



# ALFRED HERBERT (INDIA) LTD.

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Fax : (033) 2229 9124  
E-mail : [kolkata@alfredherbert.com](mailto:kolkata@alfredherbert.com)  
Website : [www.alfredherbert.co.in](http://www.alfredherbert.co.in)  
CIN : L74999WB1919PLC003516

Bombay Stock Exchange Limited,  
PhirozeJeejeebhoy Towers, 25<sup>th</sup> Floor  
Dalal Street  
Mumbai - 400 001

SEC.SS.SP

3<sup>rd</sup> August 2018

Dear Sir,

Annual Report & Accounts – 2017-18 under  
Regulation 34(1) of SEBI (Listing Obligations &  
Disclosure Requirements) Regulations, 2015  
Our Scrip Code No. 505216

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the Annual Report and Accounts for the financial year ended 31<sup>st</sup> March 2018 for your information and records.

Yours faithfully,  
For Alfred Herbert (India) Limited

Shobhana Sethi  
CFO & Company Secretary

Enc: as above



**ALFRED HERBERT (INDIA) LTD.**

**ANNUAL REPORT  
2017– 2018**





# ANNUAL REPORT 2017– 2018

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## 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

Mr. V. Matta

## CFO & COMPANY SECRETARY

Mrs. S. Sethi

## AUDITORS

ALPS & Co.  
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 98TH 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, 27th July 2018 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, 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a director in place of Mr. H. V. Lodha (DIN 00394094), who retires by rotation and being eligible offers himself for re-appointment.

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

Date : 30th May 2018  
Place: Kolkata

Chief Financial Officer  
& Company Secretary

### NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from 19th July 2018 to 27th July, 2018 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2017-18.
2. A Statement giving the relevant details of the Director seeking re-appointment under items 3 of the accompanying Notice as required under Sub-clause 3 of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.
3. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy/Proxies to attend and vote instead of himself/herself. Such a Proxy /Proxies need not be a member of the Company. The instrument of Proxy in order to be 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 18th July 2018. 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 28th July 2018.

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. 64,422/- being the unpaid and unclaimed dividend amount pertaining to Dividend of 2009-2010 on 30th August 2017 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 28th July 2017 (date of the last Annual General Meeting) on the website of the Company [www.alfredherbert.co.in](http://www.alfredherbert.co.in)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in))
9. Members who have not yet encashed their dividend warrants for the financial year ended 31st March 2011 may approach the Company for revalidation of the dividend warrants before end of 14th August 2018.

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 700001 and its office at 1 Kyd Street, Flat No. 37, Kolkata 700016 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 98th 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. 20th July 2018.
  - IV. The Scrutinizer, after scrutinizing the votes cast at the meeting and through e-voting, will, not later than two days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.alfredherbert.co.in](http://www.alfredherbert.co.in) and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchange.

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

- (i) The voting period begins on 24th July 2018 at 10 a.m. and ends on 26th July 2018 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 20th July 2018, 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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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



- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name, i.e. "ALFRED HERBERT (INDIA) LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the 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 2018. 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](http://www.evotingindia.com) and register themselves as Corporates.
  - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - \* After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on
  - \* The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

By Order of the Board of Directors

for Alfred Herbert (India) Limited  
Shobhana Sethi  
Chief Financial Officer  
& Company Secretary

Date : 30th May 2018  
Place: Kolkata



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

Details of Director seeking re-appointment / appointment at the forthcoming Annual General Meeting (in pursuance of Sub-clause 3 of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement (As on 31st March 2018))

