.1384

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 22/05/2015 - Transfer	46	0.0060	1114	0.1444
	As on 29/05/2015 - Transfer	60	0.0078	1174	0.1522
	As on 05/06/2015 - Transfer	97	0.0126	1271	0.1648
	As on 12/06/2015 - Transfer	1022	0.1325	2293	0.2972
	As on 19/06/2015 - Transfer	1	0.0001	2294	0.2974
	As on 26/06/2015 - Transfer	21	0.0027	2315	0.3001
	As on 30/06/2015 - Transfer	46	0.0060	2361	0.3061
	As on 03/07/2015 - Transfer	27	0.0035	2388	0.3096
	As on 10/07/2015 - Transfer	23	0.0030	2411	0.3125
	As on 17/07/2015 - Transfer	70	0.0091	2481	0.3216
	As on 24/07/2015 - Transfer	-81	-0.0105	2400	0.3111
	As on 07/08/2015 - Transfer	2	0.0003	2402	0.3114
	As on 14/08/2015 - Transfer	-20	-0.0026	2382	0.3088
	As on 21/08/2015 - Transfer	10	0.0013	2392	0.3101
	As on 18/09/2015 - Transfer	24	0.0031	2416	0.3132
	As on 30/09/2015 - Transfer	1	0.0001	2417	0.3133
	As on 11/03/2016 - Transfer	-70	-0.0091	2347	0.3042
	At the end of the year			2347	0.3042
11	LAKSHMI KANTH SELVARAJ				
	At the beginning of the year	1047	0.1357	1047	0.1357
	As on 10/04/2015 - Transfer	125	0.0162	1172	0.1519
	As on 17/04/2015 - Transfer	157	0.0204	1329	0.1723
	At the end of the year			1329	0.1723
12	NEVILLE COELHO				
	At the beginning of the year	1410	0.1828	1410	0.1828
	At the end of the year			1410	0.1828
13	SAMIR MAHENDRA SHAH				
	At the beginning of the year	2190	0.2839	2190	0.2839
	At the end of the year			2190	0.2839

**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAMESH TAPURIAH				
	At the beginning of the year	132	0.0171	132	0.0171
	At the end of the year			132	0.0171
2	SIMIKA LODHA				
	At the beginning of the year	220576	28.5932	220576	28.5932
	At the end of the year			220576	28.5932
3	HARSH VARDHAN LODHA				
	At the beginning of the year	35040	4.5422	35040	4.5422
	At the end of the year			35040	4.5422
4	ADITYA VIKRAM LODHA				
	At the beginning of the year	38043	4.9315	38043	4.9315
	At the end of the year			38043	4.9315



## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—
<b>Change in Indebtedness during the financial year</b>				
Additions	—	—	—	—
Reduction	—	—	—	—
Net Change	—	—	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount		
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	—	—	—	—	—	—
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	—	—	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—	—	—	—
2	Stock option	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—
4	Commission	—	—	—	—	—	—
	as % of profit	—	—	—	—	—	—
	others (specify)	—	—	—	—	—	—
5	Others, please specify	—	—	—	—	—	—
	Total (A)	—	—	—	—	—	—
	Ceiling as per the Act	—	—	—	—	—	—

### B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount		
1	Independent Directors						
	(a) Fees for attending board / committee meetings	RAMESH CHANDRA TAPURIAH			60,000		
		SANJEEV BHANDARI			40,000		
		SARDUL SINGH JAIN			65,000		
	(b) Commission	—	—	—	—		
	(c) Others, please specify	—	—	—	—		
	<b>Total (1)</b>	—	—	—	1,65,000		

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
2	Other Non Executive Directors				
	(a) Fees for attending board / committee meetings	ADITYA VIKRAM LODHA			40,000
		HARSH VARDHAN LODHA		40,000	
		SIMIKA LODHA			20,000
	(b) Commission	—	—	—	—
	(c) Others, please specify.	—	—	—	—
	Total (2)	—	—	—	1,00,000
	Total (B)=(1+2)	—	—	—	2,65,000
Total Managerial Remuneration					
Overall Ceiling as per the Act.				2,65,000	

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	CEO & Company Secretary	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	12,15,000	4,20,000	16,35,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of Profit	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	12,15,000	4,20,000	16,35,000

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16

### 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 2016 is 6 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. None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 across in which all the Companies in which he is a Director.

During the year 5 meetings of the Board of Directors were held on 18th May 2015, 21st July 2015, 9th November 2015, 27th January 2016 and 2nd March 2016 and one meeting of Independent Directors held on 27th January 2016.

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 2016 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 & Husband of Ms. Simika Lodha	Chairman Non-independent Non-executive	4	No	38,043	3	1	1
Mr. H V Lodha	Brother of Mr. A V Lodha Brother-in-law of Ms. Simika Lodha	Non-independent Non-executive	4	Yes	35,040	23	6	3
Ms. Simika Lodha	Wife of Mr. A V Lodha & Sister-in-law of Mr. H V Lodha	Woman Non-independent Non-executive	2	No	220576	—	—	—
Mr. R.C Tapuriah	None	Independent Non-executive	4	No	132	13	2	4
Mr. S.S Jain	None	Independent Non-executive	** 5	Yes	—	17	5	3
Mr. S Bhandari	None	Independent Non-executive	** 4	No	—	2	—	—

\* including Alternate Directorships and Directorships of Private Companies. \*\* including 1 meeting of Independent Directors

### 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 terms of reference of the Audit Committee are in accordance with sub-clause II of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 on 18th May 2015, 21st July 2015, 9th November 2015 and 27th January 2016. Attendance of Directors at these meetings are as under: -

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

#### 4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act 2013 and shall perform the following functions: -

- to formulate the criteria for determining qualifications;
- to frame and formulate positive attributes and independence of a director;
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down'
- to recommend to the Board their appointment and removal and shall carryout evaluation of every director's performance.

During the year, no meeting of the Nomination and Remuneration Committee was held.

The Nomination & Remuneration Committee comprise Mr. A V Lodha as its Chairman with Mr. R C Tapuriah and Mr. S Bhandari as its members.

#### 5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee looks into issues relating to shareholders including transfer of shares, redressal of complaints from Investors and shall consider and resolve the grievances of security holders of the Company.

During the year the Committee held two meetings on 21st July 2015 and 27th January 2016.

The composition and attendance of Directors/Members at these meetings are as under:

Name of Director/ Member	Status	No. of Meetings attended
Mr. S S Jain	Chairman	2
Mr. R C Tapuriah	Member	1
Mr. A K Basu	Member	2

During the year, one complaint was received from a shareholder which was duly resolved.

#### 6. Details of Sitting Fees paid to the Directors during the financial year ended 31st March 2016

Name of Director	Sitting Fees Rs.
Mr. A.V. Lodha	40,000/-
Mr. H.V. Lodha	40,000/-
Mr. R.C. Tapuriah	60,000/-
Mr. S.S. Jain	65,000/-
Mr. S. Bhandari	40,000/-
Ms. Simika Lodha	20,000/-

No other Remuneration was paid to the Directors during the year

#### 7. General Body Meetings

The last 3 Annual General Meetings were held as under: -

Year	Venue	Date	Time
2014-15	Bengal National Chamber of Commerce & Industry 23, Sir R N Mukherjee Road Kolkata – 700 001	21.07.2015	10.00 a.m.
2013-14	Bengal National Chamber of Commerce & Industry 23, Sir R N Mukherjee Road Kolkata – 700 001	30.07.2014	11.00 a.m.
2012-13	Bengal National Chamber of Commerce & Industry 23, Sir. R N Mukhejee Road Kolkata – 700 001	26.07.2013	11.00 a.m.

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

#### 8. Disclosures

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



- ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as Regulations & Guidelines of Securities and Exchange Board of India (SEBI). No penalties were imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.
- iii) The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Agreement.

#### 9. 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](http://www.alfredherbert.co.in)

#### 10. General Shareholder information

96th Annual General Meeting :

Date & Time : 22nd July 2016 at 10.00 a.m.  
 Venue : Bengal National Chamber of Commerce & Industry, 23, Sir R N Mukherjee Road, Kolkata- 700 001

#### 11. 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 2016  
 2nd quarterly results : Before 15th November 2016  
 3rd quarterly results : Before 15th February 2017  
 Audited yearly results for the year ending 31st March 2017 : Before 31st May 2017  
 Date of Book Closure : From 15th July 2016 to 22nd July 2016 (both days inclusive)  
 Dividend Payment Date : On or after 23rd July 2016

#### 12. Listing of Stock Exchanges

The Company's shares are listed at : Bombay Stock Exchange Limited  
 Listing Fees as prescribed have been paid to the above Stock Exchange for the Financial year 2015-16

Stock Code of Equity Shares of the

Company are as under :

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

#### 13. Market Price Data during the Financial Year 2015-16:

Month	Bombay Stock Exchange Ltd.	
	High Rs.	Low Rs.
April	402.00	303.00
May	400.00	331.00
June	434.00	360.00
July	424.00	386.30
August	410.00	323.00
September	410.40	351.10
October	399.30	351.20
November	393.70	375.00
December	407.40	370.00
January	383.30	351.00
February	379.40	335.10
March	390.00	335.00

#### 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](mailto:mdpldc@yahoo.com)  
 E-mail [mdpl@cal.vsnl.net.in](mailto: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.

