



ALFRED HERBERT (INDIA) LTD.

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

Bombay Stock Exchange Limited
Phirozejeejeebhoy Towers, 25th floor
Dalal Street
Mumbai 400 001

SSJ.VM.SP

31st July 2017

Dear Sir,

**Annual Report & Accounts- 2016-17 under
Regulation 34(1) of SEBI (Listing Obligations &
Disclosure Requirements) Regulations, 2015
Our Scrip Code No. 505216**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the Annual report & Accounts for the financial year ended 31st March 2017 for your information and records.

Yours faithfully,
for Alfred Herbert (India) Limited,

S S Jain
Director
Attached: as above



ALFRED HERBERT (INDIA) LTD.

**ANNUAL REPORT
2016– 2017**



ANNUAL REPORT 2016– 2017

CONTENT

| | |
|--|----|
| NOTICE | 03 |
| DIRECTORS' REPORT | 07 |
| CORPORATE GOVERNANCE | 19 |
| AUDITORS' REPORT | 23 |
| BALANCE SHEET | 28 |
| STATEMENT OF PROFIT & LOSS | 29 |
| CASH FLOW STATEMENT | 30 |
| NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS | 31 |
| CONSOLIDATED BALANCE SHEET | 44 |
| CONSOLIDATED STATEMENT OF PROFIT & LOSS | 45 |

BOARD OF DIRECTORS

Mr. A.V. Lodha– **Chairman**
Mr. H.V. Lodha
Mr. R.C. Tapuriah
Mr. S.S. Jain
Mrs. S. Lodha
Mrs. A. Bhandari

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
CIN : L74999WB1919PLC003516

MUMBAI OFFICE

Kaiser–I–Hind Building, Sprott Road
Ballard Eastate, Post Box 110
Mumbai : 400 038
Telephones : 2261 9981 (3 lines)
Fax : (91) 022 22619983
E-mail : mumbai@alfredherbert.com

ALFRED HERBERT LIMITED

Whitefield Road, Post Box 4805
Mahadevapura P.O.
Bangalore–560048
Telephones : (91) 080 2845 2263 (4 lines)
Fax : (91) 080 2845 3023
E-mail : mfg@alfredherbert.com



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 97TH 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, 28th July 2017 at 10.30 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, 2017 including audited Balance Sheet as at 31st March, 2017 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 Mrs. Simika Lodha (DIN 02460015), who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint M/s. ALPS & Co. Chartered Accountants (FRN: 313132E) as statutory auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. Appointment of Mrs. Alka Bhandari as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment & qualification of Directors) Rules, 2014 and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Alka Bhandari (DIN- 07737342) who was appointed as an Additional Director on 27th February 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and Articles of Association of the Company be and is hereby appointed as Independent Director of the Company to hold office for a term upto five consecutive years commencing from 27th February 2017.

By Order of the Board of Directors
for Alfred Herbert (India) Limited
R. Radhakrishnan
Chief Executive Officer
& Company Secretary

Date : 19th May 2017
Place: Kolkata

NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from 20th July 2017 to 28th July, 2017 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2016-17.
2. A Statement giving the relevant details of the Directors seeking re-appointment under items 3 and 5 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 before 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 as on 19th July 2017. 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 29th July 2017.
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. 62,084/- being the unpaid and unclaimed dividend amount pertaining to Dividend of 2008-2009 on 1st September 2016 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 22nd July 2016 (date of the last Annual General Meeting) on the website of the Company www.alfredherbert.co.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in)

9. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2010, may approach the Company for revalidation of the dividend warrants before end of 20th August 2017.
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 and the Explanatory Statement 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 97th 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 the 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. 21st July, 2017.
 - 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 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 25th July, 2017 at 10 a.m. and ends on 27th July, 2017 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 21st July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The 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
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 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 | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● 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. |
| Dividend Bank Details | <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"> ● If both the details are not recorded with the Depository of Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv) |



- (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 voting done by you 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2017. Please follow the instructions as prompted by the mobile app while voting on your mobiles.
- (xx) 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 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
 - 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 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, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xxi) 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 under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed Mrs. Alka Bhandari as an Additional Director (Independent) of the Company for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

As an Additional Director, Mrs. A Bhandari holds office till the date of the Annual General Meeting and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying its intention to propose the appointment of Mrs. Bhandari as a Director of the Company. The Company has also received a declaration from Mrs. Bhandari confirming that she meets the criteria of Independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mrs. Bhandari is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Mrs. Bhandari fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Mrs. Bhandari is a B.A. and L.L.B. Her continued association with the Company would be a great advantage.

Mrs. Bhandari is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors and Key Managerial Personnel and their relatives, except Mrs. Bhandari and her relatives are in any way, concerned or interested in the said resolution.

The resolution as set out in item no. 5 of this Notice is accordingly commended for your approval.

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

Date : 19th May 2017
Place: Kolkata

Chief Executive Officer
& Company Secretary

ANNEXURE TO ITEM NO. 3 & 5 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, 2017)

| | | |
|---|--|--------------------|
| Name of Director | Mrs. Simika Lodha | Mrs. Alka Bhandari |
| Director identification Number (DIN) | 02460015 | 07737342 |
| Date of Birth | 2nd September 1969 | 11th June 1961 |
| Nationality | Indian | Indian |
| Date of Appointment on the Board | 30th March 2015 | 27th February 2017 |
| Qualification | BA (Hons) | B.A. LLB |
| Shareholding in AHIL | 220576 | Nil |
| List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies) | NIL | 1 |
| Memberships / Chairmanships of Committees across Public Companies | Nil | Nil |
| Relationship between Directors inter-se | Wife of Mr. A V Lodha & sister-in-law of Mr. H.V Lodha | – |



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninety-seventh Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2017.

FINANCIAL RESULTS

The Financial Results are as under:

| | 31st March 2017 Rs. | 31st March 2016 Rs. |
|--|---------------------------|---------------------------|
| Profit before Tax and Exceptional items | 4,414,233 | 8,408,146 |
| Exceptional Items | 209,082,157 | - |
| Provision for Tax (including deferred tax) | 44,819,792 | 261,758 |
| Excess Tax provision written back | - | (2,321,510) |
| Profit after Tax | 168,676,598 | 10,467,898 |
| Surplus from earlier years brought forward | 46,150,020 | 40,439,070 |
| Amount available for appropriation | 214,826,618 | 50,906,968 |
| Appropriations: | | |
| Proposed Dividend | - | 1,542,858 |
| Corporate Dividend Tax | - | 314,090 |
| General Reserve | 40,437,606 | 800,000 |
| Special Reserve | 33,750,000 | 21,000,000 |
| | 74,187,606 | 4,756,948 |
| Surplus carried to Balance Sheet | 140,639,012 | 46,150,020 |
| | 214,826,618 | 50,906,968 |

DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of Rs. 2/- (per share) for the year ended 31st March 2017.

FINANCIAL PERFORMANCE

The Company's gross income (before exceptional items) for the financial year ended 31st March 2017 stood at Rs.206.73 lakhs as against Rs.200.71 lakhs in 2015-16. Profit before tax and after Exceptional Items stood at Rs.2134.96 lakhs in 2016-17. Profit after tax of the Company stood at Rs.1686.77 lakhs as against Rs.104.68 lakhs in 2015-16.

A portion of land at Bangalore along with structure thereon has been acquired by Karnataka Industrial Area Development Board (KIADB) for the purpose of Metro Rail Project undertaken by the Government and compensation of Rs.2091.32 lakhs has been received against the said acquisition. Profit arising in this respect has been disclosed as Exceptional Items in the Statement of Profit and Loss.

The performance of the Company's wholly owned subsidiary Alfred Herbert Limited during the year was disappointing and did not perform satisfactorily due to poor demand in the Tyre Industry and sluggish market environment and customers continued to delay taking deliveries which had an impact on the Working Capital of the Company. Significant efforts are being made to focus on restructuring the product mix to enhance margins, restructuring production facilities and aggressively cutting costs to try and improve the financial performance and parameters. Attempts are also being made to add to the range of products including commencing supplies to the Railways.

DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, Mrs. Simika Lodha, Director, retires by rotation and being eligible, offers herself for re-appointment.

Mr. S Bhandari, Independent Non-Executive Director expired on 4th January 2017. The Board expressed its deep sorrow and regret and recorded its appreciation of the valuable support, guidance and contribution extended by Mr. S Bhandari, to the Company during his many years as a valued member

Mrs. Alka Bhandari, has been appointed as Additional Director, (Independent) with effect from 27th February 2017 to hold office upto the date of the forthcoming Annual General Meeting. A Notice from a member U/s. 160 of the Companies Act, has been received signifying intention to propose her candidature as a Director. Your Directors recommend her re-appointment subject to approval of Shareholders at the forthcoming Annual General Meeting of the Company.

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 2017 was Rs.77.14 lakhs. 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 Provisions of Section 186 of the Companies Act, 2013 pertaining to Investments, Loans and Guarantees is not applicable to the Company since the Company is a Non-banking Financial Company.

STATUTORY AUDITORS

M/s. Ray & Ray, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and have completed their remaining term as prescribed under Section 139 of the Companies Act, 2013 and the rules made there under.

The Board proposed the appointment of M/s. ALPS & Co., Chartered Accountants, (Firm's Registration No. 313132E) as the Statutory Auditors of the Company. Your Company has received letter from M/s. ALPS & Co., Chartered Accountants, expressing their willingness to be appointed and to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

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 4 meetings of the Board of Directors and 1 meeting of Independent Directors were convened and held. Also 4 meetings of Audit Committee, 2 meetings of Stakeholders Relationship Committee and 1 meeting of Nomination and Remuneration 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.20.98 lakhs to Key Managerial Personnel, Mr. R Radhakrishnan, Chief Executive Officer, Mr. A K Basu, Chief Financial Officer (from April 2016 to June 2016) and Mr. V Matta, Chief Financial Officer(from July 2016 to March 2017).

KEY MANAGERIAL PERSONNEL

Mr. A K Basu resigned as Chief Financial Officer with effect from 1st June 2016. Mr. V Matta was appointed as Chief Financial Officer with effect from 1st June 2016

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 2017, 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.1of 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 2017 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

A. V. Lodha

Date: 19th May 2017

CHAIRMAN



FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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, 2017 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 31.03.2017 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.,
 - Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

ALFRED HERBERT (INDIA) LTD.

- 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.

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.

Place: Kolkata
Date: 19.05.2017

Priyanka Tibrewal
(Formerly **Priyanka Lohia**)
FCS No.: 7893
C. P. No.: 8843

'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.

Place: Kolkata
Date: 19.05.2017

Priyanka Tibrewal
(Formerly **Priyanka Lohia**)
FCS No.: 7893
C. P. No.: 8843



| |
|--|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2017 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company |
| (Management & Administration) Rules, 2014. |

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. 23, R. N. MUKHERJEE ROAD, KOLKATA- 700001. TEL. NO. 033 2248 2248, 033-2243 5029 |

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 | 50.42 |
| 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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 263,755 | - | 263,755 | 34.1904 | 263,755 | - | 263,755 | 34.1904 | - |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | 38,270 | - | 38,270 | 4.9609 | 38,270 | - | 38,270 | 4.9609 | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| SUB TOTAL:(A) (1) | 302,025 | - | 302,025 | 39.1513 | 302,025 | - | 302,025 | 39.1513 | - |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 258,619 | - | 258,619 | 33.5247 | 258,619 | - | 258,619 | 33.5247 | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other... | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (A) (2) | 258,619 | - | 258,619 | 33.5247 | 258,619 | - | 258,619 | 33.5247 | - |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 560,644 | - | 560,644 | 72.6760 | 560,644 | - | 560,644 | 72.6760 | - |

ALFRED HERBERT (INDIA) LTD.

| 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. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| 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) FIIS | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B)(1): | 30 | 60 | 90 | 0.0117 | 30 | 60 | 90 | 0.0117 | - |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 3,924 | 1,055 | 4,979 | 0.6454 | 4,366 | 1,155 | 5,521 | 0.7157 | 0.0703 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 111,171 | 74,654 | 185,825 | 24.0884 | 111,201 | 73,562 | 184,763 | 23.9507 | (0.1377) |
| 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 | 789 | - | 789 | 0.1023 | 327 | - | 327 | 0.0424 | (0.0599) |
| iii) Non Resident Individual | 18,787 | 225 | 19,012 | 2.4645 | 19,748 | 246 | 19,994 | 2.5918 | 0.1273 |
| SUB TOTAL (B)(2): | 134,761 | 75,934 | 210,695 | 27.3123 | 135,732 | 74,963 | 210,695 | 27.3123 | - |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 134,791 | 75,994 | 210,785 | 27.3240 | 135,762 | 75,023 | 210,785 | 27.3240 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 695,435 | 75,994 | 771,429 | 100.0000 | 696,406 | 75,023 | 771,429 | 100.0000 | - |

(ii) SHARE HOLDING OF PROMOTERS

| Sl. 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 | 220,576 | 28.5932 | - | 220,576 | 28.5932 | - | - |
| 4 | SIMIKA LODHA | 220,576 | 28.5932 | - | 220,576 | 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 | - | - |
| | Total | 560,644 | 72.6760 | | 560,644 | 72.6760 | | |



(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 |
| THERE IS NO CHANGE IN THE TOTAL SHAREHOLDING OF PROMOTERS BETWEEN 01.04.2016 & 31.03.2017 | | | | |