<b>Name of Director</b>	Harsh Vardhan Lodha
<b>Director identification Number (DIN)</b>	00394094
<b>Date of Birth</b>	13th February 1967
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	20th September 1990
<b>Qualification</b>	Chartered Accountant
<b>Expertise</b>	<p>He has over 32 years of experience and has been involved in and handled several advisory assignments in the fields of Audit, International Takeovers and Financing Domestic Financing, Project Structuring, Capital Mobilization, Joint Ventures/ Collaborations, Mergers/Reconstructions and Rehabilitation etc.</p> <p>He is Chairman of Birla Corporation Limited, Universal Cables Limited, Birla Cable Ltd. Vindhya Telelinka Ltd. Birla Furukawa Fibre Optics Pvt. Ltd and Hindustan Gum &amp; Chemicals Limited. He also serves on the Board of other companies.</p> <p>He is Trustee and Managing Committee member of several philanthropic institutions including Bombay Hospital, Belle Vue Clinic, South Point Education Society, Priyamvada Birla Aravind Eye Hospital, M.P. Birla Institute of Fundamental Research, etc.</p> <p>He has also served on the Executive Committee of FICCI, the Managing Committee of Assocham and as the Vice President of Indian Chambers of Commerce.</p>
<b>Shareholding in AHIL</b>	35040 Equity Shares
<b>List of Directorships held in other Companies</b>	<p>Birla Corporation Ltd.  Birla Cable Ltd.  Hindustan Gum &amp; Chemicals Limited  J.K. Fenner (India) Ltd.  Punjab Produce Holdings Ltd.  Universal Cables Ltd.  Vindhya Telelinks Limited  Baroda Agents &amp; Trading Co. Pvt. Ltd.  Birla Furukawa Fibre Optics Pvt. Ltd.  East India Investment Co. Pvt. Ltd.  Gwalior Webbing Co. Pvt. Ltd.  Mazbat Investments Pvt Ltd.  Mazbat Properties Pvt. Ltd.  Oneworld Resources Pvt. Ltd.  Reliance Cement Co. Pvt. Ltd.  Swiss India Financial Services Co. Pvt. Ltd.  The Punjab Produce &amp; Trading Co. Pvt. Ltd.</p>
<b>Memberships/Chairmanships of Committees Across Public Companies</b>	<p><b>Chairman:</b>  Stakeholders Relationship Committee Birla Corporation Ltd.</p> <p><b>Corporate Social Responsibility Committee:</b>  Birla Corporation Ltd.  Hindustan Gum &amp; Chemicals Ltd.  Reliance Cement Co. Pvt. Ltd.  The Punjab Produce &amp; Trading Co. Pvt. Ltd.  Universal Cables Ltd.</p> <p><b>Member:</b>  Committee of Directors  Birla Corporation Ltd.  Reliance Cement Co. Pvt. Ltd.</p> <p><b>Nomination &amp; Remuneration Committee :</b>  Birla Corporation Ltd.  Reliance Cement Co. Pvt. Ltd.</p> <p><b>Audit Committee :</b>  Baroda Agents &amp; Trading Co. Pvt. Ltd.  Gwalior Webbing Co. Pvt. Ltd.  The Punjab Produce &amp; Trading Co. Pvt. Ltd.</p>
<b>Relationship between Directors inter-se</b>	Brother of Mr. A V Lodha and Brother-in-law of Ms. Simika Lodha



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninety–eighth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2018.

### FINANCIAL RESULTS

The Financial Results are as under:

	31st March 2018 Rs.	31st March 2017 Rs.
Profit before Tax and Exceptional items	10,589,247	4,414,233
Exceptional Items	–	209,082,157
Provision for Tax (including deferred tax)	(1,300,388)	44,819,792
Excess Tax provision written back	(7,739)	–
Profit after Tax	11,897,374	168,676,598
Surplus from earlier years brought forward	140,639,012	46,150,020
Amount available for appropriation	152,536,386	214,826,618
Appropriations:		
Dividend for 2016–17	1,542,858	–
Corporate Dividend Tax for 2016–17	314,090	–
General Reserve	1,000,000	40,437,606
Special Reserve	2,400,000	33,750,000
	5,256,948	74,187,606
Surplus carried to Balance Sheet	147,279,438	140,639,012
	152,536,386	214,826,618

### DIVIDEND

Your Directors take pleasure in recommending for approval the payment of Dividend of Rs.2.50 (per share) for the year ended 31st March 2018.

### FINANCIAL PERFORMANCE

The Company's performance was satisfactory during the year. The Company's gross income for the financial year ended 31st March 2018 stood at Rs.265.37 lakhs as against Rs.206.69 lakhs in 2016–17. Profit before tax stood at Rs.105.89 lakhs in 2017–18.as against Rs. 44.14 lakhs profit before tax and exceptional items in 2016–17. Profit after tax of the Company stood at Rs.118.97 lakhs. The performance of the Company's non–current investments was also satisfactory.