#### 14. Distribution of Shareholding as on 31st March 2016

No. of Equity Shares held	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
Upto 1000	3209	99.3806	159135	20.6286
1001 to 5000	12	0.3717	25847	3.3506
5001 to 10000	2	0.0619	16293	2.1121
10001 to 50000	4	0.1239	129002	16.7225
50001 and above	2	0.0619	441152	57.1862
Total	3229	100.0000	771429	100.0000

**No. of Shareholders : 3229**

**Share Capital : 771429**



**Shareholding Pattern as on 31st March 2016**

Category	No. of Share holders	No. of Shares held	Total Share holding as a % of Total Share
Promoter's Holding			
Promoters			
Indian Promoters	5	302025	39.15
NRI Promoters	2	258619	33.53
	<u>7</u>	<u>560644</u>	<u>72.68</u>

**Non-Promoters Holding**

Individuals	3157	185825	24.09
Non-Resident			
Individuals	18	19012	2.46
Bodies Corporate	36	4979	0.65
Financial			
Institutions/Banks	2	90	0.01
Trusts	1	90	0.01
Clearing Member	8	789	0.10
	<u>3222</u>	<u>210785</u>	<u>27.32</u>
Total	3229	771429	100.00

Dematerialization of Shares: - 90.14% of Equity Shares have been dematerialized as on 31st March 2016

**Reconciliation of Share Capital**

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 Bombay Stock Exchange, 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 : 2226 8619 / 2229 9124

Fax : (033) 2229 9124

**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 2016 as envisaged under Schedule V of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Place: Kolkata For Alfred Herbert (India) Limited

Date: 26th May 2016 R. Radhakrishnan  
Chief Executive Officer

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

Pursuant to Part B of Schedule II of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to certify that:

- a) We, have reviewed financial statements and cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) They have indicated to the Auditors and the Audit Committee
  - i) significant changes in internal control over reporting during the year;
  - ii) significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

R Radhakrishnan  
Chief Executive Officer

A K Basu  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To

The Members of

**Alfred Herbert (India) Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Alfred Herbert (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (h) 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 Auditor's Report (Reserve Bank) Directions 2008 is as follows:
- i) The Company which was incorporated prior to 9th January 1997 has applied for registration as provided in section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received registration certificate from the Reserve Bank of India and the Certificate No. N. 05. 04665 dated 29th November 2001. The Company is engaged in the business of Non Banking Financial Institution.
  - ii) The asset/income pattern of the Company as on 31.03.2016 are as follows:  
Investment Income to Total Income : 42.66%  
Total Investments to Total Assets : 51.12%  
In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2016.
  - iii) 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.

- iv) 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.
- v) The Board of Directors of the Company had passed a resolution at its meeting held on 27th January, 2016 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, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of 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 as the Company has not accepted / held any public deposits and does not have total assets of Rs.100 crores or above.

For **RAY & RAY**

Chartered Accountants

(Firm's Registration No.301072E)

Asish Kumar Mukhopadhyay

Partner

Place: Kolkata

Date: 26th May, 2016

Membership No.056359

#### ANNEXURE TO THE AUDITOR'S 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 title deed of immoveable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly,



provisions of Clause (ii) of paragraph 3 of the aforesaid Order, are not applicable to the Company.

- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of clauses (iii) (a), (b) and (c) of paragraph 3 of the aforesaid Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) The Company has not accepted any deposits during the year.
- (vi) The maintenance of Cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act, for the Company.
- (vii) (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, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues to the appropriate authorities. On the basis of the records of the Company and the information and explanations given to us, there was no arrears of outstanding statutory dues as on the last day of the financial year concerned outstanding for a period of more than six months from the date they became payable.
- (b) 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 2011-12	CIT (Appeals)	15,230
			Total		15,230

- (viii) The Company has no borrowings from financial institution, bank, government and the Company has no debenture holders. Accordingly, clause (viii) of paragraph 3 of the aforesaid Order is not applicable to the Company.

- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loan during the year. Accordingly, clause (ix) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) On the basis of our examination of the records of the Company, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (xiii) On the basis of our examination of the books of account of the Company and according to the information and explanations given to us, the transactions entered into with the related parties are in compliance with section 177 and 188 of the Act and the same has been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and has received registration certificate from the Reserve Bank of India and the Certificate No. is N. 05. 04665 dated 29th November 2001.

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

Place: Kolkata  
Date: 26th May, 2016

Partner  
Membership No.056359

**ANNEXURE-A**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALFRED HERBERT (INDIA) LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the 2013 Act")**

**Report on the Financial Statements**

We have audited the internal financial controls over financial reporting of Alfred Herbert (India) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for laying down and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 2013 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my /our audit. We conducted our audit in accordance with the Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

In view of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Kolkata  
Date: 26th May,2016

Partner  
Membership No.056359





To  
The Board of Directors  
Alfred Herbert (India) Limited,  
13/3 Strand Road,  
Kolkata- 700 001

### REPORT TO THE BOARD OF DIRECTORS

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 9th January 1997 has applied for registration as provided in section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received registration certificate from the Reserve Bank of India and the Certificate No. N. 05. 04665 dated 29th November 2001. The Company is engaged in the business of Non Banking Financial Institution.

b) The asset/income pattern of the Company as on 31.03.2016 is as follows:

Investment Income to Total Income :  
42.66%

Total Investments to Total Assets :  
51.12%

In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2016.

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 27th January, 2016 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) (xix) 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: 26th May,2016

### AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CLAUSE E OF SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,

#### Alfred Herbert (India) Limited

We have examined the compliance of conditions of Corporate Governance by Alfred Herbert (India) Limited ("Company") for the year ended 31st March,2016 as stipulated in Clause E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations,2015 of the Company with Stock Exchanges in Republic of India,

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 C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015] issued by the Institute of Chartered Accountants of India and

limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of 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 representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Obligations and Disclosure Requirements in all material aspects.

We further state that such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Kolkata  
Date: 26th May,2016

**Balance Sheet**

as at 31st March, 2016

	Note Number	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.	
<b>I EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a)	Share capital	2.1	7,714,290	7,714,290
(b)	Reserves and surplus	2.2	300,880,081	292,269,131
<b>(2) Non-current liabilities</b>				
(a)	Deferred Tax Liability (Net) (Refer Note No. 9)		3,592,226	3,497,665
(b)	Other Long term liabilities	2.3	6,886,994	6,666,985
<b>(3) Current liabilities</b>				
(a)	Other current liabilities	2.4	892,514	1,785,378
(b)	Short-term provisions	2.5	2,072,524	8,784,449
	<b>TOTAL</b>		<u>322,038,629</u>	<u>320,717,898</u>
<b>II ASSETS</b>				
<b>(1) Non-current assets</b>				
(a)	Fixed assets			
(i)	Tangible assets	2.6	38,582,066	38,690,152
(ii)	Capital work-in-progress		101,061,375	93,733,713
(b)	Non-current investments	2.7	130,896,445	130,896,445
(c)	Long-term loans and advances	2.8	4,637,609	4,684,907
<b>(2) Current assets</b>				
(a)	Current investments	2.9	33,740,012	41,529,496
(b)	Cash and Cash Equivalents	2.10	1,236,872	1,193,663
(c)	Short-term loans and advances	2.11	11,514,679	9,620,805
(d)	Other current assets	2.12	369,571	368,717
	<b>TOTAL</b>		<u>322,038,629</u>	<u>320,717,898</u>

Significant Accounting Policies 1

Notes form an integral part of the Financial Statements  
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, 26th May, 2016

For and on behalf of the Board  
A. V. Lodha  
R. C. Tapuriah  
Directors  
R. Radhakrishnan  
Chief Executive Officer & Company Secretary  
A. K. Basu  
Chief Financial Officer





**Statement of Profit and Loss**  
for the year ended 31st March, 2016

	Note Number	For the year ended 31st March, 2016 Rs.	For the year ended 31st March, 2015 Rs.
<b>PARTICULARS</b>			
<b>I Revenue from operations</b>	2.13	20,070,119	20,126,647
<b>II Other Income</b>		540	-
<b>III Total Revenue (I + II)</b>		<u>20,070,659</u>	<u>20,126,647</u>
<b>IV Expenses :</b>			
Purchases of Stock-in-Trade		-	201,902
Employee benefits expenses	2.14	3,248,661	2,531,121
Depreciation and amortization expenses	2.6	848,102	856,872
Other expenses	2.15	7,565,750	8,369,101
Total Expenses		<u>11,662,513</u>	<u>11,958,996</u>
<b>V Profit before tax (III - IV)</b>		8,408,146	8,167,651
<b>VI Tax expenses</b>			
(1) Current tax		120,000	-
(2) Deferred tax		94,561	237,113
(3) Excess Tax Provision for earlier years written back		(2,321,510)	(2,809)
(4) Dividend Distribution Tax of earlier year		47,197	234,304
<b>VII Profit after tax (V - VI)</b>		<u>10,467,898</u>	<u>7,933,347</u>
<b>VIII Earning per equity Share:</b>			
Basic & diluted (Face Value Rs.10/- each)	12	13.57	10.28
Significant Accounting Policies	1		

Notes form an integral part of the Financial Statements  
This is the Statement of Profit and Loss referred to in our report of even date.

For Ray & Ray  
*Chartered Accountants*  
  
Asish Kumar Mukhopadhyay  
*Partner*  
Membership No.056359  
Kolkata, 26th May, 2016

For and on behalf of the Board  
A. V. Lodha  
R. C. Tapuriah  
*Directors*  
R. Radhakrishnan  
*Chief Executive Officer & Company Secretary*  
A. K. Basu  
*Chief Financial Officer*

**CASH FLOW STATEMENT**

	Year ended 31st March,	
	2016 (Rs.)	2015 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	8,408,146	8,167,651
Adjustment for :		
Depreciation	848,102	856,872
Loss on sale of Fixed Assets	1,247	-
Loss on sale of Investments	3,543	1,398
Profit on sale of Investments	(1,622)	(95,367)
Operating Profit before Working Capital Changes	9,259,416	8,930,554
Adjustments for :		
Other Current Assets	(854)	8,278
Loans & Advances	(4,959,371)	2,488,373
Liabilities & Provisions	(1,229,195)	2,703,148
Cash (utilised in)/generated from Operating Activities	3,069,996	14,130,353
Direct Tax (Net)	(910,035)	(866,258)
Net Cash (utilised in)/generated from Operating Activities	2,159,961	13,264,095
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(766,263)	-
Sale of Fixed Assets	25,000	-
Capital work-in-progress	(7,327,662)	(56,487,994)
Proceeds from Sale/Redemption of Investments	15,800,000	63,340,569
Purchase of Investments	(8,012,437)	(21,909,229)
Net Cash (utilised in)/generated from Investment Activities	(281,362)	(15,056,654)
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(1,525,984)	(1,524,530)
Corporate Dividend Tax	(309,406)	(262,209)
Net Cash (utilised in)/generated from Financing Activities	(1,835,390)	(1,786,739)
Net Increase/(Decrease) in Cash & Cash Equivalent	43,209	(3,579,298)
Cash and Cash Equivalents (Opening Balance)	1,193,663	4,772,961
Cash and Cash Equivalents (Closing Balance)	1,236,872	1,193,663
	43,209	(3,579,298)

**Notes**

- The Cash Flow Statement has been prepared in indirect method in accordance with Accounting Standard (AS-3) on "Cash Flow Statements".
- Cash & Cash Equivalents represent Cash and Bank Balances.