(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 | RASHNA ERACH DASTUR | | | | |
| | At the beginning of the year | 1200 | 0.1556 | 1200 | 0.1556 |
| | At the end of the year | | | 1200 | 0.1556 |
| 2 | O P CHUGH | | | | |
| | At the beginning of the year | 3360 | 0.4356 | 3360 | 0.4356 |
| | As on 15/07/2016– Transfer | -1000 | -0.1296 | 2360 | 0.3059 |
| | As on 05/08/2016– Transfer | -334 | -0.0433 | 2026 | 0.2626 |
| | As on 09/09/2016– Transfer | -500 | -0.0648 | 1526 | 0.1978 |
| | As on 18/11/2016– Transfer | -1526 | -0.1978 | 0 | 0.0000 |
| | As on 31/03/2017– Transfer | 1347 | 0.1746 | 1347 | 0.1746 |
| | At the end of the year | | | 1347 | 0.1746 |
| 3 | ASHOK KUMAR DAMANI | | | | |
| | At the beginning of the year | 4778 | 0.6194 | 4778 | 0.6194 |
| | At the end of the year | | | 4778 | 0.6194 |
| 4 | AJIT ARAVIND PRABHU | | | | |
| | At the beginning of the year | 17649 | 2.2878 | 17649 | 2.2878 |
| | As on 08/04/2016– Transfer | 100 | 0.0130 | 17749 | 2.3008 |
| | As on 24/06/2016– Transfer | 50 | 0.0065 | 17799 | 2.3073 |
| | As on 30/06/2016– Transfer | 70 | 0.0091 | 17869 | 2.3164 |
| | As on 15/07/2016– Transfer | -100 | -0.0130 | 17769 | 2.3034 |
| | As on 19/08/2016– Transfer | -110 | -0.0143 | 17659 | 2.2891 |
| | As on 26/08/2016– Transfer | 51 | 0.0066 | 17710 | 2.2957 |
| | As on 02/09/2016– Transfer | 89 | 0.0115 | 17799 | 2.3073 |
| | As on 09/09/2016– Transfer | 110 | 0.0143 | 17909 | 2.3215 |
| | As on 30/09/2016– Transfer | -50 | -0.0065 | 17859 | 2.3151 |
| | As on 07/10/2016– Transfer | 20 | 0.0026 | 17879 | 2.3176 |
| | As on 04/11/2016– Transfer | -379 | -0.0491 | 17500 | 2.2685 |
| | As on 18/11/2016– Transfer | 58 | 0.0075 | 17558 | 2.2760 |
| | As on 25/11/2016– Transfer | 280 | 0.0363 | 17838 | 2.3123 |
| | As on 02/12/2016– Transfer | 75 | 0.0097 | 17913 | 2.3221 |
| | As on 30/12/2016– Transfer | 45 | 0.0058 | 17958 | 2.3279 |
| | As on 03/02/2017– Transfer | -123 | -0.0159 | 17835 | 2.3119 |
| | As on 17/02/2017– Transfer | 75 | 0.0097 | 17910 | 2.3217 |
| | As on 24/02/2017– Transfer | 64 | 0.0083 | 17974 | 2.3300 |
| | At the end of the year | | | 17974 | 2.3300 |
| 5 | SHALINI A PRABHU | | | | |
| | At the beginning of the year | 2675 | 0.3468 | 2675 | 0.3468 |
| | As on 08/04/2016– Transfer | -25 | -0.0032 | 2650 | 0.3435 |
| | As on 29/04/2016– Transfer | -17 | -0.0022 | 2633 | 0.3413 |
| | As on 06/05/2016– Transfer | -74 | -0.0096 | 2559 | 0.3317 |
| | As on 20/05/2016– Transfer | 60 | 0.0078 | 2619 | 0.3395 |
| | As on 27/05/2016– Transfer | 15 | 0.0019 | 2634 | 0.3414 |
| As on 03/06/2016– Transfer | 30 | 0.0039 | 2664 | 0.3453 | |

ALFRED HERBERT (INDIA) LTD.

| 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 10/06/2016– Transfer | 40 | 0.0052 | 2704 | 0.3505 |
| | As on 17/06/2016– Transfer | -65 | -0.0084 | 2639 | 0.3421 |
| | As on 24/06/2016– Transfer | -25 | -0.0032 | 2614 | 0.3389 |
| | As on 30/06/2016– Transfer | 8 | 0.0010 | 2622 | 0.3399 |
| | As on 08/07/2016– Transfer | -64 | -0.0083 | 2558 | 0.3316 |
| | As on 15/07/2016– Transfer | 20 | 0.0026 | 2578 | 0.3342 |
| | As on 22/07/2016– Transfer | 114 | 0.0148 | 2692 | 0.3490 |
| | As on 29/07/2016– Transfer | 30 | 0.0039 | 2722 | 0.3529 |
| | As on 05/08/2016– Transfer | -100 | -0.0130 | 2622 | 0.3399 |
| | As on 12/08/2016– Transfer | 27 | 0.0035 | 2649 | 0.3434 |
| | As on 19/08/2016– Transfer | 31 | 0.0040 | 2680 | 0.3474 |
| | As on 02/09/2016– Transfer | 26 | 0.0034 | 2706 | 0.3508 |
| | As on 09/09/2016– Transfer | 55 | 0.0071 | 2761 | 0.3579 |
| | As on 16/09/2016– Transfer | 4 | 0.0005 | 2765 | 0.3584 |
| | As on 30/09/2016– Transfer | -19 | -0.0025 | 2746 | 0.3560 |
| | As on 07/10/2016– Transfer | -18 | -0.0023 | 2728 | 0.3536 |
| | As on 14/10/2016– Transfer | 1 | 0.0001 | 2729 | 0.3538 |
| | As on 28/10/2016– Transfer | 2 | 0.0003 | 2731 | 0.3540 |
| | As on 04/11/2016– Transfer | -76 | -0.0099 | 2655 | 0.3442 |
| | As on 11/11/2016– Transfer | -4 | -0.0005 | 2651 | 0.3436 |
| | As on 25/11/2016– Transfer | 79 | 0.0102 | 2730 | 0.3539 |
| | As on 16/12/2016– Transfer | 15 | 0.0019 | 2745 | 0.3558 |
| | As on 23/12/2016– Transfer | 16 | 0.0021 | 2761 | 0.3579 |
| | As on 06/01/2017– Transfer | -19 | -0.0025 | 2742 | 0.3554 |
| | As on 13/01/2017– Transfer | 15 | 0.0019 | 2757 | 0.3574 |
| | As on 20/01/2017– Transfer | 62 | 0.0080 | 2819 | 0.3654 |
| | As on 27/01/2017– Transfer | 48 | 0.0062 | 2867 | 0.3716 |
| | As on 03/02/2017– Transfer | 3 | 0.0004 | 2870 | 0.3720 |
| | As on 10/02/2017– Transfer | 142 | 0.0184 | 3012 | 0.3904 |
| | As on 17/02/2017– Transfer | 31 | 0.0040 | 3043 | 0.3945 |
| | As on 24/02/2017– Transfer | 98 | 0.0127 | 3141 | 0.4072 |
| | As on 03/03/2017– Transfer | 1 | 0.0001 | 3142 | 0.4073 |
| | As on 10/03/2017– Transfer | 27 | 0.0035 | 3169 | 0.4108 |
| | As on 17/03/2017– Transfer | 81 | 0.0105 | 3250 | 0.4213 |
| | As on 24/03/2017– Transfer | 31 | 0.0040 | 3281 | 0.4253 |
| | As on 31/03/2017– Transfer | 62 | 0.0080 | 3343 | 0.4334 |
| | At the end of the year | | | 3343 | 0.4334 |
| 6 | KESHAV GARG | | | | |
| | At the beginning of the year | 4000 | 0.5185 | 4000 | 0.5185 |
| | As on 08/04/2016– Transfer | 358 | 0.0464 | 4358 | 0.5649 |
| | As on 15/04/2016– Transfer | 94 | 0.0122 | 4452 | 0.5771 |
| | As on 22/04/2016– Transfer | 175 | 0.0227 | 4627 | 0.5998 |
| | As on 29/04/2016– Transfer | 226 | 0.0293 | 4853 | 0.6291 |
| | As on 06/05/2016– Transfer | 147 | 0.0191 | 5000 | 0.6481 |
| | As on 20/05/2016– Transfer | 59 | 0.0076 | 5059 | 0.6558 |
| | As on 27/05/2016– Transfer | 30 | 0.0039 | 5089 | 0.6597 |
| | As on 17/06/2016– Transfer | 20 | 0.0026 | 5109 | 0.6623 |
| | As on 24/06/2016– Transfer | 159 | 0.0206 | 5268 | 0.6829 |
| | As on 30/06/2016– Transfer | 269 | 0.0349 | 5537 | 0.7178 |
| | As on 08/07/2016– Transfer | 361 | 0.0468 | 5898 | 0.7646 |



| 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 15/07/2016– Transfer | 184 | 0.0239 | 6082 | 0.7884 |
| | As on 22/07/2016– Transfer | 767 | 0.0994 | 6849 | 0.8878 |
| | As on 29/07/2016– Transfer | 118 | 0.0153 | 6967 | 0.9031 |
| | As on 05/08/2016– Transfer | 530 | 0.0687 | 7497 | 0.9718 |
| | As on 12/08/2016– Transfer | 96 | 0.0124 | 7593 | 0.9843 |
| | As on 19/08/2016– Transfer | 157 | 0.0204 | 7750 | 1.0046 |
| | At the end of the year | | | 7750 | 1.0046 |
| 7 | ARAVIND PRABHU K V | | | | |
| | At the beginning of the year | 8160 | 1.0578 | 8160 | 1.0578 |
| | As on 08/04/2016– Transfer | -15 | -0.0019 | 8145 | 1.0558 |
| | As on 15/04/2016– Transfer | -30 | -0.0039 | 8115 | 1.0519 |
| | As on 22/04/2016– Transfer | -50 | -0.0065 | 8065 | 1.0455 |
| | As on 29/04/2016– Transfer | -43 | -0.0056 | 8022 | 1.0399 |
| | As on 06/05/2016– Transfer | 5 | 0.0006 | 8027 | 1.0405 |
| | As on 13/05/2016– Transfer | 25 | 0.0032 | 8052 | 1.0438 |
| | As on 20/05/2016– Transfer | 2 | 0.0003 | 8054 | 1.0440 |
| | As on 27/05/2016– Transfer | -53 | -0.0069 | 8001 | 1.0372 |
| | As on 03/06/2016– Transfer | 80 | 0.0104 | 8081 | 1.0475 |
| | As on 10/06/2016– Transfer | 18 | 0.0023 | 8099 | 1.0499 |
| | As on 24/06/2016– Transfer | 5 | 0.0006 | 8104 | 1.0505 |
| | As on 30/06/2016– Transfer | -100 | -0.0130 | 8004 | 1.0376 |
| | As on 15/07/2016– Transfer | -44 | -0.0057 | 7960 | 1.0319 |
| | As on 22/07/2016– Transfer | 24 | 0.0031 | 7984 | 1.0350 |
| | As on 29/07/2016– Transfer | -65 | -0.0084 | 7919 | 1.0265 |
| | As on 05/08/2016– Transfer | -40 | -0.0052 | 7879 | 1.0214 |
| | As on 26/08/2016– Transfer | 56 | 0.0073 | 7935 | 1.0286 |
| | As on 02/09/2016– Transfer | 98 | 0.0127 | 8033 | 1.0413 |
| | As on 09/09/2016– Transfer | 15 | 0.0019 | 8048 | 1.0433 |
| | As on 23/09/2016– Transfer | 5 | 0.0006 | 8053 | 1.0439 |
| | As on 30/09/2016– Transfer | 30 | 0.0039 | 8083 | 1.0478 |
| | As on 07/10/2016– Transfer | -39 | -0.0051 | 8044 | 1.0427 |
| | As on 14/10/2016– Transfer | 4 | 0.0005 | 8048 | 1.0433 |
| | As on 21/10/2016– Transfer | 22 | 0.0029 | 8070 | 1.0461 |
| | As on 28/10/2016– Transfer | 15 | 0.0019 | 8085 | 1.0481 |
| | As on 04/11/2016– Transfer | -82 | -0.0106 | 8003 | 1.0374 |
| | As on 11/11/2016– Transfer | 40 | 0.0052 | 8043 | 1.0426 |
| | As on 18/11/2016– Transfer | 105 | 0.0136 | 8148 | 1.0562 |
| | As on 25/11/2016– Transfer | 15 | 0.0019 | 8163 | 1.0582 |
| | As on 02/12/2016– Transfer | 97 | 0.0126 | 8260 | 1.0707 |
| | As on 09/12/2016– Transfer | 7 | 0.0009 | 8267 | 1.0716 |
| | As on 16/12/2016– Transfer | 18 | 0.0023 | 8285 | 1.0740 |
| | As on 23/12/2016– Transfer | 4 | 0.0005 | 8289 | 1.0745 |
| | As on 30/12/2016– Transfer | 7 | 0.0009 | 8296 | 1.0754 |
| | As on 06/01/2017– Transfer | 54 | 0.0070 | 8350 | 1.0824 |
| | As on 20/01/2017– Transfer | 19 | 0.0025 | 8369 | 1.0849 |
| | As on 27/01/2017– Transfer | 20 | 0.0026 | 8389 | 1.0875 |
| | As on 03/03/2017– Transfer | -29 | -0.0038 | 8360 | 1.0837 |
| | As on 17/03/2017– Transfer | 35 | 0.0045 | 8395 | 1.0882 |
| | As on 24/03/2017– Transfer | 14 | 0.0018 | 8409 | 1.0901 |
| | As on 31/03/2017– Transfer | 1 | 0.0001 | 8410 | 1.0902 |
| | At the end of the year | | | 8410 | 1.0902 |

ALFRED HERBERT (INDIA) LTD.

| 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 |
| 8 | HITESHKUMAR NARANBHAI PATEL | | | | |
| | At the beginning of the year | 1431 | 0.1855 | 1431 | 0.1855 |
| | At the end of the year | | | 1431 | 0.1855 |
| 9 | MAYYAPPAN RM | | | | |
| | At the beginning of the year | 2347 | 0.3042 | 2347 | 0.3042 |
| | As on 10/06/2016– Transfer | –44 | –0.0057 | 2303 | 0.2985 |
| | As on 05/08/2016– Transfer | 60 | 0.0078 | 2363 | 0.3063 |
| | As on 04/11/2016– Transfer | –1201 | –0.1557 | 1162 | 0.1506 |
| | At the end of the year | | | 1162 | 0.1506 |
| 10 | LAKSHMI KANTH SELVARAJ | | | | |
| | At the beginning of the year | 1329 | 0.1723 | 1329 | 0.1723 |
| | As on 02/09/2016– Transfer | 1 | 0.0001 | 1330 | 0.1724 |
| | As on 09/09/2016– Transfer | 1 | 0.0001 | 1331 | 0.1725 |
| | As on 23/09/2016– Transfer | 1 | 0.0001 | 1332 | 0.1727 |
| | As on 07/10/2016– Transfer | 1 | 0.0001 | 1333 | 0.1728 |
| | As on 21/10/2016– Transfer | 2 | 0.0003 | 1335 | 0.1731 |
| | As on 10/02/2017– Transfer | 6 | 0.0008 | 1341 | 0.1738 |
| | As on 17/02/2017– Transfer | 40 | 0.0052 | 1381 | 0.1790 |
| | At the end of the year | | | 1381 | 0.1790 |
| 11 | NEVILLE COELHO | | | | |
| | At the beginning of the year | 1410 | 0.1828 | 1410 | 0.1828 |
| | At the end of the year | | | 1410 | 0.1828 |
| 12 | 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 |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| | | | | |
| Total (i+ii+iii) | - | - | - | - |
| | | | | |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| | | | | |
| Total (i+ii+iii) | - | - | - | - |

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 | | | 75,000 |
| | | SANJEEV BHANDARI | | | 30,000 |
| | | SARDUL SINGH JAIN | | | 70,000 |
| | (b) Commission | - | - | - | - |
| | (c) Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | 175,000 |
| 2 | Other Non Executive Directors | | | | |
| | (a) Fee for attending board committee meetings | ADITYA VIKRAM LODHA | | | 45,000 |
| | | HARSH VARDHAN LODHA | | | 30,000 |
| | | SIMIKA LODHA | | | 30,000 |
| | (b) Commission | - | - | - | - |
| | (c) Others, please specify. | - | - | - | - |
| | Total (2) | - | - | - | 105,000 |
| | Total (B)=(1+2) | - | - | - | 280,000 |
| | Total Managerial Remuneration | | | | |
| | Overall Ceiling as per the Act. | | | | 280,000 |

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. | 1,215,000 | 882,500 | 2,097,500 |
| | (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 | - | - | - |
| | Total | 1,215,000 | 882,500 | 2,097,500 |

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) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17

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 2017 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 4 meetings of the Board of Directors were held on 26th May 2016, 22nd July 2016, 28th October 2016 and 2nd February 2017.