The Company is developing its property in Kolkata where the work is progressing but with multiple sanctions involved with regard to the sanctions of some incremental area in the said project on account of the proposed project being a green building the completion of the building has been delayed and should be completed in another 15–18 months from the time all sanctions are received.

The performance of the Company's wholly owned subsidiary Alfred Herbert Limited was disappointing and unsatisfactory. Despite supporting Alfred Herbert Limited significantly including providing significant financial support over the years in the form of loans the Company performed poorly. Lower selling prices due to aggressive competition coupled with sharp increases in input costs, a shift in the markets to radial tyre machinery and less than optimum productivity with high fixed costs have

led to significant challenges necessitating a deep review and examination of the way forward. Given this, in compliance with the prudential guidelines issued by the Reserve Bank of India a provision of 10% of the total amount outstanding was made during the year.

### DIRECTORS

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

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section149(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 2018 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. ALPS & Co. Chartered Accountants (Firm Registration No. FRN 313132E) existing Auditors of the Company were appointed for a period of 5(five) years by the Members of the Company in the 97th Annual General Meeting held on 28th July 2017. By virtue of the amendment made in the Companies (Amendment) Act, 2017, the Company is not required to place before the Annual General Meeting the matter pertaining to ratification of appointment of Auditors.

### 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 Tibrewal, 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. 4 meetings of Audit Committee, 2 meetings of Stakeholders Relationship Committee and 1 meeting of Nomination and Remuneration Committee were also 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.17.08 lakhs to Key Managerial Personnel, Mr. R Radhakrishnan, Chief Executive Officer and Company Secretary (from April 2017 to October 2017) and Mr. V Matta, Chief Financial Officer.

### **MANAGERIAL PERSONNEL**

Mr. R. Radhakrishnan resigned as Chief Executive Officer and Company Secretary with effect from 2nd November 2017. Mr. V Matta, was appointed as Chief Executive Officer with effect from 1st May 2018 and Mrs. Shobhana Sethi was appointed as Chief Financial Officer & Company Secretary with effect from 1st May 2018.

### **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 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note No.1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 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**

There were no foreign exchange earnings and expenditure during the year. 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

A. V. Lodha

CHAIRMAN

Kolkata

Date: 30th May 2018

(DIN : 00036158)



## FORM MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2018

[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, 2018 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 31.03.2018 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 during the period under review);
- (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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – (Not Applicable to the Company during the period under review);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – (Not Applicable to the Company during the period under review);
  - 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 period under review);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – (Not Applicable to the Company during the period under review);

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 indentified by the management, that is to say:

- a. Reserve Bank of India Act, 1934 (Section 45-1A) and directions thereon, viz.,
  - Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  - Non Banking Finance (Non- Deposit Accepting or Holding) companies Prudential norms (Reserve Bank) Directons, 2007
- b. Prevention of Money Laundering Act, 2002.

I further report that I have not commented on the compliance of various tax laws and accounting standards and compliance of Schedule III in the preparation of Financial Statements as it is dealt separately by an appropriate independent professional and forms part of the Annual report.

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 Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the Listing Agreement entered in to 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 as per the explanation given to me and the representations made by the Management, 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.

I further report that during the audit period, there are no specific events/actions which have the major bearing on the company's affairs.

Place: Kolkata  
Date: 30.05.2018

**CS PRIYANKA TIBREWAL**  
FCS: 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, standard 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: 30.05.2018

**CS PRIYANKA TIBREWAL**  
FCS: 7893  
C. P. No.: 8843



<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2018</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company</b>
<b>(Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L74999WB1919PLC003516
ii	Registration Date	2ND DECEMBER 1919
iii	Name of the Company	ALFRED HERBERT (INDIA) LIMITED
iv	Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
v	Address of the Registered office & contact details	13/3, STRAND ROAD, KOLKATA- 700001. TEL. NO. 033-2226 8619, 033-2229 9124
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	MAHESHWARI DATAMATICS PVT. LTD. 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	56.25
2			
3			
4			