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, 26th May, 2016

For and on behalf of the Board

A. V. Lodha

R. C. Tapuriah

Directors

R. Radhakrishnan

Chief Executive Officer & Company Secretary

A. K. Basu

Chief Financial Officer



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

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 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, 2013 ('the Act') and Accounting Standards specified under section 133 of 'the Act' read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India. 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 leasehold building and 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, not ready for its intended use as on the close of the reported period.

#### 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 / Amortisation

- (i) The Company has provided Depreciation on Straight Line Method as per the requirement of Schedule II of the Companies Act, 2013.
- (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.
- (iii) Leasehold Building is being amortised over the lease period.

#### 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. Dividend is accounted for as and when the right to receive the same is established.

#### 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 Statement of Profit and Loss.

#### 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 : According to the prevailing practice of the Company, the employees are allowed to enjoy the leave within the year. No encashment of leave is allowed.
- iii) Provident Fund (Defined Contribution Scheme) : Accounted for on accrual basis based on the monthly contribution made to the appropriate authorities.

#### Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending shareholders' approval.

#### Taxes on Income

Income tax is accounted for in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income". 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 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 ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the Financial Statements.

Notes forming part of Balance Sheet (Contd.)

**2. Notes forming part of Balance Sheet****2.1 SHARE CAPITAL****Authorised**5,000,000 - Equity shares of Rs.10 each  
(2015 - 5,000,000)**Issued, subscribed and paid-up**771,429 - Equity shares of Rs.10 each fully paid-up  
(2015 - 771,429)

<b>As at 31st March, 2016 Rs</b>	<b>As at 31st March, 2015 Rs</b>
<b>50,000,000</b>	50,000,000
<b>7,714,290</b>	7,714,290
<b>7,714,290</b>	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.

<b>Name of Shareholders</b>	<b>No. of Shares held on 31.3.2016</b>	<b>% holding</b>	<b>No. of Shares held on 31.3.2015</b>	<b>% holding</b>
Anamika Lodha	<b>220,576</b>	<b>28.59</b>	220,576	28.59
Simika Lodha	<b>220,576</b>	<b>28.59</b>	220,576	28.59

**2.2 RESERVES AND SURPLUS****Capital Revaluation Reserve**

As per last Account

5,035,730

5,035,730

**Capital Reserve**

As per last Account

9,937

9,937

**General Reserve**

As per last Account

208,762,394

208,310,000

Add : Transferred from surplus

800,000

600,000

Add : Transferred from Deffered Tax Liability

-

66,006

Less : Provision for Depreciation A/c

-

213,612

209,562,394

208,762,394

**Special Reserve** ( Under Section 45 IC of Reserve Bank of India Act)

As per last Account

38,022,000

36,435,000

Add : Transferred from surplus

2,100,000

1,587,000

40,122,000

38,022,000

**Surplus in the Statement of Profit & Loss** - As per last Account

40,439,070

36,497,790

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

10,467,898

7,933,347

Amount available for appropriation

50,906,968

44,431,137



Notes forming part of Balance Sheet (Contd.)

	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>APPROPRIATIONS</b>		
Proposed Dividend	1,542,858	1,542,858
Corporate Dividend Tax	314,090	262,209
General Reserve	800,000	600,000
Special Reserve	2,100,000	1,587,000
<b>Surplus - closing balance</b>	<b>46,150,020</b>	<b>40,439,070</b>
<b>TOTAL</b>	<b>300,880,081</b>	<b>292,269,131</b>
<b>2.3 OTHER LONG-TERM LIABILITIES</b>		
Security deposit	2,948,905	2,940,284
Others	3,938,089	3,726,701
	<b>6,886,994</b>	<b>6,666,985</b>
<b>2.4 OTHER CURRENT LIABILITIES</b>		
Balances in Unpaid Dividend Accounts	482,852	465,978
Contribution to Gratuity Fund	24,736	73,535
Others	384,926	1,245,865
	<b>892,514</b>	<b>1,785,378</b>
<b>2.5 SHORT-TERM PROVISIONS</b>		
Provision for Employee benefit	77,899	34,108
Taxation	137,677	6,945,274
Proposed Dividend	1,542,858	1,542,858
Tax on Dividend	314,090	262,209
	<b>2,072,524</b>	<b>8,784,449</b>

**2.6 FIXED ASSETS**

TANGIBLE ASSETS :

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount		
	Original Cost/ Revaluation as on 01/04/2015	Additions during the year	Sales/ Adjust- ments	Original Cost/ Revaluation as on 31/03/2016	Upto 31-3-2015	Depreciation For the year	Carrying amount adjusted with Retained Earnings	Sales/ Adjust- ments	Total 31-3-2016	Value as on 31/03/2016	Value as on 31/03/2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	3,674,588	-	-	<b>3,674,588</b>	-	-	-	-	-	<b>3,674,588</b>	3,674,588
Building :											
Freehold	50,835,733	-	-	<b>50,835,733</b>	16,720,173	765,328	-	-	<b>17,485,501</b>	<b>33,350,232</b>	34,115,560
Leasehold	342,945	-	-	<b>342,945</b>	255,000	9,557	-	-	<b>264,557</b>	<b>78,388</b>	87,945
Plant & Machinery	2,411,097	766,263	531,605	<b>2,645,755</b>	1,605,644	72,500	-	505,358	<b>1,172,786</b>	<b>1,472,969</b>	805,453
Furniture, Fixtures and Equipments	156,861	-	-	<b>156,861</b>	150,255	717	-	-	<b>150,972</b>	<b>5,889</b>	6,606
<b>Total</b>	<b>57,421,224</b>	<b>766,263</b>	<b>531,605</b>	<b>57,655,882</b>	<b>18,731,072</b>	<b>848,102</b>	<b>-</b>	<b>505,358</b>	<b>19,073,816</b>	<b>38,582,066</b>	<b>38,690,152</b>
Previous year	57,421,224	-	-	<b>57,421,224</b>	17,660,588	856,872	213,612	-	<b>18,731,072</b>	<b>38,690,152</b>	

Notes forming part of Balance Sheet (Contd.)

**2.7 NON-CURRENT INVESTMENTS** (Refer Note No.11)

			As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>Long Term, (Non-Trade), Quoted</b>				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)	No.s			
	2015-16	2014-15		
Graphite India Limited (Face value Rs.2 per share)	350,000	350,000	19,866,484	19,866,484
Aditya Birla Nuvo Limited (ABNL)	105	105	14,648	14,648
Aditya Birla Fashion and Retail Limited (ABFRL) (Persuant to the Composite Scheme, 26 equity shares of Rs.10 each of ABFRL issued for every 5 equity shares of Rs.10 each of ABNL)	546	-	-	-
Mangalore Refinery and Petrochemicals Ltd.	400	400	4,000	4,000
HDFC Bank Limited (Face value Rs.2 per share)	2,500	2,500	5,000	5,000
Hindalco Industries Ltd.(Face Value Re.1 per share)	75,750	75,750	7,272,000	7,272,000
Reliance Industries Ltd.	65,000	65,000	18,982,115	18,982,115
I D F C Limited	50,000	50,000	3,511,762	3,511,762
I D F C Bank Ltd.	50,000	-	-	-
(As per the scheme of demerger, 1 (one) equity share of Rs.10 each of IDFC Bank Ltd. Issued for each equity share of Rs.10 each of IDFC Limited free of cost.)				
I T C Limited (Face value Re.1 per share)	60,000	60,000	3,578,171	3,578,171
Reliance Capital Ltd.	1,125	1,125	175,170	175,170
Reliance Power Ltd.	5,625	5,625	94,323	94,323
Reliance Communication Ltd.(Face Value Rs.5 per share)	22,500	22,500	5,214,701	5,214,701
Reliance Infrastructure Ltd	1,687	1,687	983,651	983,651
Vedanta Ltd. (Face Value Re.1 per share) (Formerly known as Sesa Sterlite Ltd)	6,012	6,012	188,310	188,310
<b>Bonds</b>				
8.30% NHAI Tax Free Bonds	3,743	3,743	3,837,493	3,837,493
8.50% NHAI Tax Free Bonds	30,000	30,000	30,000,000	30,000,000
8.75% NHAI Tax Free Bonds	21,200	21,200	21,159,647	21,159,647
			114,887,475	114,887,475
<b>Long Term, (Non-Trade), Unquoted</b>				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Woodlands Multispeciality Hospital Limited	1,780	1,780	8,900	8,900
Kirloskar Computer Services Limited	10,000	10,000	100,000	100,000
Less : Provision for diminution in value of shares			(100,000)	(100,000)
<b>In Subsidiary Companies:</b>				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Herbert Holdings Ltd	220,000	220,000	7,000,000	7,000,000
Alfred Herbert Limited	900,007	900,007	9,000,070	9,000,070
			16,008,970	16,008,970
			130,896,445	130,896,445
a) Quoted Investments - Book value			114,887,475	114,887,475
b) Unquoted Investments - Book value			16,008,970	16,008,970
			130,896,445	130,896,445
Aggregate Market Value of Quoted Investments			193,653,041	187,297,561



Notes forming part of Balance Sheet (Contd.)