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 2017 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 | Yes | 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 | 3 | Yes | 35,040 | 17 | 4 | 1 |
| Ms. Simika Lodha | Wife of Mr. A V Lodha & Sister-in-law of Mr. H V Lodha | Woman Non-independent Non-executive | 3 | Yes | 220576 | - | - | - |
| Mr. R.C Tapuriah | None | Independent ** Non-executive | 5 | Yes | 132 | 12 | 2 | 4 |
| Mr. S.S Jain | None | Independent ** Non-executive | 5 | Yes | - | 16 | 5 | 3 |
| Mr. S Bhandari | None | Independent *** Non-executive | 2 | Yes | - | 2 | - | - |
| Mrs. Alka Bhandari | None | Independent **** Non-executive | - | - | - | 1 | - | - |

* including Alternate Directorships and Directorships of Private Companies.

** including 1 meeting of Independent Directors.

*** Expired on 4th January 2017

**** Appointed on 27th February 2017 after which, no Board Meeting was held

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 Mrs. A 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 26.05.2016, 22.07.2016, 28.10. 2016 and 02.02.2017.

Attendance of Directors at these meetings are as under:-

| Name of Member | No. of Meetings Status | attended |
|-------------------------------------|------------------------|----------|
| Mr. S.S. Jain | Chairman | 4 |
| Mr. R.C. Tapuriah | Member | 4 |
| Mr. S. Bhandari (since deceased) | 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:-

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

During the year, two meetings of the Nomination and Remuneration Committee were held on 26.05.2016 and 02.02.2017

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

Attendance of Directors at these meetings is as under:-

| Name of Member | No. of Meetings Status | attended |
|--------------------|------------------------|----------|
| Mr. R C Tapuriah | Chairman | 2 |
| Mr. A V Lodha | Member | 2 |
| Mrs. Alka Bhandari | Member | - |

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 22.07.2016 and 02.02. 2017.

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

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

During the year, no complaint was received from the shareholder.

6. Details of Sitting Fees paid to the Directors during the financial year ended 31st March 2017

| Name of Director | Sitting Fees Rs. |
|-------------------|------------------|
| Mr. A.V. Lodha | ... 45,000/- |
| Mr. H.V. Lodha | ... 30,000/- |
| Mr. R.C. Tapuriah | ... 75,000/- |
| Mr. S.S. Jain | ... 70,000/- |
| Mr. S. Bhandari | ... 30,000/- |
| Ms. Simika Lodha | ... 30,000/- |

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 |
|---------|---|------------|------------|
| 2015-16 | Bengal National Chamber of Commerce & Industry 23, Sir R N Mukherjee Road, Kolkata- 700 001 | 22.07.2016 | 10.00 a.m. |
| 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. |



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

- i) Details of transactions with related parties during the year have been furnished in Note 12 of the Accounting Policies and Notes on Accounts of the Annual Accounts. There are no materially significant transactions with related parties conflicting with the Company's interests.
- ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as Regulations & Guidelines of Securities and Exchange of Board of India (SEBI). No penalties were imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.
- iii) The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Agreement.

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

10. General Shareholder information

97th Annual General Meeting :

Date & Time : 28th July 2017 at 10.30 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 2017 |
| 2nd quarterly results | : Before 15th November 2017 |
| 3rd quarterly results | : Before 15th February 2018 |
| Audited yearly results for the year ending 31st March 2018 | : Before 31st May 2018 |
| Date of Book Closure | : From 20th July 2017 to 28th July 2017 (both days inclusive) |
| Dividend Payment Date | : On or after 29th July 2017 |

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 2016-17

Stock Code of Equity Shares of the Company are as under :
Bombay Stock Exchange Limited : Scrip Code No. 505216
Corporate Identity (CIN) : L74999WB1919PLC003516
ISIN : INE782D01027

13. Market Price Data during the Financial Year 2016-17:

| Month | Bombay Stock Exchange Ltd. | |
|-----------|----------------------------|---------|
| | High Rs. | Low Rs. |
| April | : 398.40 | 347.60 |
| May | : 401.50 | 360.50 |
| June | : 414.40 | 360.10 |
| July | : 427.40 | 393.00 |
| August | : 494.40 | 400.05 |
| September | : 502.40 | 445.60 |
| October | : 540.30 | 471.05 |
| November | : 646.40 | 535.80 |
| December | : 580.00 | 520.00 |
| January | : 593.50 | 521.10 |
| February | : 580.00 | 505.00 |
| March | : 560.00 | 511.00 |

Registrar and Share Transfer Agent : Maheshwari Datamatics Pvt Limited
23, Sir. R N Mukherjee Road,
5th Floor
Kolkata - 700 001
Tel No. 2248 2248/2243 5029/
2231 6839
E-mail: mdpldc@yahoo.com/
info@mdpl.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 2017

| No. of Equity Shares held | No. of Shareholders | No. of Equity Shares | |
|---------------------------|---------------------|----------------------|------------------------|
| | | Total | % |
| Upto 1000 | 3191 | 99.4081 | 157288 20.3892 |
| 1001 to 5000 | 10 | 0.3115 | 19369 2.5108 |
| 5001 to 10000 | 3 | 0.0935 | 24293 3.1491 |
| 10001 to 50000 | 4 | 0.1246 | 129327 16.7646 |
| 50001 and above | 2 | 0.0623 | 44 1152 57.1863 |
| Total | 3210 | 100.0000 | 771429 100.0000 |

No. of Shareholders : 3210

Share Capital : 771429

Shareholding Pattern as on 31st March 2017

| 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 | 3134 | 184763 | 23.95 |
| Non-Resident | | | |
| Individuals | 22 | 19994 | 2.59 |
| Bodies Corporate | 40 | 5521 | 0.72 |
| Financial | | | |
| Institutions/Banks | 2 | 90 | 0.01 |
| Trusts | 1 | 90 | 0.01 |
| Clearing Member | 4 | 327 | 0.04 |
| | <u>3203</u> | <u>210785</u> | <u>27.32</u> |
| Total | 3210 | 771429 | 100.00 |

Dematerialization of Shares:- 90.27% of Equity Shares have been dematerialized as on 31st March 2017

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

Telephone Nos : (033)2226 8619 / (033) 2229 9124

Fax : (033) 2229 9124

Place: Kolkata

Date: 19th May, 2017

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 2017 as envisaged under Schedule V of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For Alfred Herbert (India) Limited,

R. Radhakrishnan

Chief Executive Officer

& Company Secretary

Place : Kolkata

Date : 19th May, 2017

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 2017 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
& Company Secretary

V Matta
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, 2017, 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, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, read with the Companies (Audit and Auditors) Amendment Rules, 2017, 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as provided to us by the Management. Refer Note 13 to the financial statements.
- (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 31.03.2017 are as follows:
Investment Income to Total Income: 50.42%
Total Investments to Total Assets : 56.79%

In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2017.

- 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 2nd February, 2017 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.

For RAY & RAY
Chartered Accountants

(Firm's Registration No.301072E)
Asish Kumar Mukhopadhyay

Partner

Place: Kolkata
Date: 19th May, 2017

Membership No.056359

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading '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 its 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. However, no interest has been recognized during the year on loan given to its subsidiary company, considering the Prudential Guidelines issued by Reserve Bank of India(Refer Note 6 to the financial statements).
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed there under.
- (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 records of the Company and according to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax and Cess which have not been deposited on account of any dispute.

- (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) According to the information and explanations given to us, no managerial remuneration is paid during the year by the Company. Accordingly, clause (xi) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (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
Partner
Membership No.056359

Place: Kolkata
Date: 19th May, 2017

ANNEXURE A

ANNEXURE TO THE CLAUSE 2(f) OF 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 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, 2017 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's 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 includes 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, 2017, 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

Partner

Date: 19th May, 2017

Membership No.056359

Auditors' Certificate on Corporate Governance

To

The Members of

Alfred Herbert (India) Limited

We have examined the compliance of conditions of Corporate Governance by Alfred Herbert (India) Limited ("the company") for the year ended 31 March 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the

compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restrictions on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For RAY & RAY
Chartered Accountants

(Firm's Registration No.301072E)

Asish Kumar Mukhopadhyay

Partner

Place: Kolkata

Date: 19th May, 2017

Membership No.056359

Balance Sheet

as at 31st March, 2017

| | Note Number | As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|--|----------------|-------------------------------------|-------------------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share capital | 2.1 | 7,714,290 | 7,714,290 |
| (b) Reserves and surplus | 2.2 | 469,556,679 | 300,880,081 |
| (2) Non-current liabilities | | | |
| (a) Deferred Tax Liability (Net) (Note No.11) | | 4,612,018 | 3,592,226 |
| (b) Other Long term liabilities | 2.3 | 3,368,808 | 7,042,790 |
| (3) Current liabilities | | | |
| (a) Other current liabilities | 2.4 | 1,476,400 | 814,617 |
| (b) Short-term provisions | 2.5 | 43,937,677 | 1,994,625 |
| | TOTAL | 530,665,872 | 322,038,629 |
| II ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant & Equipment | | | |
| (i) Tangible assets | 2.6 | 37,643,338 | 38,582,066 |
| (ii) Capital work-in-progress | | 117,878,735 | 101,061,375 |
| (b) Non-current investments | 2.7 | 121,548,599 | 130,896,445 |
| (c) Long-term loans and advances | 2.8 | 2,941,260 | 4,637,609 |
| (2) Current assets | | | |
| (a) Current investments | 2.9 | 179,795,377 | 33,740,012 |
| (b) Cash and Cash Equivalents | 2.10 | 2,574,203 | 1,236,872 |
| (c) Short-term loans and advances | 2.11 | 67,912,489 | 11,537,714 |
| (d) Other current assets | 2.12 | 371,871 | 346,536 |
| | TOTAL | 530,665,872 | 322,038,629 |
| 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, 19th May, 2017

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director
R. Radhakrishnan
Chief Executive Officer & Company Secretary
V. Matta
Chief Financial Officer



Statement of Profit and Loss

for the year ended 31st March, 2017

| PARTICULARS | Note Number | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|----------------|---|---|
| | | Rs. | Rs. |
| I Revenue from operations | 2.13 | 20,665,393 | 20,068,497 |
| II Other Income | | 3,970 | 540 |
| III Total Revenue (I + II) | | 20,669,363 | 20,069,037 |
| IV Expenses : | | | |
| Purchases of Stock-in-Trade (Note No.15) | | 53,007 | - |
| Employee benefits expenses | 2.14 | 4,777,137 | 3,248,661 |
| Depreciation and amortization expenses | | 899,513 | 848,102 |
| Other expenses | 2.15 | 10,525,473 | 7,564,128 |
| Total Expenses | | 16,255,130 | 11,660,891 |
| V Profit/(Loss) before exceptional items and tax (III- IV) | | 4,414,233 | 8,408,146 |
| VI Exceptional Items : {Note 5 (ii)} | | | |
| (1) Profit against acquisition of Land & Building | | 200,668,476 | - |
| (2) Interest against acquisition of Land & Building | 8,413,681 | 209,082,157 | - |
| VII Profit/(Loss) before tax (V + VI) | | 213,496,390 | 8,408,146 |
| VIII Tax expenses | | | |
| (1) Current tax | 43,800,000 | | 120,000 |
| (2) Deferred tax | 1,019,792 | | 94,561 |
| (3) Excess Tax Provision for earlier years written back | - | | (2,321,510) |
| (4) Dividend Distribution Tax of earlier year | - | 44,819,792 | 47,197 |
| IX Profit after tax (VII- VIII) | | 168,676,598 | 10,467,898 |
| X Earning per equity Share : | | | |
| Basic & diluted (Face Value Rs.10/- each) | 14 | 218.65 | 13.57 |

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, 19th May, 2017

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director
R. Radhakrishnan
Chief Executive Officer & Company Secretary
V. Matta
Chief Financial Officer

CASH FLOW STATEMENT

| | Year ended 31st March, | |
|---|------------------------|---------------|
| | 2017 (Rs.) | 2016 (Rs.) |
| A. Cash Flow from Operating Activities | | |
| Profit before Tax | 213,496,390 | 8,408,146 |
| Adjustment for : | | |
| Depreciation | 899,513 | 848,102 |
| Profit on Acquisition of Land & Building | (200,668,476) | – |
| Loss on sale of Fixed Assets | – | 1,247 |
| Loss on sale of Investments | 2,418,510 | 3,543 |
| Profit on sale of Investments | (100,044) | (1,622) |
| Operating Profit before Working Capital Changes | 16,045,893 | 9,259,416 |
| Adjustments for : | | |
| Other Current Assets | (25,335) | (854) |
| Irrecoverable amount written off | 565,820 | – |
| Loans & Advances | (10,202,301) | (4,959,371) |
| Liabilities & Provisions | (4,261,871) | (1,229,195) |
| Cash (utilised in)/generated from Operating Activities | 2,122,206 | 3,069,996 |
| Direct Tax (Net) | (43,820,135) | (910,035) |
| Net Cash (utilised in)/generated from Operating Activities | (41,697,929) | 2,159,961 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (10,838) | (766,263) |
| Sale of Fixed Assets | 200,718,529 | 25,000 |
| Capital work-in-progress | (16,817,360) | (7,327,662) |
| Proceeds from Sale/Redemption of Investments | 51,129,521 | 15,800,000 |
| Purchase of Investments | (190,155,506) | (8,012,437) |
| Net Cash (utilised in)/generated from Investment Activities | 44,864,346 | (281,362) |
| C. Cash Flow from Financing Activities | | |
| Dividend Paid | (1,514,996) | (1,525,984) |
| Corporate Dividend Tax | (314,090) | (309,406) |
| Net Cash (utilised in)/generated from Financing Activities | (1,829,086) | (1,835,390) |
| Net Increase/(Decrease) in Cash & Cash Equivalent | 1,337,331 | 43,209 |
| Cash and Cash Equivalents (Opening Balance) | 1,236,872 | 1,193,663 |
| Cash and Cash Equivalents (Closing Balance) | 2,574,203 | 1,236,872 |
| | 1,337,331 | 43,209 |

Notes

- 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, 19th May, 2017

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director
R. Radhakrishnan
Chief Executive Officer & Company Secretary
V. Matta
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.