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

Sl 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	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>302,025</b>	<b>-</b>	<b>302,025</b>	<b>39.1513</b>	<b>302,025</b>	<b>-</b>	<b>302,025</b>	<b>39.1513</b>	<b>-</b>
(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...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>258,619</b>	<b>-</b>	<b>258,619</b>	<b>33.5247</b>	<b>258,619</b>	<b>-</b>	<b>258,619</b>	<b>33.5247</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>560,644</b>	<b>-</b>	<b>560,644</b>	<b>72.6760</b>	<b>560,644</b>	<b>-</b>	<b>560,644</b>	<b>72.6760</b>	<b>-</b>

**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>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	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)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	30	60	90	0.0117	30	60	90	0.0117	-
(2) Non Institutions									
a) Bodies corporates									
i) Indian	4,366	1,155	5,521	0.7157	5,764	1,041	6,805	0.8821	0.1664
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	111,201	73,562	184,763	23.9507	112,531	53,420	165,951	21.5122	(2.4386)
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	327	-	327	0.0424	1,046	-	1,046	0.1356	0.0932
iii) Non Resident Individual	19,748	246	19,994	2.5918	19,144	225	19,369	2.5108	(0.0810)
iv) Investor Education and Protection Fund Authority	-	-	-	-	17,434	-	17,434	2.2600	2.2600
<b>SUB TOTAL (B)(2):</b>	135,732	74,963	210,695	27.3123	156,009	54,686	210,695	27.3123	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	135,762	75,023	210,785	27.3240	156,039	54,746	210,785	27.3240	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	696,406	75,023	771,429	100.0000	716,683	54,746	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	-	-
	<b>Total</b>	<b>560,644</b>	<b>72.6760</b>	<b>-</b>	<b>560,644</b>	<b>72.6760</b>	<b>-</b>	<b>-</b>



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

Sl. No.	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
THERE IS NO CHANGE IN THE TOTAL SHAREHOLDING OF PROMOTERS BETWEEN 01.04.2017 & 31.03.2018				

**(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	O P CHUGH				
	At the beginning of the year	1347	0.1746	1347	0.1746
	At the end of the year			1347	0.1746
2	ASHOK KUMAR DAMANI				
	At the beginning of the year	4778	0.6194	4778	0.6194
	At the end of the year			4778	0.6194
3	AJIT ARAVIND PRABHU				
	At the beginning of the year	17974	2.3300	17974	2.3300
	As on 09/06/2017 - Transfer	100	0.0130	18074	2.3429
	As on 07/07/2017 - Transfer	-774	-0.1003	17300	2.2426
	As on 14/07/2017 - Transfer	-150	-0.0194	17150	2.2231
	As on 11/08/2017 - Transfer	195	0.0253	17345	2.2484
	As on 08/09/2017 - Transfer	100	0.0130	17445	2.2614
	As on 22/09/2017 - Transfer	44	0.0057	17489	2.2671
	As on 24/11/2017 - Transfer	100	0.0130	17589	2.2801
	As on 12/01/2018 - Transfer	-289	-0.0375	17300	2.2426
	As on 19/01/2018 - Transfer	200	0.0259	17500	2.2685
	As on 02/02/2018 - Transfer	150	0.0194	17650	2.2880
	As on 09/02/2018 - Transfer	100	0.0130	17750	2.3009
	As on 23/02/2018 - Transfer	39	0.0051	17789	2.3060
	As on 09/03/2018 - Transfer	100	0.0130	17889	2.3189
		At the end of the year			17889
4	SHALINI A PRABHU				
	At the beginning of the year	3343	0.4334	3343	0.4334
	As on 07/04/2017 - Transfer	21	0.0027	3364	0.4361
	As on 14/04/2017 - Transfer	61	0.0079	3425	0.4440
	As on 28/04/2017 - Transfer	55	0.0071	3480	0.4511
	As on 19/05/2017 - Transfer	-34	-0.0044	3446	0.4467
	As on 26/05/2017 - Transfer	75	0.0097	3521	0.4564
	As on 02/06/2017 - Transfer	44	0.0057	3565	0.4621
	As on 09/06/2017 - Transfer	-30	-0.0039	3535	0.4582
	As on 16/06/2017 - Transfer	81	0.0105	3616	0.4687
	As on 23/06/2017 - Transfer	-11	-0.0014	3605	0.4673
	As on 30/06/2017 - Transfer	11	0.0014	3616	0.4687
	As on 07/07/2017 - Transfer	-166	-0.0215	3450	0.4472