## 2.8 LONG-TERM LOANS & ADVANCES

		As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Unsecured-considered good			
Capital Advance		2,700,000	2,752,939
Security Deposits		<u>1,937,609</u>	<u>1,931,968</u>
		<u>4,637,609</u>	<u>4,684,907</u>

	Nos.		Rs.	Rs.
	2015-16	2014-15		
<b>2.9 CURRENT INVESTMENTS (Unquoted)</b>				
Units of Rs.10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	1,367,720.06	1,367,720.056	20,004,000	20,004,000
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	82,214.166	77,796.716	824,748	780,432
Units of Rs.100 each in ICICI Prudential Savings Fund - Regular Plan - Weekly Dividend Reinvestment	128,333.231	206,249.209	12,911,264	20,745,064
			<u>33,740,012</u>	<u>41,529,496</u>
Aggregate Market Value of Investments (NAV as at 31st March)			<u>41,700,096</u>	<u>47,374,088</u>

## 2.10 CASH AND CASH EQUIVALENTS

Balances with Banks :				
(i) On Current Accounts			749,751	711,972
(ii) On Unpaid Dividend Account			482,852	465,978
Cash in hand			4,269	15,713
<b>TOTAL</b>			<u><b>1,236,872</b></u>	<u><b>1,193,663</b></u>

## 2.11 SHORT-TERM LOANS AND ADVANCES

### *Unsecured- Considered good*

Advance recoverable in cash or in kind or for value to be received			922,428	385,344
Advance to Subsidiary Company			4,500,000	-
Advance Income Tax			6,084,571	9,197,366
Prepaid Expenses			7,680	38,095
			<u>11,514,679</u>	<u>9,620,805</u>

## 2.12 OTHER CURRENT ASSETS

### *Unsecured- Considered good*

Interest Accrued			346,536	345,682
Balances with Commercial Tax Dept.			23,035	23,035
			<u>369,571</u>	<u>368,717</u>

## 2.13 REVENUE FROM OPERATIONS

		For the year ended 31st March, 2016 Rs.	For the year ended 31st March, 2015 Rs.
Sale of products (Refer Note No.13)		-	354,413
Interest Income :-			
Interest on Bonds	4,651,633		4,662,669
Others *	<u>1,219,435</u>	5,871,068	64,001
Dividend from shares (Long Term)		3,398,401	2,469,367
Dividend from Mutual Funds (Short Term)		512,436	2,533,159
Rent		10,286,592	9,947,671
Other operating revenues :			
Profit on Sale of Investments (Long Term)		1,622	94,900
Profit on sale of Investments (Short Term)		-	467
		<u>20,070,119</u>	<u>20,126,647</u>

\* Including Interest on Income Tax Refund Rs.583,257 (2014-15 :Rs.Nil)



Notes forming part of Balance Sheet (Contd.)

	For the year ended 31st March, 2016 Rs.	For the year ended 31st March, 2015 Rs.
<b>2.14 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	3,036,137	2,284,957
Contribution to Provident and other Funds	148,458	199,973
Staff Welfare Expenses	64,066	46,191
	<u>3,248,661</u>	<u>2,531,121</u>
<b>2.15 OTHER EXPENSES</b>		
Electricity	795,128	927,532
Rent	1,288,039	1,253,082
Repairs to Building	586,678	2,060,199
Repairs - others including maintenance	181,233	153,031
Insurance	19,655	20,953
Rates and Taxes	781,838	846,336
Flat Maintenance	231,718	204,808
Loss on sale of Investments (Long Term)	3,543	1,398
Loss on sale of Fixed Asset	1,247	-
Postage and telephone	322,535	350,679
Legal & Secretarial Expenses	998,898	450,475
Consultancy charges	241,000	144,000
Professional Fees	510,000	510,000
Traveling and conveyance	248,049	329,060
Directors' Fees	265,000	260,000
Motor Car Expenses	272,691	133,293
Miscellaneous expenses (I)	818,498	724,255
	<u>7,565,750</u>	<u>8,369,101</u>
(i) Includes :		
Auditors' Remuneration :(Exclusive of Taxes)		
Statutory Audit Fees	50,000	42,500
Tax Audit Fees	14,000	14,000
Other services	34,500	29,500

**3. Contingent Liabilities and Commitments**

- i) a) Contingent Liability not provided for in respect of Income Tax demand amounting to Rs.15,230/- (2014-15 Rs.19,720/)
- b) Contingent Liability not provided for in respect of Corporate Guarantee for Rs.27,500,000/- (2014-15 Rs.nil)
- ii) Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs.Nil (2014-15 - Rs.9,309,604/-).

**4. Land at Bangalore** – In response to the Company's Writ Petition against the order of the Assistant Commissioner of Forest, Karnataka for vacating the Company's property in Whitefield which had been acquired from KIADB. The single bench of Hon'ble High Court at Karnataka upheld the Company's contention and held that the land did not belong to the forest department. A review petition has been filed by the forest department (involving several industries including the Company situated in the same vicinity) and the same is currently pending before the said court. The Company received a notice from KIADB (Metro Rail Project) for acquisition of 2008 sq. mtrs. of land from Survey No. 81 for housing proposed Metro Rail Station.

**5. Disclosure of Employee Benefit Expenses in accordance with the requirements of AS-15 (Revised) : 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.



Notes forming part of Balance Sheet (Contd.)

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 2016.

**i) Change in Defined Benefit Obligations**

(Amount in Rs.)

		As on 31.03.2016	As on 31.03.2015
A	Present Value of Defined Benefit Obligations at the beginning of period	855,705	1,022,098
B	Current Service Cost	86,006	40,478
C	Interest Cost	66,574	79,812
D	Actuarial Losses/(Gains)	(68,567)	22,475
E	Benefits paid	-	(309,158)
F	Present Value of Defined Benefit Obligations at the end of period	939,718	855,705

**ii) Change in Fair Value of Assets**

(Amount in Rs.)

		As on 31.03.2016	As on 31.03.2015
A	Plan assets at beginning of period	782,170	1,007,270
B	Expected return on plan assets	63,713	79,130
C	Actual Company contributions	73,535	14,828
D	Actuarial gain/(loss)	(4,436)	(9,900)
E	Benefits paid	-	(309,158)
F	Plan assets at the end of period	914,982	782,170

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

(Amount in Rs.)

<b>Components of Employer Expense</b>		For the year ended 31.03.2016	For the year ended 31.03.2015
A	Current Service Cost	86,006	40,478
B	Interest Cost	66,574	79,812
C	Expected return on plan assets	(63,713)	(79,130)
D	Actuarial Losses/(Gains)	(64,131)	32,375
E	Total expenses recognised in the Statement of Profit & Loss	24,736	73,535

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

(Amount in Rs.)

<b>Funded Status</b>		For the year ended 31.03.2016	For the year ended 31.03.2015
A	Present Value of Defined Benefits Obligations	939,718	855,705
B	Fair value of plan assets	914,982	782,170
C	Funded Status [Surplus / (Deficit)]	(24,736)	(73,535)
D	Employer expenses	24,736	73,535
E	Employer contributions	73,535	14,828
F	Net asset / (liability) recognised in Balance Sheet at end of the period	(24,736)	(73,535)

Notes forming part of Balance Sheet (Contd.)

**v) Actuarial Assumptions**

		As on 31.03.2016	As on 31.03.2015
A	Discount Rate	7.72%	7.78%
B	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
C	Salary increases	8%	8%
D	Expected return on assets	7.78%	9.20%
E	Withdrawal rates	Upto 40 years 4.2/Thousand 40 years & above Nil	Upto 40 years 4.2/Thousand 40 years & above Nil

**vi) Experience Adjustments**

(Amount in Rs.)

		Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
A	Present Value of Defined Benefit Obligation	939,718	855,705	1,022,098	945,006	804,793
B	Fair Value of Plan Assets	914,982	782,170	1,007,270	864,900	780,642
C	Funded Status [Surplus/(Deficit)]	(24,736)	(73,535)	(14,828)	(80,106)	(24,151)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	(70,879)	(28,234)	6,897	8,490	(16,169)
E	Experience Gain/(Loss) adjustment on Plan Assets	(4,436)	(9,900)	(10,133)	(8,067)	(17,903)
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	2,312	50,709	(44,911)	23,266	(20,238)

**6. Leave Encashment**

According to the prevailing practice of the Company, the employees are allowed to enjoy the leave within the year. No encashment of leave is allowed.

- 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.
- 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.
- 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 31.03.2016	As on 31.03.2015
<b>Deferred Tax Liability</b>		
On Account of Depreciation	3,592,226	3,497,665

- Related party disclosure to the extent identified by the management in accordance with the requirements of Accounting Standard 18 on "Related Party Transactions" are as follows :-

Related Parties

**Name**

Alfred Herbert Limited  
Herbert Holdings Limited  
Jain Industrial & Commercial Services Pvt. Ltd.  
Chief Executive Officer  
Chief Financial Officer

**Relationship**

Subsidiary Company  
Subsidiary Company  
Associate Company  
Key Management Personnel  
Key Management Personnel



Notes forming part of Balance Sheet (Contd.)

Disclosure of transactions with Related Parties and outstanding balances as on 31st March 2016.

(Amount in Rs.)

	Subsidiary Companies		Associate Company	Key Management Personnel	
	Alfred Herbert Ltd.	Herbert Holdings Ltd.	Jain Industrial	CEO	CFO
Advance Given	7,500,000	—	—	—	—
	(5,000,000)	—	—	—	—
Advance Received Back	3,000,000	—	—	—	—
	(5,000,000)	—	—	—	—
Advance Outstanding	4,500,000	—	—	—	—
	( — )	—	—	—	—
Interest Income	628,689	—	—	—	—
	( — )	—	—	—	—
Interest Receivable (Net of TDS)	565,820	—	—	—	—
	( — )	—	—	—	—
Corporate Guarantee	27,500,000	—	—	—	—
	( — )	—	—	—	—
Lease Rent Received	—	—	1,440,000	—	—
	—	—	(1,440,000)	—	—
Remuneration	—	—	—	1,215,000	420,000
	—	—	—	(533,226)	(420,000)

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

11. Diminution in value of investment in Reliance Communications Limited is due to market fluctuations and the same is treated as Long Term Investment at cost.

12. EARNINGS PER SHARE (EPS)

	For the year ended	
	31st March 2016	31st March 2015
i. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	10,467,898	7,933,347
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	13.57	10.28
iv. Face Value per Equity Share (Rs.)	10	10

13. Particulars in respect of Sales

DESCRIPTION	2015-2016		2014-2015	
	Qty. (Unit)	Value Rs.	Qty. (Unit)	Value Rs.
Spares		Nil		354,413

14. Expenditure in Foreign Currency

Foreign Travel	Nil	60,851
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15. Previous year's figures have been regrouped / rearranged / reclassified wherever necessary, to make it comparable with current year figures.

STATEMENT REGARDING SUBSIDIARY COMPANIES FOR 2015-16

Sl. No	Name of Subsidiary Company / Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit/(Loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Alfred Herbert Limited India	INR	9,000,070	5,641,652	111,069,526	111,069,526	-	165,438,863	1,838,714	868,306	970,408	-
2	Herbert Holdings Limited India	INR	2,200,000	12,814,368	15,028,168	15,028,168	14,931,677	591,334	564,009	30	563,979	-

# **ALFRED HERBERT (INDIA) LTD.**

## **CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS**

**2015 - 2016**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Alfred Herbert (India) Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Alfred Herbert (India) Limited (here in after referred to as “the Holding Company”) and its subsidiaries (the Holding Company and Its subsidiaries together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as (“the Act”)) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 3 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Place: Kolkata  
Date: 26th May,2016

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

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#### ANNEXURE-A

#### **REFERRED TO IN PARAGRAPH (f) OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ALFRED HERBERT (INDIA) LIMITED FOR THE YEAR ENDED 31ST MARCH, 2016**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the 2013 Act")**

#### **Report on the Financial Statements**

We have audited the internal financial controls over financial reporting of **Alfred Herbert (India) Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Companies which are incorporated in India as on 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary Companies, which are Companies incorporated in India, are responsible for laying down and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 2013 Act.





### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Companies' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Companies' internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the companies' assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

In view of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its Subsidiary Companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata

Date: 26th May, 2016

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

## Consolidated Balance Sheet as at 31st March, 2016

	Note Number	As at 31st March, 2016 Rs	As at 31st March, 2015 Rs
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2.1	7,714,290	7,714,290
(b) Reserves and Surplus	2.2	314,536,101	304,390,764
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liability (Net) (Refer Note No.10)	2.3	3,581,324	2,974,457
(b) Long-term Borrowings	2.4	6,593,529	-
(c) Other Long term liabilities	2.5	6,886,994	6,666,985
(d) Long-term Provisions	2.6	315,822	354,715
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	2.7	25,277,626	19,811,795
(b) Trade payables (Refer Note No.9)		42,313,973	32,640,676
(c) Other current liabilities	2.8	8,955,894	16,174,867
(d) Short-term provisions	2.9	10,906,478	18,875,770
	<b>TOTAL</b>	<b>427,082,031</b>	<b>409,604,319</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	2.10	40,474,049	40,527,434
(ii) Intangible assets	2.10	374,327	499,102
(iii) Capital work-in-progress		109,604,963	93,733,713
(b) Non-current Investments	2.11	118,247,388	118,247,388
(c) Long-term loans and advances	2.12	5,515,763	5,363,061
<b>(2) Current assets</b>			
(a) Current Investments	2.13	45,320,676	52,517,697
(b) Inventories	2.14	38,179,707	28,912,016
(c) Trade receivables	2.15	38,434,285	30,596,021
(d) Cash and Bank Balances	2.16	4,024,477	3,828,272
(e) Short-term loans and advances	2.17	18,078,170	19,993,571
(f) Other current assets	2.18	8,828,226	15,386,044
	<b>TOTAL</b>	<b>427,082,031</b>	<b>409,604,319</b>

Significant Accounting Policies

1

Notes form an integral part of the Financial Statements

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, 26th May, 2016

For and on behalf of the Board

A. V. Lodha

R. C. Tapuriah

Directors

R. Radhakrishnan

Chief Executive Officer & Company Secretary

A. K. Basu

Chief Financial Officer



## Consolidated Statement of Profit and Loss

for the year ended 31st March, 2016

		Note Number	As at 31st March, 2016 Rs	As at 31st March, 2015 Rs
<b>PARTICULARS</b>				
I	Revenue from operations	2.19	202,488,352	148,992,431
	Less : Excise Duty		16,567,936	9,961,017
	Net Revenue from Operations		185,920,416	139,031,414
II	Other Income	2.20	180,440	449,073
III	Total Revenue (I + II)		186,100,856	139,480,487
IV	Expenses :			
	Cost of materials consumed		113,175,977	81,428,399
	Excise Duty Expenses		330,941	34,791
	Purchase of Stock-in-Trade		-	201,902
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.21	(9,108,092)	1,502,608
	Employee benefits expenses	2.22	33,218,394	32,153,086
	Finance costs	2.23	2,352,889	989,553
	Depreciation and amortization expenses	2.10	1,409,783	1,376,319
	Other expenses	2.24	33,910,095	34,108,198
	Total Expenses		175,289,987	151,794,856
V	Profit /(Loss) before tax (III - IV)		10,810,869	(12,314,369)
VI	Tax expenses			
	(1) Current tax		476,000	-
	(2) For earlier years (Net)		30	-
	(3) Excess Tax provision for Income Tax relating to earlier years written back		(2,321,510)	(5,036)
	(4) Dividend Distribution Tax of earlier year		47,197	-
	(5) Deferred tax		606,867	(324,979)
VII	Profit/(Loss) after tax		12,002,285	(11,984,354)
VIII	Earning per equity Share :			
	Basic & Diluted (Rs.)	15	15.56	(15.54)
	Number of shares used in computing earning per share		771,429	771,429

Significant Accounting Policies 1  
Notes form an integral part of the Financial Statements  
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,  
26th May, 2016

For and on behalf of the Board  
A. V. Lodha  
R. C. Tapuriah  
Directors  
R. Radhakrishnan  
Chief Executive Officer & Company Secretary  
A. K. Basu  
Chief Financial Officer

## Consolidated Cash Flow Statement

Year ended 31st March

	2016 (Rs.)	2015 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	10,810,869	(12,314,369)
Adjustment for :		
Depreciation	1,409,783	1,376,319
Interest Paid	2,352,889	1,035,813
Loss on Sale of Investments	3,543	1,398
Profit on Sale of Fixed Assets	-	-
Loss on Sale of Fixed Assets	1,247	-
Profit on Sale of Investments	(1,622)	(95,367)
Interest Accrued on Deposits	(395,863)	123,333
Operating Profit before Working Capital Changes	14,180,846	(9,872,873)
Adjustments for :		
Inventories	(9,267,691)	3,379,053
Trade Receivables	1,835,033	(546,548)
Other Current Assets	6,953,681	(3,827,915)
Loans & Advances	(6,393,416)	2,921,788
Liabilities & Provisions	(8,664,244)	6,021,536
Cash (Utilised in)/Generated from Operating Activities	(1,355,791)	(1,924,959)
Interest Paid	-	(46,260)
Direct Tax (Net)	(910,065)	(1,137,530)
Net Cash (Utilised in)/ Generated from Operating Activities	(2,265,856)	(3,108,749)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(9,801,458)	(787,690)
Sale / Discard of Fixed Assets	25,000	-
Capital work-in-progress	(7,327,662)	(56,487,994)
Proceeds from Sale/Redemption of Investments	15,800,000	63,340,569
Purchase of Investments	(8,604,900)	(22,532,441)
Net Cash (Utilised in)/ Generated from Investment Activities	(9,909,020)	(16,467,556)
<b>C. Cash Flow from Financing Activities</b>		
Maturity of Fixed Deposit	-	-
Interest paid on Borrowings	(2,352,889)	(989,553)
Dividend Paid	(1,525,984)	(1,524,530)
Corporate Dividend Tax	(309,406)	(262,209)
Proceeds/(Repayment) of Borrowings	16,559,360	18,314,655
Net Cash (Utilised in)/ Generated from Financing Activities	12,371,081	15,538,363
Net Increase/(Decrease) in cash & cash equivalent	196,205	(4,037,942)
Cash and Cash Equivalents (Opening Balance)	3,828,272	7,866,214
Cash and Cash Equivalents (Closing Balance)	4,024,477	3,828,272
	196,205	(4,037,942)

### Note

i) The Cash Flow Statement has been prepared in indirect method in accordance with Accounting Standard (AS-3) on "Cash Flow Statements".

ii) Cash & Cash Equivalents represent Cash and Bank Balances.

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,  
26th May, 2016

For and on behalf of the Board

A. V. Lodha  
R. C. Tapuriah  
Directors  
R. Radhakrishnan  
Chief Executive Officer & Company Secretary  
A. K. Basu  
Chief Financial Officer



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

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 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, 2013 ('the Act') and Accounting Standards specified under section 133 of 'the Act' read with Rule 7 of the Companies (Accounts) Rules 2014 and accounting principles generally accepted in India. 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 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.

Intangible assets are stated at cost less accumulated amortisation and net of impairment if any.

Capital work-in-progress includes expenses relating to construction of Building not ready for its intended use as on the close of the reported period.

#### 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 / Amortisation

- (i) The Company has provided Depreciation on Straight Line Method as per the requirement of Schedule II of the Companies Act, 2013.
- (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.
- (iii) Computer Software is treated as intangible asset and is being amortised over a period of five years.
- (iv) Leasehold Building is being amortised over the lease period.

#### 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. Dividend is accounted for as and when the right to receive the same is established.

#### 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 as income or expenses and are adjusted to the Profit & Loss Account under respective accounts, except in the cases where such fixed assets acquired from a country outside India, in which case, these are adjusted to the cost of respective fixed assets.

**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. In the case of Alfred Herbert (India) Limited, according to the prevailing practice of the Company the employees are allowed to enjoy the leave within the year. No encashment of leave is allowed and liability for Leave Encashment is accounted for on the basis of actuarial valuation in case of 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.

**Proposed Dividend**

Dividend recommended by the Board of Directors is provided for in the accounts, pending shareholders' approval.

**Taxes on Income**

Income tax is accounted for in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income".

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**

		<b>As at 31st March, 2016 Rs</b>	<b>As at 31st March, 2015 Rs</b>
<b>2.1</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	100 - (2015 - 100) 8% Redeemable Preference Shares of Rs.100 each	<b>10,000</b>	10,000
	100 - (2015 - 100) Redeemable Preference Shares of Rs.100 each	<b>10,000</b>	10,000
	5,000,000 - (2015 - 5,000,000) Equity shares of Rs.10 each	<b>5,00,00,000</b>	5,00,00,000
		<b>5,00,20,000</b>	5,00,20,000
	<b>Issued, subscribed and paid-up</b>		
	771,429 - Equity shares of Rs.10 each fully paid-up (2015 - 771,429)	<b>77,14,290</b>	77,14,290
		<b>77,14,290</b>	77,14,290



- 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.