Property, Plant & Equipment

Tangible 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, installation of Assets and other directly attributable costs incurred till the date 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

Non Current 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.

Dividend

Dividends payable to the Company's shareholders are recognised in the period in which they are approved by the Company's shareholders.

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 ownership of 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 proportion basis and determined by contractual rate of interest. Dividend is accounted for as and when the right to receive the same is established.

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.

Taxes on Income

Income tax is accounted for in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income". Current Tax is calculated on the taxable income using prevailing tax rate and applicable tax laws.

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
(2016 – 5,000,000)

Issued, subscribed and paid-up

 771,429 – Equity shares of Rs.10 each fully paid-up
(2016 – 771,429)

| As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|----------------------------------|----------------------------------|
| 50,000,000 | 50,000,000 |
| 7,714,290 | 7,714,290 |
| <u>7,714,290</u> | <u>7,714,290</u> |

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

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

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

| Name of Shareholders | No. of Shares held on 31.3.2017 | % holding | No. of Shares held on 31.3.2016 | % holding |
|----------------------|---------------------------------------|-----------|---------------------------------------|-----------|
| | Anamika Lodha | 220,576 | 28.59 | 220,576 |
| Simika Lodha | 220,576 | 28.59 | 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

209,562,394

208,762,394

Add : Transferred from surplus

40,437,606

800,000

250,000,000
209,562,394
Special Reserve (Under Section 45 IC of Reserve Bank of India Act)

As per last Account

40,122,000

38,022,000

Add : Transferred from surplus

33,750,000

2,100,000

73,872,000
40,122,000
Surplus in the Statement of Profit & Loss – As per last Account

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

46,150,020

40,439,070

168,676,598

10,467,898

Amount available for appropriation

214,826,618
50,906,968
APPROPRIATIONS

Proposed Dividend

–

1,542,858

Corporate Dividend Tax

–

314,090

General Reserve

40,437,606

800,000

Special Reserve

33,750,000

2,100,000

Surplus – closing balance
140,639,012
46,150,020
TOTAL
469,556,679
300,880,081



Notes forming part of Balance Sheet (Contd.)

2.3 OTHER LONG-TERM LIABILITIES

Security deposit
Others

2.4 OTHER CURRENT LIABILITIES

Balances in Unpaid Dividend Accounts
Contribution to Gratuity Fund
Others *
* Including statutory dues payable

2.5 SHORT-TERM PROVISIONS

Taxation
Proposed Dividend
Tax on Dividend

| As at 31st March, 2017 | As at 31st March, 2016 |
|------------------------------|------------------------------|
| Rs. | Rs. |
| 2,896,461 | 2,796,461 |
| 472,347 | 4,246,329 |
| 3,368,808 | 7,042,790 |
| 510,714 | 482,852 |
| 597,191 | 24,736 |
| 368,495 | 307,029 |
| 1,476,400 | 814,617 |
| 43,937,677 | 137,677 |
| - | 1,542,858 |
| - | 314,090 |
| 43,937,677 | 1,994,625 |

2.6 PROPERTY, PLANT & EQUIPMENT

Tangible Assets

| Description | Gross Carrying Amount | | | | Depreciation | | | | Net Carrying Amount | |
|------------------------------------|--|---------------------------|--------------------|--|-------------------|---------------------------|--------------------|-------------------|------------------------|------------------------|
| | Original Cost / Revaluation as on 01.04.2016 | Additions during the year | Sales/ Adjustments | Original Cost / Revaluation as on 31.03.2017 | Upto 31.03.2016 | Depreciation for the year | Sales/ Adjustments | Total 31.03.2017 | Value as on 31.03.2017 | Value as on 31.03.2016 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Land | 3,674,588 | - | 50,053 | 3,624,535 | - | - | - | - | 3,624,535 | 3,674,588 |
| Building : | | | | | | | | | | |
| Freehold | 50,835,733 | - | - | 50,835,733 | 17,485,501 | 765,328 | - | 18,250,829 | 32,584,904 | 33,350,232 |
| Leasehold | 342,945 | - | - | 342,945 | 264,557 | 9,557 | - | 274,114 | 68,831 | 78,388 |
| Plant & Machinery | 2,645,755 | 1,838 | - | 2,647,593 | 1,172,786 | 123,824 | - | 1,296,610 | 1,350,983 | 1,472,969 |
| Furniture, Fixtures and Equipments | 156,861 | 9,000 | - | 165,861 | 150,972 | 804 | - | 151,776 | 14,085 | 5,889 |
| Total | 57,655,882 | 10,838 | 50,053 | 57,616,667 | 19,073,816 | 899,513 | - | 19,973,329 | 37,643,338 | 38,582,066 |
| Previous year | 57,421,224 | 766,263 | 531,605 | 57,655,882 | 18,731,072 | 848,102 | 505,358 | 19,073,816 | 38,582,066 | |

2.7 NON-CURRENT INVESTMENTS

Long Term, (Non-Trade), Quoted

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

Graphite India Limited (Face value Rs.2 per share)

Aditya Birla Nuvo Limited (ABNL)

Aditya Birla Fashion and Retail Limited (ABFRL)

Mangalore Refinery and Petrochemicals Ltd.

HDFC Bank Limited (Face value Rs.2 per share)

Hindalco Industries Ltd.(Face Value Re.1 per share)

Reliance Industries Ltd.

I D F C

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.)

| | No.s | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------|---------|------------------------------|------------------------------|
| | 2016-17 | 2015-16 | Rs. | Rs. |
| 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) | 546 | 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) | 45,750 | 75,750 | 4,392,000 | 7,272,000 |
| Reliance Industries Ltd. | 65,000 | 65,000 | 18,982,114 | 18,982,114 |
| I D F C | 50,000 | 50,000 | 3,511,762 | 3,511,762 |
| I D F C Bank Ltd. | 50,000 | 50,000 | - | - |

ALFRED HERBERT (INDIA) LTD.

Notes forming part of Balance Sheet (Contd.)

2.7 NON-CURRENT INVESTMENTS (Contd.)

| | | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------|---------|------------------------------|------------------------------|
| | | | Rs. | Rs. |
| 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 | – | 175,170 |
| Reliance Power Ltd. | – | 5,625 | – | 94,323 |
| Reliance Communication Ltd.(Face Value Rs.5 per share) | – | 22,500 | – | 5,214,702 |
| Reliance Infrastructure Ltd | – | 1,687 | – | 983,651 |
| Vedanta Ltd. (Face Value Re.1 per share) (Formerly known as Sesa Sterlite Ltd) | 6,012 | 6,012 | 188,310 | 188,310 |
| Bonds | | | | |
| 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 |
| | | | <u>105,539,629</u> | <u>114,887,475</u> |
| Long Term, (Non-Trade), Unquoted | | | | |
| 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) |
| In Subsidiary Companies: | | | | |
| 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 |
| | | | <u>16,008,970</u> | <u>16,008,970</u> |
| | | | <u>121,548,599</u> | <u>130,896,445</u> |
| a) Quoted Investments – Book value | | | 105,539,629 | 114,887,475 |
| b) Unquoted Investments – Book value | | | 16,008,970 | 16,008,970 |
| | | | <u>121,548,599</u> | <u>130,896,445</u> |
| Aggregate Market Value of Quoted Investments | | | <u>236,819,677</u> | <u>193,653,041</u> |

2.8 LONG-TERM LOANS & ADVANCES

| | | | | |
|---------------------------|--|--|------------------|------------------|
| Unsecured–considered good | | | | |
| Capital Advance | | | 1,000,000 | 2,700,000 |
| Security Deposits | | | 1,941,260 | 1,937,609 |
| | | | <u>2,941,260</u> | <u>4,637,609</u> |

2.9 CURRENT INVESTMENTS (Unquoted)

| | Nos. 2016–17 | 2015–16 | | |
|---|-----------------|--------------|--------------------|-------------------|
| Units of Rs.10 each in UTI Fixed Income Interval Plan – Quarterly Plan Series III – Institutional Growth Plan | 1,367,720.06 | 1,367,720.06 | 20,004,000 | 20,004,000 |
| Units of Rs.10 each in IDFC Ultra Short Term Fund – Weekly Dividend–(Regular Plan) | 8,029,724.999 | 82,214.166 | 80,949,030 | 824,748 |
| Units of Rs.10 each in HDFC Cash Management Fund – T.A. Plan – Retail – Regular Plan – Weekly Dividend Reinvest | 7,801,977.804 | – | 78,842,347 | – |
| Units of Rs.100 each in ICICI Prudential Savings Fund – Regular Plan – Weekly Dividend Reinvestment | – | 128,333.231 | – | 12,911,264 |
| | | | <u>179,795,377</u> | <u>33,740,012</u> |
| Aggregate Market Value of Investments (NAV as at 31st March) | | | <u>190,349,059</u> | <u>41,700,096</u> |

2.10 CASH AND CASH EQUIVALENTS (Note No.13)

| | | | | |
|---|--|--|------------------|------------------|
| Balances with Banks : | | | | |
| (i) On Current Accounts | | | 719,028 | 749,751 |
| (ii) On Unpaid Dividend Accounts | | | 510,714 | 482,852 |
| (iii) On Fixed Deposit with ICICI Bank with maturity of twelve months | | | 1,340,000 | – |
| Cash in hand | | | 4,461 | 4,269 |
| TOTAL | | | <u>2,574,203</u> | <u>1,236,872</u> |



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

2.11 SHORT-TERM LOANS AND ADVANCES

Unsecured– Considered good
 Advance recoverable in cash or in kind or for value to be received
 Advance to Subsidiary Company (Note No.6)
 Advance Income Tax
 Prepaid Expenses

As at
 31st March,
 2017
 Rs.

As at
 31st March,
 2016
 Rs.

| | |
|-------------------|-------------------|
| 271,508 | 945,463 |
| 18,000,000 | 4,500,000 |
| 49,633,582 | 6,084,571 |
| 7,399 | 7,680 |
| <u>67,912,489</u> | <u>11,537,714</u> |

2.12 OTHER CURRENT ASSETS

Unsecured– Considered good
 Interest Accrued

| | |
|----------------|----------------|
| 371,871 | 346,536 |
| <u>371,871</u> | <u>346,536</u> |

For the year
 ended
 31st March, 2017

For the year
 ended
 31st March, 2016

2.13 REVENUE FROM OPERATIONS

Sale of products
 (Note No. 15)
 Interest Income :-
 Interest on Bonds
 Others *
 Dividend from shares (Long Term)
 Dividend from Mutual Funds (Short Term)
 Rent
 Other operating revenues :
 Profit on Sale of Current Investments (Net)

| | |
|-------------------|-------------------|
| Rs. | Rs. |
| 103,970 | - |
| 4,662,669 | 4,651,633 |
| 315,572 | 1,219,435 |
| 4,978,241 | 3,398,401 |
| 603,046 | 512,436 |
| 5,155,507 | 10,286,592 |
| 9,724,585 | |
| 100,044 | - |
| <u>20,665,393</u> | <u>20,068,497</u> |

* Including Interest on Income Tax Refund Rs.72,822 (2015–16 :Rs.583,257)

2.14 EMPLOYEE BENEFIT EXPENSES

Salaries & Wages
 Contribution to Provident and other Funds
 Staff Welfare Expenses

| | |
|------------------|------------------|
| 3,900,816 | 3,036,137 |
| 817,915 | 148,458 |
| 58,406 | 64,066 |
| <u>4,777,137</u> | <u>3,248,661</u> |

2.15 OTHER EXPENSES

Electricity
 Rent
 Repairs to Building
 Repairs – others including maintenance
 Insurance
 Rates and Taxes
 Flat Maintenance
 Loss on sale of Current Investments (Net)
 Loss on sale of Non-current Investments (Net)
 Loss on sale of Fixed Assets
 Postage and telephone
 Legal & Secretarial Expenses
 Irrecoverable amount written off (Note No.6)
 Consultancy charges
 Professional Fees
 Traveling and conveyance
 Directors' Fees
 Motor Car Expenses
 Miscellaneous expenses (I)

| | |
|-------------------|------------------|
| 575,987 | 795,128 |
| 1,353,994 | 1,288,039 |
| 1,071,615 | 586,678 |
| 192,558 | 181,233 |
| 23,352 | 19,655 |
| 941,312 | 781,838 |
| 233,660 | 231,718 |
| - | 1,921 |
| 2,418,510 | - |
| - | 1,247 |
| 329,027 | 322,535 |
| 645,429 | 998,898 |
| 565,820 | - |
| - | 241,000 |
| 203,000 | 510,000 |
| 337,622 | 248,049 |
| 280,000 | 265,000 |
| 361,575 | 272,691 |
| 992,012 | 818,498 |
| <u>10,525,473</u> | <u>7,564,128</u> |

(i) Includes :
 Auditors' Remuneration :(Exclusive of Taxes)
 Statutory Audit Fees
 Tax Audit Fees
 Other services

| | |
|--------|--------|
| 50,000 | 50,000 |
| 14,000 | 14,000 |
| 30,500 | 34,500 |

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

3. Contingent Liabilities and Commitments

- a) Contingent Liability not provided for in respect of Income Tax demand amounting to Rs.Nil (2015–16 Rs.15,230/-)
 - b) Contingent Liability not provided for in respect of Corporate Guarantee for Rs.27,500,000/- (2015–16 Rs.27,500,000/-)
 - c) Contingent Liability not provided for in respect of Bank Guarantee for obtaining Way Bill from West Bengal Commercial Tax Department for Rs.1,340,000/- (2015–16 Rs.Nil)
 - d) Estimated amount of contracts remaining to be executed on Capital Account and not provided for – Rs.1,280,000/- (2015–16 Rs.Nil)
4. The Board of Directors recommend the payment of Dividend of Rs.2/- per share (20%) amounting to Rs.1,542,858/- for the year ended 31st March, 2017 pending approval of shareholders.