**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 21/07/2017 - Transfer	13	0.0017	3463	0.4489
	As on 28/07/2017 - Transfer	-80	-0.0104	3383	0.4385
	As on 04/08/2017 - Transfer	23	0.0030	3406	0.4415
	As on 11/08/2017 - Transfer	55	0.0071	3461	0.4486
	As on 18/08/2017 - Transfer	12	0.0016	3473	0.4502
	As on 25/08/2017 - Transfer	20	0.0026	3493	0.4528
	As on 01/09/2017 - Transfer	38	0.0049	3531	0.4577
	As on 08/09/2017 - Transfer	-16	-0.0021	3515	0.4556
	As on 15/09/2017 - Transfer	30	0.0039	3545	0.4595
	As on 22/09/2017 - Transfer	40	0.0052	3585	0.4647
	As on 13/10/2017 - Transfer	33	0.0043	3618	0.4690
	As on 20/10/2017 - Transfer	-96	-0.0124	3522	0.4566
	As on 27/10/2017 - Transfer	43	0.0056	3565	0.4621
	As on 03/11/2017 - Transfer	59	0.0076	3624	0.4698
	As on 10/11/2017 - Transfer	-2	-0.0003	3622	0.4695
	As on 17/11/2017 - Transfer	10	0.0013	3632	0.4708
	As on 24/11/2017 - Transfer	5	0.0006	3637	0.4715
	As on 08/12/2017 - Transfer	3	0.0004	3640	0.4719
	As on 22/12/2017 - Transfer	-6	-0.0008	3634	0.4711
	As on 29/12/2017 - Transfer	16	0.0021	3650	0.4731
	As on 05/01/2018 - Transfer	-144	-0.0187	3506	0.4545
	As on 12/01/2018 - Transfer	-86	-0.0111	3420	0.4433
	As on 19/01/2018 - Transfer	70	0.0091	3490	0.4524
	As on 26/01/2018 - Transfer	-4	-0.0005	3486	0.4519
	As on 02/02/2018 - Transfer	37	0.0048	3523	0.4567
	As on 09/02/2018 - Transfer	40	0.0052	3563	0.4619
	As on 16/02/2018 - Transfer	-25	-0.0032	3538	0.4586
	As on 23/02/2018 - Transfer	18	0.0023	3556	0.4610
	As on 02/03/2018 - Transfer	22	0.0029	3578	0.4638
	As on 09/03/2018 - Transfer	72	0.0093	3650	0.4731
	As on 16/03/2018 - Transfer	43	0.0056	3693	0.4787
	As on 23/03/2018 - Transfer	55	0.0071	3748	0.4859
	As on 30/03/2018 - Transfer	67	0.0087	3815	0.4945
	At the end of the year			3815	0.4945
5	KESHAV GARG				
	At the beginning of the year	7750	1.0046	7750	1.0046
	As on 29/12/2017 - Transfer	22	0.0029	7772	1.0075
	At the end of the year			7772	1.0075
6	ARAVIND PRABHU K V				
	At the beginning of the year	8410	1.0902	8410	1.0902
	As on 07/04/2017 - Transfer	30	0.0039	8440	1.0941
	As on 14/04/2017 - Transfer	30	0.0039	8470	1.0980
	As on 21/04/2017 - Transfer	50	0.0065	8520	1.1044
	As on 28/04/2017 - Transfer	29	0.0038	8549	1.1082
	As on 05/05/2017 - Transfer	-29	-0.0038	8520	1.1044
	As on 12/05/2017 - Transfer	13	0.0017	8533	1.1061
	As on 19/05/2017 - Transfer	-47	-0.0061	8486	1.1000
	As on 26/05/2017 - Transfer	42	0.0054	8528	1.1055