<b>Name of Shareholder</b>	<b>No. of Shares held on</b>	<b>% holding</b>	<b>No. of Shares held on</b>	<b>% holding</b>
	<b>31.3.16</b>		<b>31.3.15</b>	
Anamika Lodha	<b>2,20,576</b>	<b>28.59</b>	2,20,576	28.59
Simika Lodha	<b>2,20,576</b>	<b>28.59</b>	2,20,576	28.59

  

	<b>As at</b>	<b>As at</b>
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>Rs</b>	<b>Rs</b>
<b>2.2 RESERVES AND SURPLUS</b>		
<b>Capital Revaluation Reserve</b> (As per last Account)	<b>5,035,730</b>	5,035,730
Less : Transferred to Depreciation	—	—
	<b>5,035,730</b>	5,035,730
<b>Capital Reserve on Consolidation</b> (As per last Account)	<b>59,937</b>	59,937
<b>Capital Redemption Reserve</b> (As per last Account)	<b>1,400</b>	1,400
<b>General Reserve</b> (As per last Account)	<b>214,051,169</b>	213,598,775
Add : Transferred from surplus	<b>800,000</b>	600,000
Add : Transferred from Deferred Tax Liability	—	66,006
Less : Provision for Depreciation A/c	—	890,779
	<b>214,851,169</b>	213,374,002
<b>Special Reserve</b> ( Under Section 45 IC of Reserve Bank of India Act.) ( As per last Account)	<b>39,047,150</b>	37,340,150
Add : Transferred from surplus	<b>2,215,000</b>	1,707,000
	<b>41,262,150</b>	39,047,150
<b>Surplus in Profit &amp; Loss Account</b> (As per last Account)	<b>46,195,378</b>	62,968,966
Add /(Less): Profit after tax transferred from statement of Profit & Loss	<b>12,002,285</b>	(11,984,354)
<b>Surplus available for appropriation</b>	<b>58,197,663</b>	50,984,612
<b>APPROPRIATIONS</b>		
Proposed Dividend	<b>1,542,858</b>	1,542,858
Corporate Dividend Tax	<b>314,090</b>	262,209
General Reserve	<b>800,000</b>	600,000
Special Reserve	<b>2,215,000</b>	1,707,000
<b>Surplus - closing balance</b>	<b>53,325,715</b>	46,872,545
<b>TOTAL</b>	<b>314,536,101</b>	304,390,764
<b>2.3 DEFERRED TAX LIABILITIES (NET)</b> (Refer Note No. 10)		
Deferred Tax Liabilities	<b>3,851,911</b>	3,689,823
Deferred Tax Assets	<b>(270,587)</b>	(715,366)
	<b>3,581,324</b>	2,974,457
<b>2.4 LONG-TERM BORROWINGS</b>		
Term Loan from Canara Bank, Bangalore Secured by Hypothecation of Equipments	<b>6,593,529</b>	—
	<b>6,593,529</b>	—



**ALFRED HERBERT (INDIA) LTD.**

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

	<b>As at 31st March, 2016 Rs</b>	<b>As at 31st March, 2015 Rs</b>
<b>2.5 OTHER LONG-TERM LIABILITIES</b>		
Security deposit	<b>2,948,905</b>	2,940,284
Others	<b>39,38,089</b>	3,726,701
	<b>6,886,994</b>	6,666,985
<b>2.6 LONG-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits :</b>		
Provision for Leave Encashment	<b>315,822</b>	354,715
	<b>315,822</b>	354,715
<b>2.7 SHORT-TERM BORROWINGS</b>		
<b>Loan repayable on demand from Bank :</b>		
<b>From Canara Bank, Bangalore :</b>		
Cash Credit/Current A/c (Secured by Hypothecation of stocks and book debts and Plant & Machinery, Furniture and Fixtures)	<b>114,477,626</b>	15,011,795
<b>Packing Credit for exports</b>	<b>10,800,000</b>	4,800,000
	<b>25,277,626</b>	<b>19,811,795</b>
<b>2.8 OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	<b>7,235,138</b>	14,137,611
Contribution to Gratuity Fund	<b>24,736</b>	73,535
Others (Excise Duty, TDS, Payroll Deductions, unpaid Dividend Accounts etc.)	<b>1,696,020</b>	1,963,721
	<b>8,955,894</b>	16,174,867
<b>2.9 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	<b>792,764</b>	2,097,054
Taxation	<b>7,568,755</b>	14,308,293
Proposed Dividend	<b>1,542,858</b>	1,542,858
Tax on Dividend	<b>314,090</b>	262,209
Others	<b>688,011</b>	665,356
	<b>10,906,478</b>	18,875,770
<b>2.10 Fixed Assets</b>		
TANGIBLE ASSETS :		

Description	Gross Carrying Amount				Depreciation					Net Carrying Amount	
	Original Cost/ Revaluation as on 31/03/2015	Additions during the year	Sales/ Adjust- -ments	Original Cost/ Revaluation as on 31/03/2016	Upto 31-3-2015	For the year	Carrying amount adjusted with Retained Earnings	Sales/ Adjust- -ments	upto 31-3-2016	Value as on 31/03/2016	Value as on 31/03/2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Refer Note No.6)	3,674,588	-	-	3,674,588	-	-	-	-	-	3,674,588	3,674,588
<b>Building :</b>											
Freehold	50,835,733	-	-	50,835,733	16,720,173	765,328	-	-	17,485,501	33,350,232	34,115,560
Leasehold	342,945	-	-	342,945	255,000	9,557	-	-	264,557	78,388	87,945
Plant & Machinery	18,779,847	1,220,928	531,605	19,469,170	16,383,298	433,294	-	505,358	16,311,234	3,157,936	2,396,549
Furniture, Fixtures & Equipments	753,993	36,942	-	790,935	580,539	51,902	-	-	632,441	158,494	173,454
Vehicles	1,526,940	-	-	1,526,940	1,526,940	-	-	-	1,526,940	-	-
Office Equipment	417,408	-	-	417,408	338,070	24,927	-	-	362,997	54,411	79,338
<b>Total</b>	<b>76,331,454</b>	<b>1,257,870</b>	<b>531,605</b>	<b>77,057,719</b>	<b>35,804,020</b>	<b>1,285,008</b>	<b>-</b>	<b>505,358</b>	<b>36,583,670</b>	<b>40,474,049</b>	<b>40,527,434</b>
<b>INTANGIBLE ASSETS :</b>											
Computer Software	623,877	-	-	623,877	124,775	124,775	-	-	249,550	374,327	499,102
	623,877	-	-	623,877	124,775	124,775	-	-	249,550	374,327	499,102
Previous Year	75,645,096	1,452,390	142,155	76,955,331	33,803,852	1,376,319	890,779	142,155	35,928,795	41,026,536	



		<b>As at 31st March, 2016 Rs.</b>		<b>As at 31st March, 2015 Rs.</b>
<b>2.11 NON-CURRENT INVESTMENTS</b>				
<b>Long Term, (Non-Trade), Quoted</b>				
(Refer Note No. 11)				
<b>Equity Shares of Rs.10 each except where otherwise stated (fully paid)</b>				
	No. of shares		No. of shares	
Graphite India Limited (Face value Rs.2 per share)	<b>350,000</b>	<b>19,866,484</b>	350,000	19,866,484
Aditya Birla Nuvo Limited	<b>105</b>	<b>14,648</b>	105	14,648
Aditya Birla Fashion and Retail Limited (ABFRL) (Persuant to the Composite Scheme, 26 equity shares of Rs.10 each of ABFRL issued for every 5 equity shares of Rs.10 each of ABNL)	<b>546</b>	-	-	-
Mangalore Refinery and Petrochemicals Ltd.	<b>400</b>	<b>4,000</b>	400	4,000
HDFC Bank Limited (Face value Rs.2 per share)	<b>2,500</b>	<b>5,000</b>	2,500	5,000
Hindalco Industries Ltd. (Face Value Re.1 per share)	<b>75,750</b>	<b>7,272,000</b>	75,750	7,272,000
Reliance Industries Ltd.	<b>67,000</b>	<b>19,351,842</b>	67,000	19,351,842
I D F C	<b>50,000</b>	<b>3,511,762</b>	50,000	3,511,762
I D F C Bank Ltd. (As per the scheme of demerger, 1 (one) equity share of Rs.10 each of IDFC Bank Ltd. Issued for each equity share of Rs.10 each of IDFC Limited free of cost.)	<b>50,000</b>	-	-	-
ITC Limited (Face value Re.1 per share)	<b>60,000</b>	<b>3,578,171</b>	60,000	3,578,171
Reliance Capital Ltd.	<b>1,175</b>	<b>184,413</b>	1,175	184,413
Reliance Power Ltd.	<b>5,875</b>	<b>99,300</b>	5,875	99,300
Reliance Communications Ltd.(Face value Rs.5 per share)	<b>23,500</b>	<b>5,489,863</b>	23,500	5,489,863
Reliance Infrastructure Ltd	<b>1,762</b>	<b>1,035,555</b>	1,762	1,035,555
Vedanta Ltd. (Face Value Re.1 per share) (Formerly known as Sesa Sterlite Ltd)	<b>6,012</b>	<b>188,310</b>	6,012	188,310
<b>Bonds</b>				
8.30% NHAI Tax Free Bond	<b>3,743</b>	<b>3,837,493</b>	3,743	3,837,493
8.50% NHAI Tax Free Bonds	<b>30,000</b>	<b>30,000,000</b>	30,000	30,000,000
8.75% NHAI Tax Free Bonds	<b>21,200</b>	<b>21,159,647</b>	21,200	21,159,647
		<b>115,598,488</b>		<b>115,598,488</b>
<b>Unquoted Shares</b>				
<b>Equity Shares of Rs.10 each except where otherwise stated (fully paid)</b>				
Woodlands Multispeciality Hospital Limited	<b>1,780</b>	<b>8,900</b>	1,780	8,900
Lodha Capital Markets Limited	<b>264,000</b>	<b>2,640,000</b>	264,000	2,640,000
Kirloskar Computer Services Limited 100,000	<b>10,000</b>		10,000	
Less : Provision for diminution in value of shares of Kirloskar Computer Services Ltd. (100,000)		-		-
		<b>2,648,900</b>		<b>2,648,900</b>
<b>TOTAL</b>		<b>118,247,388</b>		<b>118,247,388</b>
a) Quoted Investments		<b>115,598,488</b>		<b>115,598,488</b>
b) Unquoted Investments		<b>2,648,900</b>		<b>2,648,900</b>
		<b>118,247,388</b>		<b>118,247,388</b>
<b>Aggregate Market Value of Quoted Investments</b>		<b>195,864,307</b>		<b>189,074,083</b>