5. Land at Bangalore

- i) 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 with Hon'ble High Court at Karnataka (involving several industries including the Company situated in the same vicinity) and the same is currently pending before the said court.
 - ii) A portion of land at Bangalore along with structure thereon has been acquired by Karnataka Industrial Area Development Board (KIADB) for the purpose of Metro Rail Project under taken by the Government and compensation of Rs.209,132,210/- has been received against the said acquisition. Profit arising in this respect has been disclosed as Exceptional Items in the Statement of Profit and Loss.
6. Considering the current financial performance of its 100% subsidiary, Alfred Herbert Limited, it has been decided to waive the interest on loan currently amounting to Rs.18,000,000/- given to the subsidiary. Interest of Rs.565,820/- accrued till 31st March 2016 has been written off as a measure of support and no further interest against the said loan recognised also keeping in view the Prudential Guidelines issued by the Reserve Bank of India.

7. 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.

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 2017.

i) Change in Defined Benefit Obligations (Amount in Rs.)

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|---|------------------|------------------|
| A | Present Value of Defined Benefit Obligations at the beginning of period | 939,718 | 855,705 |
| B | Current Service Cost | 87,296 | 86,006 |
| C | Interest Cost | 72,546 | 66,574 |
| D | Actuarial Losses/(Gains) | 495,575 | (68,567) |
| E | Benefits paid | - | - |
| F | Present Value of Defined Benefit Obligations at the end of period | 1,595,135 | 939,718 |

ii) Change in Fair Value of Assets (Amount in Rs.)

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|------------------------------------|------------------|------------------|
| A | Plan assets at beginning of period | 914,982 | 782,170 |
| B | Expected return on plan assets | 71,591 | 63,713 |
| C | Actual Company contributions | 24,736 | 73,535 |
| D | Actuarial gain/(loss) | (13,365) | (4,436) |
| E | Benefits paid | - | - |
| F | Plan assets at the end of period | 997,944 | 914,982 |



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 31.03.2017 | For the Year Ended 31.03.2016 |
|---|---|----------------------------------|----------------------------------|
| A | Current Service Cost | 87,296 | 86,006 |
| B | Interest Cost | 72,546 | 66,574 |
| C | Expected return on plan assets | (71,591) | (63,713) |
| D | Actuarial Losses/(Gains) | 508,940 | (64,131) |
| E | Total expenses recognised in the Statement of Profit & Loss | 597,191 | 24,736 |

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

| | Funded Status | For the Year Ended 31.03.2017 | For the Year Ended 31.03.2016 |
|---|--|----------------------------------|----------------------------------|
| A | Present Value of Defined Benefits Obligations | 1,595,135 | 939,718 |
| B | Fair value of plan assets | 997,944 | 914,982 |
| C | Funded Status [Surplus / (Deficit)] | (597,191) | (24,736) |
| D | Employer expenses | 597,191 | 24,736 |
| E | Employer contributions | 24,736 | 73,535 |
| F | Net asset / (liability) recognised in Balance Sheet at end of the period | (597,191) | (24,736) |

v) Actuarial Assumptions

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|---------------------------|--|--|
| A | Discount Rate | 7.14% | 7.72% |
| B | Mortality | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate |
| C | Salary increases | 8% | 8% |
| D | Expected return on assets | 7.72% | 7.78% |
| 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 31.03.2017 | Year ended 31.03.2016 | Year ended 31.03.2015 | Year ended 31.03.2014 | Year ended 31.03.2013 |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| A | Present Value of Defined Benefit Obligation | 1,595,135 | 939,718 | 855,705 | 1,022,098 | 945,006 |
| B | Fair Value of Plan Assets | 997,944 | 914,982 | 782,170 | 1,007,270 | 864,900 |
| C | Funded Status [Surplus/(Deficit)] | (597,191) | (24,736) | (73,535) | (14,828) | (80,106) |
| D | Experience (Gain)/Loss adjustment on Plan Liabilities | 462,755 | (70,879) | (28,234) | 6,897 | 8,490 |
| E | Experience Gain/(Loss) adjustment on Plan Assets | (13,365) | (4,436) | (9,900) | (10,133) | (8,067) |
| F | Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption | 32,820 | 2,312 | 50,709 | (44,911) | 23,266 |

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

8. 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.

9. 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.
10. The Company operates mainly in one business segment viz. non-banking financial activities and therefore the Segment Reporting as per the Accounting Standard (AS-17) is not applicable to the Company.
11. 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 31.03.2017 | As on 31.03.2016 |
|-------------------------------|------------------|------------------|
| Deferred Tax Liability | | |
| On Account of Depreciation | 4,612,018 | 3,592,226 |

12. 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 | Relationship |
|---|---|
| Alfred Herbert Limited | Subsidiary Company |
| Herbert Holdings Limited | Subsidiary Company |
| Jain Industrial & Commercial Services Pvt. Ltd. | Company where significant influence exist |

Key Management Personnel

| | |
|------------------|---|
| R. Radhakrishnan | Chief Executive Officer & Company Secretary |
| V. Matta | Chief Financial Officer |

Disclosure of transactions with Related Parties during the year and outstanding balances as on 31st March 2017.

(Amount in Rs.)

| | Subsidiary Companies | | Company where significant influence exist Jain Industrial | Key Management Personnel | |
|----------------------------------|----------------------|-----------------------|---|--------------------------|-----------|
| | Alfred Herbert Ltd. | Herbert Holdings Ltd. | | CEO & CS | CFO |
| Advance Given | 15,000,000 | - | - | - | - |
| | (7,500,000) | - | - | - | - |
| Advance Received Back | 1,500,000 | - | - | - | - |
| | (3,000,000) | - | - | - | - |
| Advance Outstanding | 18,000,000 | - | - | - | - |
| | (4,500,000) | - | - | - | - |
| Interest Income | - | - | - | - | - |
| | (628,689) | - | - | - | - |
| Interest Receivable (Net of TDS) | - | - | - | - | - |
| | (565,820) | - | - | - | - |
| Corporate Guarantee | 27,500,000 | - | - | - | - |
| | (27,500,000) | - | - | - | - |
| Lease Rent Received | - | - | 1,494,000 | - | - |
| | - | - | (1,440,000) | - | - |
| Remuneration | - | - | - | 1,215,000 | 882,500 |
| | - | - | - | (1,215,000) | (420,000) |

- Note : i) Related Party transactions are excluding reimbursements.
ii) Figures in bracket represent previous year's figure.



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

13. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

(Amount in Rs.)

| Particulars | SBNs | Other Denomination | Total |
|---|------|--------------------|--------|
| Closing Cash-in-hand as on 8th November 2016 | – | 9,597 | 9,597 |
| Permitted Receipts (withdrawn from Banks) | – | 61,000 | 61,000 |
| Permitted Payments | – | 66,919 | 66,919 |
| Amount deposited in Banks | – | – | – |
| Closing Cash-in-hand as on 30th December 2016 | – | 3,678 | 3,678 |

14. EARNINGS PER SHARE (EPS)

For the year ended

31st March 2017 31st March 2016

| | | |
|---|-------------|------------|
| i. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.) | 168,676,598 | 10,467,898 |
| ii. Number of Equity Shares used as denominator for calculating EPS | 771,429 | 771,429 |
| iii. Basic and Diluted Earnings per Share (Rs.) | 218.65 | 13.57 |
| iv. Face Value per Equity Share (Rs.) | 10 | 10 |

15. Particulars in respect of Purchases & Sales of Trading Goods

| DESCRIPTION | 2016–2017 | | 2015–2016 | |
|-------------|----------------|--------------|----------------|--------------|
| | Qty. (Unit) | Value Rs. | Qty. (Unit) | Value Rs. |
| A) Purchase | | 53,007 | | Nil |
| B) Sales | | 103,970 | | Nil |

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

STATEMENT REGARDING SUBSIDIARY COMPANIES FOR 2016-17

| 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 | (18,869,419) | 99,563,756 | 99,563,756 | - | 94,552,871 | (23,604,939) | 906,132 | (24,511,071) | - |
| 2 | Herbert Holdings Limited India | INR | 2,200,000 | 13,383,694 | 15,597,494 | 15,597,494 | 15,362,310 | 599,309 | 569,326 | - | 569,326 | - |

ALFRED HERBERT (INDIA) LTD.

CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

2016-2017



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 (hereinafter 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, 2017, 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, 2017 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, 2017 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, read with the Companies (Audit and Auditors) Amendment Rules, 2017, 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.
 - iv. The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as provided to us by the Management. Refer Note 15 to the consolidated financial statements.

For RAY & RAY
Chartered Accountants

(Firm's Registration No.301072E)
Asish Kumar Mukhopadhyay
Partner
Membership No.056359

Place: Kolkata
Date: 19th May, 2017

Annexure A referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, 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 companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering 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 (ICAI). 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 Act.



Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls both issued by the ICAI. 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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

Because 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 companies 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 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For RAY & RAY
Chartered Accountants

(Firm's Registration No.301072E)
Asish Kumar Mukhopadhyay
Partner
Membership No.056359

Place: Kolkata
Date: 19th May, 2017

Consolidated Balance Sheet as at 31st March, 2017

| | Note Number | As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|--|----------------|-------------------------------------|-------------------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share capital | 2.1 | 7,714,290 | 7,714,290 |
| (b) Reserves and Surplus | 2.2 | 459,270,954 | 314,536,101 |
| (2) Non-current liabilities | | | |
| (a) Deferred Tax Liability (Net) (Refer Note No.9) | 2.3 | 5,507,248 | 3,581,324 |
| (b) Long-term Borrowings | 2.4 | 3,484,453 | 4,987,081 |
| (c) Other Long term liabilities | 2.5 | 3,368,808 | 7,042,790 |
| (d) Long-term Provisions | 2.6 | 269,218 | 315,822 |
| (3) Current liabilities | | | |
| (a) Short-term borrowings | 2.7 | 16,676,128 | 25,277,626 |
| (b) Trade payables :- | | | |
| i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No.8) | | 30,685,157 | 42,313,973 |
| (c) Other current liabilities | 2.8 | 40,913,119 | 19,861,719 |
| (d) Short-term provisions | 2.9 | 43,937,677 | 1,994,625 |
| | TOTAL | 611,827,052 | 427,625,351 |
| II ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant & Equipment | | | |
| (i) Tangible assets | 2.10 | 49,021,752 | 40,474,049 |
| (ii) Intangible assets | 2.10 | 255,790 | 374,327 |
| (iii) Capital work-in-progress | | 117,878,735 | 109,604,963 |
| (b) Non-current Investments | 2.11 | 108,899,542 | 118,247,388 |
| (c) Long-term loans and advances | 2.12 | 3,819,414 | 5,515,763 |
| (2) Current assets | | | |
| (a) Current Investments | 2.13 | 191,806,674 | 45,320,676 |
| (b) Inventories | 2.14 | 37,569,877 | 38,179,707 |
| (c) Trade receivables | 2.15 | 23,710,438 | 38,434,285 |
| (d) Cash and Bank Balances | 2.16 | 9,230,874 | 4,024,477 |
| (e) Short-term loans and advances | 2.17 | 64,294,429 | 18,644,525 |
| (f) Other current assets | 2.18 | 5,339,527 | 8,805,191 |
| | TOTAL | 611,827,052 | 427,625,351 |

Significant Accounting Policies

1

Notes form an integral part of the Consolidated Financial Statements

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

For Ray & Ray
Chartered AccountantsAsish Kumar Mukhopadhyay
Partner
Membership No.056359
Kolkata, 19th May, 2017For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director
R. Radhakrishnan
Chief Executive Officer & Company Secretary
V. Matta
Chief Financial Officer



Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

| PARTICULARS | Note Number | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---|----------------|---|---|
| | | Rs. | Rs. |
| I Revenue from operations | 2.19 | 126,442,781 | 202,486,730 |
| Less : Excise Duty | | <u>10,735,190</u> | <u>16,567,936</u> |
| Net Revenue from Operations | | 115,707,591 | 185,918,794 |
| II Other Income | 2.20 | <u>113,952</u> | <u>180,440</u> |
| III Total Revenue (I + II) | | <u>115,821,543</u> | <u>186,099,234</u> |
| IV Expenses : | | | |
| Cost of materials consumed | | 62,487,238 | 113,175,977 |
| Purchase of Stock-in-Trade | | 53,007 | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 2.21 | 222,881 | (9,108,092) |
| Employee benefits expenses | 2.22 | 32,849,692 | 33,218,394 |
| Finance costs | 2.23 | 3,011,230 | 2,854,886 |
| Depreciation and amortization expenses | | 2,170,110 | 1,409,783 |
| Other expenses | 2.24 | <u>33,648,765</u> | <u>33,737,417</u> |
| Total Expenses | | <u>134,442,923</u> | <u>175,288,365</u> |
| V Profit/(Loss) before exceptional item & tax (III - IV) | | (18,621,380) | 10,810,869 |
| VI Exceptional Items :- { Note 5 (ii)} | | | |
| (i) Profit against acquisition of Land & Building | 200,668,476 | | - |
| (ii) Interest against acquisition of Land & Building | 8,413,681 | <u>209,082,157</u> | <u>-</u> |
| VII Profit/(Loss) before tax (V + VI) | | <u>190,460,777</u> | <u>10,810,869</u> |
| VIII Tax expenses | | | |
| (1) Current tax | | 43,800,000 | 476,000 |
| (2) For earlier years (Net) | | - | 30 |
| (3) Excess Tax provision for Income Tax relating to earlier years written back | | - | (2,321,510) |
| (4) Dividend Distribution Tax of earlier year | | - | 47,197 |
| (5) Deferred tax | | <u>1,925,924</u> | <u>606,867</u> |
| IX Profit/(Loss) after tax | | <u>144,734,853</u> | <u>12,002,285</u> |
| X Earning per equity Share : | | | |
| Basic & Diluted (Rs.) | 14 | 187.62 | 15.56 |
| Number of shares used in computing earning per share | | 771,429 | 771,429 |

Significant Accounting Policies 1

Notes form an integral part of the Consolidated Financial Statements

This is the Consolidated 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, 19th May, 2017

For and on behalf of the Board

A. V. Lodha

Chairman

R. C. Tapuriah

Director

R. Radhakrishnan

Chief Executive Officer & Company Secretary

V. Matta

Chief Financial Officer

Consolidated Cash Flow Statement

| | Year ended 31st March, | |
|--|------------------------|--------------------|
| | 2017 (Rs.) | 2016 (Rs.) |
| A. Cash Flow from Operating Activities | | |
| Profit before Tax | 190,460,777 | 10,810,869 |
| Adjustment for : | | |
| Depreciation | 2,170,110 | 1,409,783 |
| Interest Paid | 2,445,410 | 2,352,889 |
| Loss on Sale of Investments | 2,418,510 | 3,543 |
| Profit on Acquisition of Land & Building | (200,668,476) | – |
| Loss on Sale of Fixed Assets | – | 1,247 |
| Profit on Sale of Investments | (100,044) | (1,622) |
| Interest Accrued on Deposits | – | – |
| | <u>(193,734,490)</u> | <u>(395,863)</u> |
| Operating Profit before Working Capital Changes | (3,273,713) | 14,180,846 |
| Adjustments for : | | |
| Inventories | 609,830 | (9,267,691) |
| Trade Receivables | 3,095,031 | 1,835,033 |
| Other Current Assets | 3,465,664 | 6,953,681 |
| Irrecoverable amount written off | 565,820 | – |
| Loans & Advances | (14,480,058) | (6,393,416) |
| Liabilities & Provisions | 16,081,143 | (8,664,244) |
| | <u>9,337,430</u> | <u>(8,664,244)</u> |
| Cash (Utilised in)/Generated from Operating Activities | 6,063,717 | (1,355,791) |
| Interest Paid | – | – |
| Direct Tax (Net) | <u>(43,820,135)</u> | <u>(910,065)</u> |
| Net Cash (Utilised in)/ Generated from Operating Activities | <u>(37,756,418)</u> | <u>(2,265,856)</u> |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (2,105,741) | (9,801,458) |
| Sale / Discard of Fixed Assets | 200,718,529 | 25,000 |
| Capital work-in-progress | (16,817,360) | (7,327,662) |
| Proceeds from Sale/Redemption of Investments | 51,129,521 | 15,800,000 |
| Purchase of Investments | <u>(190,586,139)</u> | <u>(8,604,900)</u> |
| Net Cash (Utilised in)/ Generated from Investment Activities | <u>42,338,810</u> | <u>(9,909,020)</u> |
| C. Cash Flow from Financing Activities | | |
| Interest paid on Borrowings | (2,445,410) | (2,352,889) |
| Dividend Paid | (1,514,996) | (1,525,984) |
| Corporate Dividend Tax | (314,090) | (309,406) |
| Proceeds/(Repayment) of Borrowings | <u>4,898,501</u> | <u>16,559,360</u> |
| Net Cash (Utilised in)/ Generated from Financing Activities | <u>624,005</u> | <u>12,371,081</u> |
| Net Increase/(Decrease) in cash & cash equivalent | <u>5,206,397</u> | <u>196,205</u> |
| Cash and Cash Equivalents (Opening Balance) | <u>4,024,477</u> | <u>3,828,272</u> |
| Cash and Cash Equivalents (Closing Balance) | <u>9,230,874</u> | <u>4,024,477</u> |
| | <u>5,206,397</u> | <u>196,205</u> |

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 Consolidated Cash Flow Statement referred to in our report of even date.

For Ray & Ray
Chartered Accountants

Asish Kumar Mukhopadhyay
Partner
Membership No.056359
Kolkata, 19th May, 2017

For and on behalf of the Board
A. V. Lodha
Chairman
R. C. Tapuriah
Director
R. Radhakrishnan
Chief Executive Officer & Company Secretary
V. Matta
Chief Financial Officer



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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Consolidated Financial Statements

The Consolidated 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 and are uniform.

PRINCIPLES OF CONSOLIDATION

The Financial Statements of the Company and its subsidiary Companies are combined on line-by-line basis by adding together like items of Assets, Liabilities, Income and Expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard on "Consolidated Financial Statements" (AS-21).

COMPANIES INCLUDED IN CONSOLIDATION:

| | <u>Nature of Company</u> | <u>Country of Incorporation</u> | <u>Proportion of ownership</u> |
|--------------------------|--------------------------|---------------------------------|--------------------------------|
| Alfred Herbert Limited | Subsidiary | India | 100% |
| Herbert Holdings Limited | Subsidiary | India | 100% |

Other Significant Accounting Policies

Use of Estimates

In preparing the Consolidated 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.

Property, Plant & Equipment

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 Assets and other directly attributable costs incurred till the date 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

Non Current 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.

Dividend

Dividends payable to the Company's shareholders are recognised in the period in which they are approved by the Company's shareholders.

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

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.

Foreign Currency Transaction

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at exchange rates prevailing at the year end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized in the Statement of Profit & Loss, except in the cases where any fixed asset acquired from a country outside India, in such case, these are adjusted to the cost of respective fixed assets.

Revenue Recognition

Sales are recognised on passing of the ownership of the goods as per the terms of sales. Sales include Excise Duty, Income from Job Work and are net of rebates, discount and other non-recoverables. 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 proportion basis and determined by contractual rate of interest. Dividend is accounted for as and when the right to receive the same is established.

Employee Benefits

Short term employee benefit 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 : i) In respect of Alfred Herbert (India) Limited, the Holding Company - 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. ii) In respect of Alfred Herbert Limited, Subsidiary Company – Liability for Leave Encashment is accounted for on the basis of actuarial valuation.
- iii) Provident Fund (Defined Contribution Scheme) : Accounted for on accrual basis based on the monthly contribution made to the appropriate authorities.

Warranty Expenses

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

Taxes on Income

Income tax is accounted for in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income". Current Tax is calculated on the taxable income using prevailing tax rate and applicable tax laws.

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.



Consolidated Notes to the Balance Sheet (Contd.)

2. Notes forming part of Consolidated Balance Sheet

2.1 SHARE CAPITAL

Authorised

100 - (2016 - 100) 8% Redeemable Preference Shares of Rs.100 each

100 - (2016 - 100) Redeemable Preference Shares of Rs.100 each

5,000,000 - (2016 - 5,000,000) Equity shares of Rs.10 each

Issued, subscribed and paid-up

771,429 - Equity shares of Rs.10 each fully paid-up (2016 - 771,429)

| As at 31st March, 2017 | As at 31st March, 2016 |
|---------------------------|---------------------------|
| Rs. | Rs. |
| 10,000 | 10,000 |
| 10,000 | 10,000 |
| 50,000,000 | 50,000,000 |
| <u>50,020,000</u> | <u>50,020,000</u> |
| 7,714,290 | 7,714,290 |
| <u>7,714,290</u> | <u>7,714,290</u> |

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

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

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

| Name of Shareholders | No. of Shares held on 31.3.2017 | | No. of Shares held on 31.3.2016 | |
|----------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. | % holding | No. | % holding |
| Anamika Lodha | 220,576 | 28.59 | 220,576 | 28.59 |
| Simika Lodha | 220,576 | 28.59 | 220,576 | 28.59 |

2.2 RESERVES AND SURPLUS

Capital Revaluation Reserve (As per last Account)

Capital Reserve on Consolidation (As per last Account)

Capital Redemption Reserve (As per last Account)

General Reserve (As per last Account)

Add : Transferred from surplus

| As at 31st March, 2017 | As at 31st March, 2016 |
|------------------------------|------------------------------|
| Rs. | Rs. |
| 5,035,730 | 5,035,730 |
| 59,937 | 59,937 |
| 1,400 | 1,400 |
| 214,851,169 | 214,051,169 |
| 40,437,606 | 800,000 |
| <u>255,288,775</u> | <u>214,851,169</u> |

Consolidated Notes to the Balance Sheet (Contd.)

| | As at 31st March, 2017 | As at 31st March, 2016 |
|--|------------------------------|------------------------------|
| | Rs. | Rs. |
| Special Reserve (Under Section 45 IC of Reserve Bank of India Act) (As per last Account) | 41,262,150 | 39,047,150 |
| Add : Transferred from surplus | 33,865,000 | 2,215,000 |
| | <u>75,127,150</u> | <u>41,262,150</u> |
| Surplus in Profit & Loss Account (As per last Account) | 53,325,715 | 46,195,378 |
| Add /(Less): Profit after tax transferred from statement of Profit & Loss | 144,734,853 | 12,002,285 |
| Surplus available for appropriation | <u>198,060,568</u> | <u>58,197,663</u> |
| APPROPRIATIONS | | |
| Proposed Dividend | – | 1,542,858 |
| Corporate Dividend Tax | – | 314,090 |
| General Reserve | 40,437,606 | 800,000 |
| Special Reserve | 33,865,000 | 2,215,000 |
| Surplus - closing balance | <u>123,757,962</u> | <u>53,325,715</u> |
| | <u>459,270,954</u> | <u>314,536,101</u> |
| 2.3 DEFERRED TAX (ASSETS)/LIABILITIES (NET) (Refer Note No.9) | | |
| Deferred Tax Liabilities | 5,507,248 | 3,851,911 |
| Deferred Tax Assets | – | (270,587) |
| | <u>5,507,248</u> | <u>3,581,324</u> |
| 2.4 LONG-TERM BORROWINGS | | |
| Term Loan from Canara Bank, Bangalore Secured by Hypothecation of Equipments | 3,484,453 | 4,987,081 |
| | <u>3,484,453</u> | <u>4,987,081</u> |
| 2.5 OTHER LONG-TERM LIABILITIES | | |
| Security deposit | 2,896,461 | 2,796,461 |
| Others | 472,347 | 4,246,329 |
| | <u>3,368,808</u> | <u>7,042,790</u> |
| 2.6 LONG-TERM PROVISIONS | | |
| Provision for Employee Benefits : | | |
| Provision for Leave Encashment | 269,218 | 315,822 |
| | <u>269,218</u> | <u>315,822</u> |
| 2.7 SHORT-TERM BORROWINGS | | |
| Loan repayable on demand from Bank : | | |
| From Canara Bank, Bangalore : | | |
| Cash Credit/Current A/c | 12,176,128 | 14,477,626 |
| (Secured by Hypothecation of stocks and book debts and Plant & Machinery, Furniture and Fixtures) | | |
| Packing Credit for exports | 4,500,000 | 10,800,000 |
| | <u>16,676,128</u> | <u>25,277,626</u> |



Consolidated Notes to the Balance Sheet (Contd.)

2.8 OTHER CURRENT LIABILITIES

| | As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|--|-------------------------------------|-------------------------------------|
| Current maturity of Long term borrowings | 1,992,412 | 1,606,448 |
| Advances received from Customers | 28,396,870 | 7,235,138 |
| Balances with Unpaid Dividend Accounts | 510,714 | 482,852 |
| Contribution to Gratuity Fund | 597,191 | 24,736 |
| Others * | 9,415,932 | 10,512,545 |
| | 40,913,119 | 19,861,719 |

* including statutory dues payable

2.9 SHORT-TERM PROVISIONS

| | As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|-------------------|-------------------------------------|-------------------------------------|
| Taxation | 43,937,677 | 137,677 |
| Proposed Dividend | - | 1,542,858 |
| Tax on Dividend | - | 314,090 |
| | 43,937,677 | 1,994,625 |

2.10 PROPERTY, PLANT & EQUIPMENT

Tangible Assets

| Description | Gross Carrying Amount | | | | Depreciation | | | | Net Carrying Amount | |
|----------------------------------|---|----------------------------------|---------------------------|---|------------------------|---------------------|---------------------------|------------------------|-------------------------------|-------------------------------|
| | Original Cost / Revaluation as on 01.04.2016 Rs. | Additions during the year Rs. | Sales/ Adjustments Rs. | Original Cost / Revaluation as on 31.03.2017 Rs. | Upto 31.03.2016 Rs. | For the year Rs. | Sales/ Adjustments Rs. | Upto 31.03.2017 Rs. | Value as on 31.03.2017 Rs. | Value as on 31.03.2016 Rs. |
| Land (Refer Note No.5) | 3,674,588 | - | 50,053 | 3,624,535 | - | - | - | - | 3,624,535 | 3,674,588 |
| Building : | | | | | | | | | | |
| Freehold | 50,835,733 | - | - | 50,835,733 | 17,485,501 | 765,328 | - | 18,250,829 | 32,584,904 | 33,350,232 |
| Leasehold | 342,945 | - | - | 342,945 | 264,557 | 9,557 | - | 274,114 | 68,831 | 78,388 |
| Plant & Machinery | 17,307,290 | 10,590,829 | - | 27,898,119 | 14,502,923 | 1,040,662 | - | 15,543,585 | 12,354,534 | 2,804,367 |
| Furniture, Fixtures & Equipments | 790,935 | 23,500 | - | 814,435 | 632,441 | 52,541 | - | 684,982 | 129,453 | 158,494 |
| Vehicles | 1,526,940 | - | - | 1,526,940 | 1,526,940 | - | - | 1,526,940 | - | - |
| Office Equipment | 417,408 | 35,000 | - | 452,408 | 362,997 | 31,437 | - | 394,434 | 57,974 | 54,411 |
| Others-Computers | 2,161,880 | - | - | 2,161,880 | 1,808,311 | 152,048 | - | 1,960,359 | 201,521 | 353,569 |
| Total | 77,057,719 | 10,649,329 | 50,053 | 87,656,995 | 36,583,670 | 2,051,573 | - | 38,635,243 | 49,021,752 | 40,474,049 |
| INTANGIBLE ASSETS : | | | | | | | | | | |
| Computer Software | 623,877 | - | - | 623,877 | 249,550 | 118,537 | - | 368,087 | 255,790 | 374,327 |
| | 623,877 | - | - | 623,877 | 249,550 | 118,537 | - | 368,087 | 255,790 | 374,327 |
| TOTAL | 77,681,596 | 10,649,329 | 50,053 | 88,280,872 | 36,833,220 | 2,170,110 | - | 39,003,330 | 49,277,542 | 40,848,376 |
| Previous Year | 76,955,331 | 1,257,870 | 531,605 | 77,681,596 | 35,928,795 | 1,409,783 | 505,358 | 36,833,220 | 40,848,376 | |