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

		<b>As at 31st March, 2016</b>		<b>As at 31st March, 2015</b>
		Rs		Rs
<b>2.12 LONG-TERM LOANS &amp; ADVANCES</b>				
(Unsecured-considered good)				
Capital Advances		<b>2,700,000</b>		2,752,939
Security Deposits		<b>2,815,763</b>		2,610,122
		<b>5,515,763</b>		5,363,061
<b>2.13 CURRENT INVESTMENTS (Unquoted)</b>				
	No. of Units		No. of Units	
Units of Rs.10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan)	<b>41,062.309</b>	<b>414,623</b>	41,062.309	414,623
Units of Rs.10 each in IDFC Banking Debt Fund - Growth Option	<b>46,947.916</b>	<b>500,000</b>	46,947.916	500,000
Units of Rs.10 each in IDFC Super Saver Income Fund - Growth Option	<b>16,893.775</b>	<b>500,000</b>	16,893.775	500,000
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	<b>123,727.731</b>	<b>1,241,626</b>	98,009.508	983,458
Units of Rs.100 each in ICICI Prudential Savings Fund - Regular Plan - Weekly Dividend Reinvestment	<b>128,333.231</b>	<b>12,911,264</b>	206,249.209	20,745,064
Units of Rs.1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	<b>2,433.020</b>	<b>2,634,445</b>	2,433.020	2,634,445
Units of Rs.1000 each in UTI Treasury Advantage Fund - Regular Plan - Weekly Dividend Reinvestment.	<b>7,087.746</b>	<b>7,114,718</b>	6,710.533	6,736,107
Units of Rs.10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	<b>1,367,720.056</b>	<b>20,004,000</b>	1,367,720.056	20,004,000
<b>Total</b>		<b>45,320,676</b>		52,517,697
<b>Aggregate Market Value of Investments (As per NAV of 31st March)</b>		<b>53,544,757</b>		58,523,746
<b>2.14 INVENTORIES</b>				
Raw Materials		<b>14,256,760</b>		14,304,053
Work-in-Progress		<b>22,945,316</b>		13,837,224
Finished Goods		<b>74,550</b>		74,550
Loose Tools		<b>903,081</b>		696,189
		<b>38,179,707</b>		28,912,016
<b>2.15 TRADE RECEIVABLES</b>				
(Unsecured - Considered Good)				
Debts outstanding for a period exceeding six months		<b>1,906,656</b>		5,694,368
Less : Provision for doubtful debts		<b>348,689</b>		-
		<b>1,557,967</b>		5,694,368
Other debts		<b>36,876,318</b>		24,901,653
		<b>38,434,285</b>		30,596,021
<b>2.16 CASH AND BANK BALANCES</b>				
<b>A Cash and Cash equivalents</b>				
Cash in hand		<b>366,464</b>		136,706
Balances with Banks :				
(i) On Current Accounts		<b>1,126,661</b>		2,004,588
(ii) On Unpaid Dividend Accounts		<b>482,852</b>		465,978
<b>B Other Balances with Banks:</b>				
(iii) On Margin Deposit- towards Bank Guarantee		<b>2,048,500</b>		1,221,000
		<b>4,024,477</b>		3,828,272



	As at 31st March, 2016 Rs	As at 31st March, 2015 Rs
<b>2.16 CASH AND BANK BALANCES</b>		
<b>A Cash and Cash equivalents</b>		
Cash in hand	366,464	136,706
Balances with Banks :		
(i) On Current Accounts	1,126,661	2,004,588
(ii) On Unpaid Dividend Accounts	482,852	465,978
<b>B Other Balances with Banks:</b>		
(iii) On Margin Deposit- towards Bank Guarantee	2,048,500	1,221,000
	<u>4,024,477</u>	<u>3,828,272</u>
<b>2.17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured-considered good)		
Advance recoverable in cash or in kind or for value to be received	2,703,647	1,224,959
Prepaid Expenses	7,680	38,095
Advance Income Tax	15,366,843	18,730,517
	<u>18,078,170</u>	<u>19,993,571</u>
<b>2.18 OTHER CURRENT ASSETS</b>		
(Unsecured - considered good)		
Interest Accrued	346,536	345,682
Accrued Income	411,905	16,042
Balances with Excise/Commercial Tax Dept.	8,069,785	15,024,320
	<u>8,828,226</u>	<u>15,386,044</u>
	<b>For the year ended 31st March, 2016</b>	<b>For the year ended 31st March, 2015</b>
	Rs	Rs
<b>2.19 REVENUE FROM OPERATIONS</b>		
Sale of products :		
i) Domestic Sales	158,933,321	113,142,689
ii) Exports	18,071,420	14,287,659
Rent	10,286,592	9,947,671
Sale of services	792,570	287,855
Other operating revenues	4,029,588	874,003
Interest Income :-		
Interest on Bonds	4,651,633	4,662,669
Others	1,219,435	64,001
Dividend from shares (Long Term)	3,440,701	2,489,355
Dividend from Mutual Fund (Short Term)	1,061,470	3,141,162
Profit on Sale of Investment (net) (Long Term)	1,622	94,900
Profit on Sale of Investment (net) (Short Term)	-	467
	<u>202,488,352</u>	<u>148,992,431</u>
<b>2.20 OTHER INCOME</b>		
Interest Income (on Fixed Deposit & others)	176,586	442,463
Miscellaneous Income	3,854	6,610
	<u>180,440</u>	<u>449,073</u>

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

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
	Rs	Rs
<b>2.21 CHANGES IN INVENTORY OF FINISHED GOODS&amp; WORK IN PROGRESS</b>		
<b>a) Changes in Inventory of Finished Goods</b>		
Opening Stock	74,550	1,529,983
Less : Closing Stock	74,550	74,550
	-	1,455,433
<b>b) Changes in Inventory of Work in Progress</b>		
Opening Stock	13,837,224	14,367,383
Less : Closing Stock	22,945,316	13,837,224
	(9,108,092)	530,159
Less : Jigs & fixtures capitalised from WIP	-	482,984
	(9,108,092)	47,175
	(9,108,092)	1,502,608
<b>2.22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	27,507,355	25,461,086
Contribution to Provident and other Funds	1,740,940	3,457,414
Staff Welfare Expenses	3,970,099	3,234,586
	33,218,394	32,153,086
<b>2.23 FINANCE COSTS</b>		
Interest on Overdraft	2,352,889	989,553
	2,352,889	989,553
<b>2.24 OTHER EXPENSES</b>		
Power and Fuel	2,564,113	2,607,758
Consumable Stores	3,084,006	3,250,555
Repairs to Building	1,799,204	2,316,480
Repairs to Plant & Machinery	1,863,038	1,623,619
Repairs - Others	1,381,922	1,131,593
Rent	1,288,039	1,253,082
Rates and Taxes	1,143,658	1,214,038
Insurance	119,721	180,442
Electricity	795,128	927,532
Flat Maintenance	231,718	204,808
Loss on sale of Investment (Long Term)	3,543	1,398
Postage and telephone	872,480	790,976
Provision for doubtful debts/Bad debts	348,689	-
Legal & Secretarial Expenses	1,017,454	597,276
Loss/Net Gain on Foreign Currency Transactions	13,867	173,793
Loss on sale / Discardation of Fixed Assets	1,247	-
Bad Debts	-	451,956
Consultancy Charges	7,605,620	6,155,296
Professional Fees	510,000	510,000
Motor Car Expenses	1,645,861	1,087,392
Security Service	1,642,028	1,494,170
Traveling and conveyance	2,876,565	1,792,496
Non/Slow-moving Inventory written off	-	3,223,852
Miscellaneous expenses (i)	3,102,194	3,119,686
	33,910,095	34,108,198
(i) Includes		
Auditors' Remuneration (Exclusive of Taxes) :		
Statutory Audit Fees	132,000	124,500
Tax Audit Fees	34,000	26,500
Other services	34,500	39,500



3. **Contingent liabilities not provided for in respect of :**

(Amount in Rs.)

	2015 - 2016	2014 - 2015
i) Income Tax demand	15,230	19,720
ii) Corporate Guarantee	27,500,000	—
iii) Bank Guarantees for advance issued in favour of customers	6,564,250	1,640,000
iv) Bank Guarantees for performance issued in favour of customer	808,000	-
v) Letter of credit in favour of Supplier	970,959	730,000
vi) Central Excise demands not accepted by the Company	1,542,641	1,542,641
vii) Penalties in respect of Excise / Service Tax	2,874,790	2,874,790
viii) 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
ix) Warranty Expenses	100,000	100,000

4. Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (2014-15 Rs.9,309,604/).

5. Interest on loans except to the extent there is uncertainty as to the realisation has been accounted for on accrual basis.

6. Land at Bangalore – In response to the Company's Writ Petition against the order of the Assistant Commissioner of Forest, Karnataka for vacating the Company's property in Whitefield which had been acquired from KIADB. The single bench of Hon'ble High Court at Karnataka upheld the Company's contention and held that the land did not belong to the forest department. A review petition has been filed by the forest department (involving several industries including the Company situated in the same vicinity) and the same is currently pending before the said court. The Company received a notice from KIADB (Metro Rail Project) for acquisition of 2008 sq. mtrs. of land from Survey No. 81 for housing proposed Metro Rail Station.

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 2016.

i) **Change in Defined Benefit Obligations**

(Amount in Rs.)

	As on 31.03.2016	As on 31.03.2015
A Present Value of Defined Benefit Obligations at the beginning of period	11,637,923	11,534,625
B Current Service Cost	563,766	501,626
C Interest Cost	820,004	941,227
D Actuarial Losses/(Gains)	(528,975)	1,268,233
E Benefits Paid	(2,196,055)	(2,607,788)
F Present Value of Defined Benefit Obligations at the end of period	10,296,663	11,637,923

ii) **Change in Fair Value of Assets**

(Amount in Rs.)

	As on 31.03.2016	As on 31.03.2015
A Plan Assets at beginning of period	9,829,438	11,388,758
B Expected return on Plan Assets	749,653	934,517
C Actual Company contributions	1,808,485	145,866
D Actuarial Gain/(Loss)	92,362	(31,915)
E Benefits Paid	(2,196,055)	(2,607,788)
F Plan Assets at the end of period	10,283,883	9,829,438

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

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

(Amount in Rs.)

Components of employer expense		For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
A	Current Service Cost	563,766	501,626
B	Interest Cost	820,004	941,227
C	Expected return on Plan Assets	(749,653)	(934,517)
D	Actuarial Losses/(Gains)	(621,337)	1,300,148
E	Total expenses recognised in the Statement of Profit & Loss	12,780	1,808,484

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

(Amount in Rs.)