Consolidated Notes to the Balance Sheet (Contd.)

| | | As at 31st March, 2017 | | As at 31st March, 2016 |
|---|---------------|------------------------------|---------------|------------------------------|
| | | Rs. | | Rs. |
| 2.11 NON-CURRENT INVESTMENTS | | | | |
| Long Term, (Non-Trade), Quoted | | | | |
| (Refer Note No.10) | | | | |
| Equity Shares of Rs.10 each except where otherwise Stated (fully paid) | | | | |
| | No. of shares | | No. of shares | |
| Graphite India Limited (Face value Rs.2 per share) | 350,000 | 19,866,484 | 350,000 | 19,866,484 |
| Aditya Birla Nuvo Limited | 105 | 14,648 | 105 | 14,648 |
| Aditya Birla Fashion and Retail Limited (ABFRL) | 546 | - | 546 | - |
| Mangalore Refinery and Petrochemicals Ltd. | 400 | 4,000 | 400 | 4,000 |
| HDFC Bank Limited (Face value Rs.2 per share) | 2,500 | 5,000 | 2,500 | 5,000 |
| Hindalco Industries Ltd. (Face Value Re.1 per share) | 45,750 | 4,392,000 | 75,750 | 7,272,000 |
| Reliance Industries Ltd. | 67,000 | 19,351,841 | 67,000 | 19,351,842 |
| I D F C | 50,000 | 3,511,762 | 50,000 | 3,511,762 |
| I D F C Bank Ltd. | 50,000 | - | 50,000 | - |
| I T C Limited (Face value Re.1 per share) | 60,000 | 3,578,171 | 60,000 | 3,578,171 |
| Reliance Capital Ltd. | 50 | 9,243 | 1,175 | 184,413 |
| Reliance Power Ltd. | 250 | 4,977 | 5,875 | 99,300 |
| Reliance Communications Ltd.(Face value Rs.5 per share) | 1,000 | 275,162 | 23,500 | 5,489,863 |
| Reliance Infrastructure Ltd. | 75 | 51,904 | 1,762 | 1,035,555 |
| Vedanta Ltd. (Face Value Re.1 per share) | 6,012 | 188,310 | 6,012 | 188,310 |
| Bonds | | | | |
| 8.30% NHAI Tax Free Bonds | 3,743 | 3,837,493 | 3,743 | 3,837,493 |
| 8.50% NHAI Tax Free Bonds | 30,000 | 30,000,000 | 30,000 | 30,000,000 |
| 8.75% NHAI Tax Free Bonds | 21,200 | 21,159,647 | 21,200 | 21,159,647 |
| | | <u>106,250,642</u> | | <u>115,598,488</u> |
| Unquoted Shares | | | | |
| Equity Shares of Rs.10 each except where otherwise Stated (fully paid) | | | | |
| Woodlands Multispeciality Hospital Limited | 1,780 | 8,900 | 1,780 | 8,900 |
| Lodha Capital Markets Limited | 264,000 | 2,640,000 | 264,000 | 2,640,000 |
| Kirloskar Computer Services Limited | 10,000 | 1,00,000 | 10,000 | 100,000 |
| Less : Provision for diminution in value of shares of Kirloskar Computer Services Ltd. | | (100,000) | | (100,000) |
| | | <u>2,648,900</u> | | <u>2,648,900</u> |
| | | <u>108,899,542</u> | | <u>118,247,388</u> |
| a) Quoted Investments | | 106,250,642 | | 115,598,488 |
| b) Unquoted Investments | | 2,648,900 | | 2,648,900 |
| | | <u>108,899,542</u> | | <u>118,247,388</u> |
| Aggregate Market Value of Quoted Investments | | <u>239,581,771</u> | | <u>195,864,307</u> |
| 2.12 LONG-TERM LOANS & ADVANCES | | | | |
| (Unsecured-considered good) | | | | |
| Capital Advances | | 1,000,000 | | 2,700,000 |
| Security Deposits | | 2,819,414 | | 2,815,763 |
| | | <u>3,819,414</u> | | <u>5,515,763</u> |



Consolidated Notes to the Balance Sheet (Contd.)

| | | As at 31st March, 2017 Rs. | | As at 31st March, 2016 Rs. |
|--|---------------------|-------------------------------------|---------------------|-------------------------------------|
| 2.13 CURRENT INVESTMENTS (Unquoted) | No. of Units | | No. of Units | |
| Units of Rs.10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan) | 41,062.309 | 414,623 | 41,062.309 | 414,623 |
| Units of Rs.10 each in IDFC Banking Debt Fund - Growth Option | 46,947.916 | 500,000 | 46,947.916 | 500,000 |
| Units of Rs.10 each in IDFC Super Saver Income Fund - Growth Option | 16,893.775 | 500,000 | 16,893.775 | 500,000 |
| Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan) | 8,073,392.806 | 81,387,604 | 123,727.731 | 1,241,626 |
| Units of Rs.100 each in ICICI Prudential Savings Fund Regular Plan - Weekly Dividend Reinvestment | - | - | 128,333.231 | 12,911,264 |
| Units of Rs.1000 each in UTI Treasury Advantage Fund Flexi Dividend Plan Payout | 2,433.020 | 2,634,446 | 2,433.020 | 2,634,445 |
| Units of Rs.1000 each in UTI Treasury Advantage Fund Plan - Weekly Dividend Reinvestment. | 7,494.824 | 7,523,654 | 7,087.746 | 7,114,718 |
| Units of Rs.10 each in HDFC Cash Management Fund T. A. Plan - Retail - Regular Plan - Weekly Dividend Reinvest | 7,801,977.804 | 78,842,347 | - | - |
| Units of Rs.10 each in UTI Fixed Income Interval Plan Quarterly Plan Series III - Institutional Growth Plan | 1,367,720.056 | 20,004,000 | 1,367,720.056 | 20,004,000 |
| | | <u>191,806,674</u> | | <u>45,320,676</u> |
| Aggregate Market Value of Investments (As per NAV of 31st March) | | <u>202,731,955</u> | | <u>53,544,757</u> |
| 2.14 INVENTORIES (At lower of cost or Net Realisable Value) | | | | |
| Raw Materials | | 13,819,876 | | 14,256,760 |
| Work-in-Progress | | 22,768,860 | | 22,945,316 |
| Finished Goods | | 28,124 | | 74,550 |
| Loose Tools | | 953,017 | | 903,081 |
| | | <u>37,569,877</u> | | <u>38,179,707</u> |
| 2.15 TRADE RECEIVABLES (Unsecured) | | | | |
| Debts outstanding for a period exceeding six months :- | | | | |
| Considered good | | 1,997,781 | | 1,557,967 |
| Considered doubtful | | 320,474 | | 348,689 |
| | | <u>2,318,255</u> | | <u>1,906,656</u> |
| Other debts - Considered good | | 21,712,657 | | 36,876,318 |
| | | <u>24,030,912</u> | | <u>38,782,974</u> |
| Less : Provision | | 320,474 | | 348,689 |
| | | <u>23,710,438</u> | | <u>38,434,285</u> |

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

| | As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|--|---|---|
| 2.16 CASH AND BANK BALANCES | | |
| A Cash and Cash equivalents (Note 15) | | |
| Cash in hand | 197,826 | 366,464 |
| Balances with Banks : | | |
| (I) On Current Accounts | 6,194,466 | 1,126,661 |
| (ii) On Unpaid Dividend Accounts | 510,714 | 482,852 |
| (iii) On Fixed Deposit with Bank | 1,340,000 | - |
| B Other Balances with Banks: | | |
| (i) On Margin Deposit- towards Bank Guarantee | 987,868 | 2,048,500 |
| | 9,230,874 | 4,024,477 |
| 2.17 SHORT-TERM LOANS AND ADVANCES (Unsecured-considered good) | | |
| Advance recoverable in cash or in kind or for value to be received | 5,409,052 | 3,270,002 |
| Prepaid Expenses | 7,399 | 7,680 |
| Advance Income Tax | 58,877,978 | 15,366,843 |
| | 64,294,429 | 18,644,525 |
| 2.18 OTHER CURRENT ASSETS (Unsecured - considered good) | | |
| Interest Accrued | 371,871 | 346,536 |
| Accrued Income | 23,371 | 411,905 |
| Balances with Excise/Commercial Tax Dept. | 4,944,285 | 8,046,750 |
| | 5,339,527 | 8,805,191 |
| | For the year ended 31st March, 2017 Rs | For the year ended 31st March, 2016 Rs |
| 2.19 REVENUE FROM OPERATIONS | | |
| Sale of products : | | |
| i) Domestic Sales | 96,402,758 | 158,933,321 |
| ii) Exports | 6,437,171 | 18,071,420 |
| Rent | 9,724,585 | 10,286,592 |
| Sale of services | 218,995 | 792,570 |
| Other operating revenues | 2,223,125 | 4,029,588 |
| Interest Income :- | | |
| Interest on Bonds | 4,662,669 | 4,651,633 |
| Others * | 315,572 | 1,219,435 |
| Dividend from shares (Long Term) | 604,184 | 3,440,701 |
| Dividend from Mutual Fund (Short Term) | 5,753,678 | 1,061,470 |
| Profit on Sale of Current Investment (net) | 100,044 | - |
| | 126,442,781 | 202,486,730 |
| * including interest on Income Tax refund Rs.72,822 (2016 - Rs.583,257) | | |
| 2.20 OTHER INCOME | | |
| Interest Income (on Fixed Deposit & others) | 75,751 | 176,586 |
| Provision for doubtful debts written back (net) | 28,215 | - |
| Miscellaneous Income | 9,986 | 3,854 |
| | 113,952 | 180,440 |



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

| | For the year ended 31st March, 2017 Rs | For the year ended 31st March, 2016 Rs |
|---|---|---|
| 2.21 CHANGES IN INVENTORY OF FINISHED GOODS & WORK IN PROGRESS | | |
| a) Changes in Inventory of Finished Goods | | |
| Opening Stock | 74,550 | 74,550 |
| Less : Closing Stock | 28,125 | 74,550 |
| | <u>46,425</u> | <u>-</u> |
| b) Changes in Inventory of Work in Progress | | |
| Opening Stock | 22,945,316 | 13,837,224 |
| Less : Closing Stock | 22,768,860 | 22,945,316 |
| | <u>176,456</u> | <u>(9,108,092)</u> |
| Less : Jigs & fixtures capitalised from WIP | - | - |
| | <u>176,456</u> | <u>(9,108,092)</u> |
| | <u>222,881</u> | <u>(9,108,092)</u> |
| 2.22 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries & Wages | 27,034,493 | 27,507,355 |
| Contribution to Provident and other Funds | 2,296,152 | 1,740,940 |
| Staff Welfare Expenses | 3,519,047 | 3,970,099 |
| | <u>32,849,692</u> | <u>33,218,394</u> |
| 2.23 FINANCE COSTS | | |
| Interest on Overdraft | 3,011,230 | 2,854,886 |
| | <u>3,011,230</u> | <u>2,854,886</u> |
| 2.24 OTHER EXPENSES | | |
| Power and Fuel | 2,386,065 | 2,564,113 |
| Consumable Stores | 2,268,355 | 3,084,006 |
| Repairs to Building | 1,541,479 | 1,799,204 |
| Repairs to Plant & Machinery | 1,760,420 | 1,863,038 |
| Repairs - Others | 1,168,443 | 1,381,922 |
| Rent | 1,353,994 | 1,288,039 |
| Rates and Taxes | 1,159,554 | 1,143,658 |
| Insurance | 145,923 | 119,721 |
| Electricity | 575,987 | 795,128 |
| Flat Maintenance | 233,660 | 231,718 |
| Loss on sale of Investment (Net) | - | 1,921 |
| Postage and telephone | 905,362 | 872,480 |
| Provision for doubtful debts/Bad debts | - | 348,689 |
| Legal & Secretarial Expenses | 973,249 | 1,017,454 |
| Loss/Net Gain on Foreign Currency Transactions | - | 13,867 |
| Loss on sale / Discardation of Fixed Assets | - | 1,247 |
| Loss on sale of Non-current Investments (Net) | 2,418,510 | - |
| Professional Fees | 203,000 | 510,000 |
| Motor Car Expenses | 1,496,403 | 1,645,861 |
| Consultancy Charges | 6,917,368 | 7,605,620 |
| Security Service | 2,034,293 | 1,642,028 |
| Traveling and conveyance | 2,942,959 | 2,876,565 |
| Miscellaneous expenses (I) | 3,163,741 | 2,931,138 |
| | <u>33,648,765</u> | <u>33,737,417</u> |
| (i) Includes | | |
| Auditors' Remuneration (Exclusive of Taxes) : | | |
| Statutory Audit Fees | 132,000 | 132,000 |
| Tax Audit Fees | 34,000 | 34,000 |
| Other services | 30,500 | 44,500 |

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

- 3. Contingent liabilities and Commitments not provided for in respect of :** (Amount in Rs.)
- | | 2016 - 2017 | 2015 - 2016 |
|--|--------------------|--------------------|
| i) Income Tax demand | – | 15,230 |
| ii) Corporate Guarantee | 27,500,000 | 27,500,000 |
| iii) Bank Guarantees for advance issued in favour of customers | 229,100 | 6,564,250 |
| iv) Bank Guarantees for performance issued in favour of customer | 884,000 | 808,000 |
| v) Bank Guarantee for obtaining Way Bill from West Bengal Commercial Tax Department | 1,340,000 | – |
| vi) Letter of credit in favour of Supplier | 1,035,072 | 970,959 |
| vii) Central Excise demands not accepted by the Company | 2,054,646 | 1,542,641 |
| viii) Penalties in respect of Excise / Service Tax | 443,378 | 2,874,790 |
| ix) 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 |
| x) Income Tax matters – Tax, Penalty & Interest for FY 2010-11 & 2011-12 | 5,374,665 | 5,374,665 |
| xi) Warranty Expenses | – | 100,000 |
4. Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs.1,280,000/- (2015-16 : Rs.Nil).
- 5. 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 with Hon'ble High Court at Karnataka (involving several industries including the Company situated in the same vicinity) and the same is currently pending before the said court.
 - A portion of land at Bangalore along with structure thereon has been acquired by Karnataka Industrial Area Development Board (KIADB) for the purpose of Metro Rail Project under taken by the Government and compensation of Rs.209,132,210/- has been received against the said acquisition. Profit arising in this respect has been disclosed as Exception Items in the Statement of Profit and Loss.