Funded Status		For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
A	Present Value of Defined Benefits Obligations	10,296,663	11,637,923
B	Fair Value of Plan Assets	10,283,883	9,829,438
C	Funded Status [Surplus / (Deficit)]	(12,780)	(1,808,485)
D	Net Asset / (Liability) recognized in Balance Sheet at beginning of period	(1,808,485)	(145,867)
E	Employer expenses	12,780	1,808,484
F	Employer contributions	1,808,485	145,866
G	Net Asset / (Liability) recognised in Balance Sheet at end of the period	(12,780)	(1,808,485)

**v) Actuarial Assumptions**

		As on 31.03.2016	As on 31.03.2015
A	Discount Rate	7.72%	7.78%
B	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
C	Salary increases	8%	8%
D	Expected return on assets	7.78%	9.20%
E	Withdrawal rates	Upto 40 years 4.2/Thousand 40 years & above Nil	Upto 40 years 4.2/Thousand 40 years & above Nil

**vi) Experience Adjustments**

(Amount in Rs.)

		Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
A	Present Value of Defined Benefit Obligation	10,296,663	11,637,923	11,534,625	13,509,156	14,788,940
B	Fair Value of Plan Assets	10,283,883	9,829,438	11,388,758	12,273,470	14,283,246
C	Funded Status [Surplus/(Deficit)]	(12780)	(1,808,485)	(145,867)	(1,235,686)	(505,694)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	(557,910)	516,995	199,063	202,500	11,857
E	Experience Gain/(Loss) adjustment on Plan Assets	92,362	(31,916)	43,174	9,584	(6,828)
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	28,935	751,238	(651,195)	374,920	(353,267)

**8. Leave Encashment Scheme**

The table below shows a summary of the key results :

Assets / Liabilities

(Amount in Rs.)

		As on 31.03.2016	As on 31.03.2015
A	Present Value of obligation	317,727	358,605
B	Fair Value of Plan Assets	-	-
C	Net Asset/(Liability) recognized in Balance Sheet	(317,727)	(358,605)





Employer Expense

(Amount in Rs.)

		For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
A	Current Service Cost	75,798	70,588
B	Interest Cost	24,579	32,608
C	Actuarial Losses/(Gains)	(55,892)	(23,758)
D	Total Employer Expense	44,485	79,438

The financial assumptions employed for the calculations are as follows :

	As on 31.03.2016	As on 31.03.2015
Discount rate per annum compound	7.72% p.a.	7.78% p.a.
Rate of increase in Salaries	8.00% p.a.	8.00% p.a.
Expected average remaining working lives of employees (years)	10.90	11.30

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 31.03.2016	As on 31.03.2015
Withdrawal Rate	Upto 40 years	4.2/Thousand	4.2/Thousand
	40 years and above	Nil	Nil
Early retirement and disability	40 – 54 years	1.8/Thousand	1.8/Thousand
	55 – 59 years	2.2/Thousand	2.2/Thousand

Experience Adjustments\*

(Amount in Rs.)

	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
A Present Value of Defined Benefit Obligation	317,727	358,605	429,696	586,895	607,098
B Funded Status [Surplus/(Deficit)]	(317,727)	(358,605)	(429,696)	(586,895)	(607,098)
C Experience (Gain)/Loss adjustment on Plan Liabilities	(57,007)	(52,130)	(17,030)	80,508	(62,267)
D Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	1,115	28,372	(27,323)	20,192	(14,586)

\*Note : Figures for "Experience Adjustments" in respect of one of the subsidiaries, Alfred Herbert Limited.

In the case of holding Company, Alfred Herbert (India) Limited, according to the prevailing practice of the Company, the employees are allowed to enjoy the leave within the year. No encashment of leave is allowed.

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

(Amount in Rs.)

	As on 31.03.2016	As on 31.03.2015
<b>Deferred Tax Liability</b>		
On Account of Depreciation	3,851,911	3,689,823
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis u/s 43B	(270,587)	(715,366)
Provision for Warranty	-	-
TOTAL	(270,587)	(715,366)
Net Deferred Tax Liability	3,581,324	2,974,457

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

11. Diminution in value of investment in Reliance Communications Limited is due to market fluctuations and the same is treated as Long Term Investment at cost.
12. 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

<b>Name</b>	<b>Relationship</b>
Jain Industrial & Commercial Services Pvt. Ltd.	Associate Company

Disclosure of transactions with Related Party :

(Amount in Rs.)

	<u>2015-16</u>	<u>2014-15</u>
Lease Rent Received	1,440,000	1,440,000

- 13 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 there against. The only geographical Segment is India.

(Amount in Rs.)

<b>Primary Segment</b>	Year ended 31.03.2016				Year ended 31.03.2015			
	Manufac- turing Operations	Realty & Business Services	Others	Total	Manufac- turing Operations	Realty & Business Services	Others	Total
<b>A. REVENUE</b>								
<b>External Sales/Income</b>	165,438,863	20,070,659	591,334	186,100,856	118,725,849	20,126,647	627,991	139,480,487
<b>Inter Segment Sales/Income</b>	-	-	-	-	-	-	-	-
<b>Total-</b>	165,438,863	20,070,659	591,334	186,100,856	118,725,849	20,126,647	627,991	139,480,487
<b>Segment Result (Profit(+) Loss(-)before Tax &amp; Interest)</b>	4,191,603	8,408,146	564,009	13,163,758	(20,073,582)	8,167,651	581,115	(11,324,816)
Less: Un-allocable expenditure								
i) Interest				2,352,889				989,553
ii) Other un-allocable expenditure (Net of un-allocable income)				-				-
Total Profit before Tax				10,810,869				(12,314,369)
Less: Taxes								
Current Tax				476,000				(5,036)
Tax relating to earlier years				(2,321,480)				-
Dividend Distribution Tax for earlier year				47,197				-
Deferred Tax				606,867				(324,979)
Net Income / (Loss) after Tax				12,002,285				(11,984,354)
<b>OTHER INFORMATION</b>								
<b>Segment Assets</b>	101,776,352	294,910,668	15,028,168	411,715,188	80,875,788	295,520,462	14,477,552	390,873,802
Un-Allocable Assets				15,366,843				18,730,517
Total				427,082,031				409,604,319
<b>Segment Liabilities &amp; Provisions</b>	83,953,406	9,714,355	13,800	93,681,561	69,897,814	10,291,538	27,163	80,216,515
Un-Allocable Liabilities & Provisions				7,568,755				14,308,293
Total				101,250,316				94,524,808
<b>Depreciation</b>	561,681	848,102	-	1,409,783	519,447	856,872	-	1,376,319
<b>Capital Expenditure including CWIP</b>	8,543,588	101,061,375	-	109,604,963	-	93,733,713	-	93,733,713

14. 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.)	
	<u>2015-16</u>	<u>2014-15</u>
Opening Provision	-	100,000
Provided during the year	669,382	352,021
Amount utilized	669,382	452,021
Closing provision	-	-

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.



15. EARNINGS PER SHARE (EPS)

	For the year ended	
	31st March 2016	31st March 2015
i. Net Profit/(Loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	12,002,285	(11,984,354)
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	15.56	(15.54)
iv. Face Value per Equity Share (Rs.)	10	10

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

17. Additional Information, as required under Schedule III to the Companies Act, 2013

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Net Assets	Amount (Rs.)
<b>Parent</b>				
Alfred Herbert (India) Limited	89.23	287,550,981	87.21	10,467,898
<b>Subsidiaries</b>				
1. Alfred Herbert Limited`	6.11	19,685,042	8.09	970,408
2. Herbert Holdings Limited	4.66	15,014,368	4.70	563,979

# ALFRED HERBERT (INDIA) LIMITED

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Alfred Herbert Limited Herbert Holdings Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	Alfred Herbert Limited – Rs.9,000,070 Herbert Holdings Limited – Rs.2,200,000
5.	Reserves & surplus	Alfred Herbert Limited – Rs.5,641,652 Herbert Holdings Limited – Rs.12,814,368
6.	Total assets	Alfred Herbert Limited – Rs.111,069,526 Herbert Holdings Limited – Rs.15,028,168
7.	Total Liabilities	Alfred Herbert Limited – Rs.96,427,804 Herbert Holdings Limited – Rs.13,800
8.	Investments	Alfred Herbert Limited – Nil Herbert Holdings Limited – Rs.14,931,677
9.	Turnover	Alfred Herbert Limited – Rs.165,438,863 Herbert Holdings Limited – Rs.591,334
10.	Profit before taxation	Alfred Herbert Limited – Rs.1,838,714 Herbert Holdings Limited – Rs.564,009
11.	Provision for taxation	Alfred Herbert Limited – Rs.868,306 Herbert Holdings Limited – Rs.30
12.	Profit after taxation	Alfred Herbert Limited – Rs.970,408 Herbert Holdings Limited – Rs.563,979
13.	Proposed Dividend	Nil in the case of both the Companies
14.	% of shareholding	100% in the case of both the Companies

For Ray & Ray  
Chartered Accountants

Asish Kumar Mukhopadhyay  
Partner  
Membership No. 056359

Place: Kolkata  
Date: 26th May, 2016

For and on behalf of the Board of Directors

A. V. Lodha  
R. C. Tapuriah  
Directors

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

## PROXY FORM

FORM NO. MGT-11

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

CIN	L74999WB1919PLC003516
Name of the Company	<b>ALFRED HERBERT (INDIA) LIMITED</b>
Registered Office	Herbert House, 13/3 Strand Road, Kolkata 700 001, West Bengal
Name of the Member (s)	
Registered Address	
E-mail ID	
Folio No./Client ID	DP ID
I/we, being the member(s) of _____ shares of the above named Company, hereby appoint	
1. Name	
Address	
E-mail ID	
Signature	or failing him
2. Name	
Address	
E-mail ID	
Signature	or failing him
3. Name	
Address	
E-mail ID	
Signature	or failing him
as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf of the Ninety-Sixth Annual General Meeting of the Company, to be held on Friday, 22nd July, 2016 at 10 a.m. at Bengal National Chamber of Commerce & Industry Auditorium, 23, Sir R. N. Mukherjee Road, Kolkata and at any adjournment thereof in respect of such resolutions as are indicated below :	
Resolution No.	
1. ....	
2. ....	
3. ....	
4. ....	
Signed this ..... day of ..... 2016.	
Signature of the Shareholder	Affixed Revenue Stamp

Signature of the Proxy holder(s)

**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.**