6. Gratuity Plan

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

The following 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 2017.

i) Change in Defined Benefit Obligations (Amount in Rs.)

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|---|-------------------------|-------------------------|
| A | Present Value of Defined Benefit Obligations at the beginning of period | 10,296,663 | 11,637,923 |
| B | Current Service Cost | 477,808 | 563,766 |
| C | Interest Cost | 717,844 | 820,004 |
| D | Actuarial Losses/(Gains) | 140,936 | (528,975) |
| E | Benefits Paid | (1,996,322) | (2,196,055) |
| F | Present Value of Defined Benefit Obligations at the end of period | 9,636,929 | 10,296,663 |

ii) Change in Fair Value of Assets (Amount in Rs.)

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|------------------------------------|-------------------------|-------------------------|
| A | Plan Assets at beginning of period | 10,283,883 | 9,829,438 |
| B | Expected return on Plan Assets | 717,812 | 749,653 |
| C | Actual Company contributions | 24,736 | 1,808,485 |



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

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|----------------------------------|------------------|------------------|
| D | Actuarial Gain/(Loss) | 18,208 | 92,362 |
| E | Benefits Paid | (1,996,322) | (2,196,055) |
| F | Plan Assets at the end of period | 9,048,317 | 10,283,883 |

iii) **Total expense recognised in the Statement of Profit & Loss** (Amount in Rs.)

| | Components of employer expense | For the Year Ended 31.03.2017 | For the Year Ended 31.03.2016 |
|---|---|----------------------------------|----------------------------------|
| A | Current Service Cost | 477,808 | 563,766 |
| B | Interest Cost | 717,844 | 820,004 |
| C | Expected return on Plan Assets | (717,812) | (749,653) |
| D | Actuarial Losses/(Gains) | 122,728 | (621,337) |
| E | Total expenses recognised in the Statement of Profit & Loss | 600,568 | 12,780 |

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

| | Funded Status | For the Year Ended 31.03.2017 | For the Year Ended 31.03.2016 |
|---|--|----------------------------------|----------------------------------|
| A | Present Value of Defined Benefits Obligations | 9,636,929 | 10,296,663 |
| B | Fair Value of Plan Assets | 9,048,317 | 10,283,883 |
| C | Funded Status [Surplus / (Deficit)] | (588,612) | (12,780) |
| D | Net Asset / (Liability) recognized in Balance Sheet at beginning of period | (12,780) | (1,808,485) |
| E | Employer expenses | 600,568 | 12,780 |
| F | Employer contributions | 24,736 | 1,808,485 |
| G | Net Asset / (Liability) recognised in Balance Sheet at end of the period | (588,612) | (12,780) |

v) **Actuarial Assumptions**

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|---------------------------|--|--|
| A | Discount Rate | 7.14% | 7.72% |
| B | Mortality | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate |
| C | Salary increases | 8% | 8% |
| D | Expected return on assets | 7.72% | 7.78% |
| 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 31.03.2017 | Year ended 31.03.2016 | Year ended 31.03.2015 | Year ended 31.03.2014 | Year ended 31.03.2013 |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| A | Present Value of Defined Benefit Obligation | 9,636,929 | 10,296,663 | 11,637,923 | 11,534,625 | 13,509,156 |
| B | Fair Value of Plan Assets | 9,048,317 | 10,283,883 | 9,829,438 | 11,388,758 | 12,273,470 |
| C | Funded Status [Surplus/(Deficit)] | (588,612) | (12,780) | (1,808,485) | (145,867) | (1,235,686) |
| D | Experience (Gain)/Loss adjustment on Plan Liabilities | (124,848) | (557,910) | 516,995 | 199,063 | 202,500 |
| E | Experience Gain/(Loss) adjustment on Plan Assets | 18,208 | 92,362 | (31,916) | 43,174 | 9,584 |
| F | Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption | 265,784 | 28,935 | 751,238 | (651,195) | 374,920 |

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

7. Leave Encashment

The table given below shows a summary of the key results in respect of one of the Subsidiary Company, Alfred Herbert Limited :

Assets / Liabilities

(Amount in Rs.)

| | | As on 31.03.2017 | As on 31.03.2016 |
|---|---|---------------------|---------------------|
| A | Present Value of obligation | 269,218 | 317,727 |
| B | Fair Value of Plan Assets | - | - |
| C | Net Asset/(Liability) recognized in Balance Sheet | (269,218) | (317,727) |

Employer Expense

(Amount in Rs.)

| | | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---|--------------------------|----------------------------------|----------------------------------|
| A | Current Service Cost | 65,181 | 75,798 |
| B | Interest Cost | 21,160 | 24,579 |
| C | Actuarial Losses/(Gains) | (47,590) | (55,892) |
| D | Total Employer Expense | 38,751 | 44,485 |

The financial assumptions employed for the calculations are as follows :

| | As on 31.03.2017 | As on 31.03.2016 |
|---|------------------|------------------|
| Discount rate per annum compound | 7.14% p.a. | 7.72% p.a. |
| Rate of increase in Salaries | 8.00% p.a. | 8.00% p.a. |
| Expected average remaining working lives of employees (years) | 10.17 | 10.90 |

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 31.03.2017 | As on 31.03.2016 |
|---------------------------------|--------------------|------------------|------------------|
| 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 31.03.2017 | Year ended 31.03.2016 | Year ended 31.03.2015 | Year ended 31.03.2014 | Year ended 31.03.2013 |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| A | Present Value of Defined Benefit Obligation | 269,218 | 317,727 | 358,605 | 429,696 | 586,895 |
| B | Funded Status [Surplus/(Deficit)] | (269,218) | (317,727) | (358,605) | (429,696) | (586,895) |
| C | Experience (Gain)/Loss adjustment on Plan Liabilities | (57,022) | (57,007) | (52,130) | (17,030) | 80,508 |
| D | Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption | 9,432 | 1,115 | 28,372 | (27,323) | 20,192 |

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.



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

8. 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.

9. The following are the major components of Deferred Tax (Assets)/Liabilities (Amount in Rs.)

| | As on 31.03.2017 | As on 31.03.2016 |
|---|------------------|------------------|
| Deferred Tax Liability | | |
| On Account of Depreciation | 5,507,248 | 3,851,911 |
| Deferred Tax Assets | | |
| Expenses allowable on payment basis u/s 43B | - | (270,587) |
| Provision for Warranty | - | - |
| TOTAL | - | (270,587) |
| Net Deferred Tax Liability | 5,507,248 | 3,581,324 |

10. In respect of one of the Subsidiary Company, Herbert Holdings Limited, diminution in value of investment in Reliance Communications Limited and Reliance Infrastructure Limited are due to market fluctuations and in the opinion of the management no provision is required to be made in the accounts since the same is treated as Long Term Investment at cost.

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

Related Party

Name

Jain Industrial & Commercial Services Pvt. Ltd.

Relationship

Company where significant influence exist

Key Management Personnel

R. Radhakrishnan

Chief Executive Officer & Company Secretary

V. Matta

Chief Financial Officer

Disclosure of transactions with Related Party during the year and outstanding balances as on 31st March, 2017 :

| | 2016-17 | 2015-16 |
|--|-----------|-----------|
| (Amount in Rs.) | | |
| <u>Company where significant influence exist</u> | | |
| Lease Rent Received | 1,494,000 | 1,440,000 |
| <u>Key Management Personnel</u> | | |
| CEO & CS | 1,215,000 | 1,215,000 |
| CFO | 882,500 | 420,000 |

Note : Related Party transactions are excluding reimbursements.

12 Segment Reporting

a) The Holding Company and one of its Subsidiary Companies, Herbert Holdings Limited operate mainly in one business segment viz. Non-Banking financial activities and therefore the Segment Reporting as per Accounting Standard (AS) 17 on "Segment Reporting" is not applicable.

b) In respect of one Subsidiary Company, Alfred Herbert Limited, operation predominantly relate to Manufacturing and Trading of Industrial Machineries & Spares (Manufacturing Operations).

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.)

| Primary Segment | Year ended 31.03.2017 | | | | Year ended 31.03.2016 | | | |
|--|----------------------------------|----------------------------------|------------|-------------|----------------------------------|----------------------------------|------------|-------------|
| | Manufac- turing Operations | Realty & Business Services | Others | Total | Manufac- turing Operations | Realty & Business Services | Others | Total |
| A. REVENUE | | | | | | | | |
| External Sales/Income | 94,552,871 | 20,669,363 | 599,309 | 115,821,543 | 165,438,863 | 20,069,037 | 591,334 | 186,099,234 |
| Inter Segment Sales/Income | - | - | - | - | - | - | - | - |
| Total- | 94,552,871 | 20,669,363 | 599,309 | 115,821,543 | 165,438,863 | 20,069,037 | 591,334 | 186,099,234 |
| Segment Result (Profit(+) Loss(-)before Tax & Interest) | (21,159,529) | 213,496,390 | 569,326 | 192,906,187 | 4,693,600 | 8,408,146 | 564,009 | 13,665,755 |
| Less: Un-allocable expenditure | | | | | | | | |
| i) Interest | | | | 2,445,410 | | | | 2,854,886 |
| ii) Other un-allocable expenditure (Net of un-allocable income) | | | | - | | | | - |
| Total Profit before Tax | | | | 190,460,777 | | | | 10,810,869 |
| Less: Taxes | | | | | | | | |
| Current Tax | | | | 43,800,000 | | | | 476,000 |
| Tax relating to earlier years | | | | - | | | | (2,321,480) |
| Dividend Distribution Tax for earlier year | | | | - | | | | 47,197 |
| Deferred Tax | | | | 1,925,924 | | | | 606,867 |
| Net Income / (Loss) after Tax | | | | 144,734,853 | | | | 12,002,285 |
| OTHER INFORMATION | | | | | | | | |
| Segment Assets | 90,319,360 | 447,032,220 | 15,597,494 | 552,949,074 | 101,776,352 | 295,453,988 | 15,028,168 | 412,258,508 |
| Un-Allocable Assets | | | | 58,877,978 | | | | 15,366,843 |
| Total | | | | 611,827,052 | | | | 427,625,351 |
| Segment Liabilities & Provisions | 83,462,797 | 4,845,208 | 13,800 | 88,321,805 | 84,496,726 | 9,714,355 | 13,800 | 94,224,881 |
| Un-Allocable Liabilities & Provisions | | | | 51,012,755 | | | | 7,568,755 |
| Total | | | | 139,334,560 | | | | 101,793,636 |
| Depreciation | 1,270,597 | 899,513 | - | 2,170,110 | 561,681 | 848,102 | - | 1,409,783 |
| Capital Expenditure including CWIP | - | 117,878,735 | - | 117,878,735 | 8,543,588 | 101,061,375 | - | 109,604,963 |

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

| Nature of Item | Provision for Warranty (Amount in Rs.) | |
|--------------------------|---|---------|
| | 2016-17 | 2015-16 |
| Opening Provision | - | - |
| Provided during the year | 145,185 | 669,382 |
| Amount utilized | 145,185 | 669,382 |
| 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.

14. EARNINGS PER SHARE (EPS)

| | For the year ended | |
|--|--------------------|--------------------|
| | 31st March 2017 | 31st March 2016 |
| i. Net Profit/(Loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.) | 144,734,853 | 12,002,285 |
| ii. Number of Equity Shares used as denominator for calculating EPS | 771,429 | 771,429 |
| iii. Basic and Diluted Earnings per Share (Rs.) | 187.62 | 15.56 |
| iv. Face Value per Equity Share (Rs.) | 10 | 10 |



15. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

(Amount in Rs.)

| Particulars | SBNs | Other Denomination | Total |
|---|---------|--------------------|---------|
| Closing Cash-in-hand as on 8th November 2016 | 258,000 | 45,903 | 303,903 |
| Permitted Receipts | - | 551,992 | 551,992 |
| Permitted Payments | - | 564,550 | 564,550 |
| Amount deposited in Banks | 258,000 | - | 258,000 |
| Closing Cash-in-hand as on 30th December 2016 | - | 33,345 | 33,345 |

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.) |
| Parent | | | | |
| Alfred Herbert (India) Limited | 94.92 | 443,270,899 | 116.54 | 168,676,598 |
| Subsidiaries | | | | |
| 1. Alfred Herbert Limited | 1.74 | 8,130,651 | (16.93) | (24,511,071) |
| 2. Herbert Holdings Limited | 3.34 | 15,583,694 | 0.39 | 569,326 |

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.18,869,419) Herbert Holdings Limited – Rs.13,383,694 |
| 6. | Total assets | Alfred Herbert Limited – Rs.99,563,756 Herbert Holdings Limited – Rs.15,597,494 |
| 7. | Total Liabilities | Alfred Herbert Limited – Rs.109,433,105 Herbert Holdings Limited – Rs.13,800 |
| 8. | Investments | Alfred Herbert Limited – Nil Herbert Holdings Limited – Rs.15,362,310 |
| 9. | Turnover | Alfred Herbert Limited – Rs.94,552,871 Herbert Holdings Limited – Rs.599,309 |
| 10. | Profit before taxation | Alfred Herbert Limited – (Rs.23,604,939) Herbert Holdings Limited – Rs.569,326 |
| 11. | Provision for taxation | Alfred Herbert Limited – Rs.906,132 Herbert Holdings Limited – Nil |
| 12. | Profit after taxation | Alfred Herbert Limited – (Rs.24,511,071) Herbert Holdings Limited – Rs.569,326 |
| 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 : 19th May, 2017

For and on behalf of the Board of Directors

A. V. Lodha

Chairman

R. C. Tapuriah

Director

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 **ALFRED HERBERT (INDIA) LIMITED**

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

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf of the NinetySeventh Annual General Meeting of the Company, to be held on Friday, 28th July, 2017 at 10.30 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.
5.

Signed this day of 2017

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.

Tear Here

If undelivered please return to :

ALFRED HERBERT (INDIA) LIMITED

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