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 09/06/2017 - Transfer	60	0.0078	8588	1.1133
	As on 16/06/2017 - Transfer	-20	-0.0026	8568	1.1107
	As on 23/06/2017 - Transfer	-96	-0.0124	8472	1.0982
	As on 07/07/2017 - Transfer	-86	-0.0111	8386	1.0871
	As on 14/07/2017 - Transfer	-86	-0.0111	8300	1.0759
	As on 21/07/2017 - Transfer	80	0.0104	8380	1.0863
	As on 28/07/2017 - Transfer	60	0.0078	8440	1.0941
	As on 04/08/2017 - Transfer	72	0.0093	8512	1.1034
	As on 11/08/2017 - Transfer	176	0.0228	8688	1.1262
	As on 18/08/2017 - Transfer	47	0.0061	8735	1.1323
	As on 25/08/2017 - Transfer	35	0.0045	8770	1.1369
	As on 01/09/2017 - Transfer	85	0.0110	8855	1.1479
	As on 08/09/2017 - Transfer	-136	-0.0176	8719	1.1302
	As on 15/09/2017 - Transfer	171	0.0222	8890	1.1524
	As on 22/09/2017 - Transfer	55	0.0071	8945	1.1595
	As on 06/10/2017 - Transfer	-76	-0.0099	8869	1.1497
	As on 13/10/2017 - Transfer	-23	-0.0030	8846	1.1467
	As on 27/10/2017 - Transfer	-5	-0.0006	8841	1.1461
	As on 03/11/2017 - Transfer	159	0.0206	9000	1.1667
	As on 10/11/2017 - Transfer	-4	-0.0005	8996	1.1661
	As on 17/11/2017 - Transfer	-51	-0.0066	8945	1.1595
	As on 24/11/2017 - Transfer	37	0.0048	8982	1.1643
	As on 01/12/2017 - Transfer	54	0.0070	9036	1.1713
	As on 08/12/2017 - Transfer	17	0.0022	9053	1.1735
	As on 22/12/2017 - Transfer	-6	-0.0008	9047	1.1728
	As on 29/12/2017 - Transfer	15	0.0019	9062	1.1747
	As on 05/01/2018 - Transfer	18	0.0023	9080	1.1770
	As on 12/01/2018 - Transfer	-207	-0.0268	8873	1.1502
	As on 19/01/2018 - Transfer	-58	-0.0075	8815	1.1427
	As on 26/01/2018 - Transfer	105	0.0136	8920	1.1563
	As on 02/02/2018 - Transfer	45	0.0058	8965	1.1621
	As on 09/02/2018 - Transfer	1	0.0001	8966	1.1623
	As on 23/02/2018 - Transfer	8	0.0010	8974	1.1633
	As on 02/03/2018 - Transfer	21	0.0027	8995	1.1660
	As on 09/03/2018 - Transfer	90	0.0117	9085	1.1777
	As on 23/03/2018 - Transfer	-11	-0.0014	9074	1.1763
	As on 30/03/2018 - Transfer	67	0.0087	9141	1.1849
	At the end of the year			9141	1.1849
7	HITESHKUMAR NARANBHAI PATEL				
	At the beginning of the year	1431	0.1855	1431	0.1855
	At the end of the year			1431	0.1855
8	MAYYAPPAN RM				
	At the beginning of the year	1770	0.2294	1770	0.2294
	As on 21/07/2017 - Transfer	-169	-0.0219	1601	0.2075
	As on 28/07/2017 - Transfer	-81	-0.0105	1520	0.1970
	As on 04/08/2017 - Transfer	-80	-0.0104	1440	0.1867
	As on 11/08/2017 - Transfer	-30	-0.0039	1410	0.1828
	As on 01/09/2017 - Transfer	-90	-0.0117	1320	0.1711

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 30/09/2017 - Transfer	10	0.0013	1330	0.1724
	As on 13/10/2017 - Transfer	35	0.0045	1365	0.1769
	As on 27/10/2017 - Transfer	15	0.0019	1380	0.1789
	As on 17/11/2017 - Transfer	38	0.0049	1418	0.1838
	As on 01/12/2017 - Transfer	7	0.0009	1425	0.1847
	As on 08/12/2017 - Transfer	48	0.0062	1473	0.1909
	As on 15/12/2017 - Transfer	3	0.0004	1476	0.1913
	As on 22/12/2017 - Transfer	38	0.0049	1514	0.1963
	As on 29/12/2017 - Transfer	6	0.0008	1520	0.1970
	As on 12/01/2018 - Transfer	-358	-0.0464	1162	0.1506
	At the end of the year			1162	0.1506
9	LAKSHMI KANTH SELVARAJ				
	At the beginning of the year	1381	0.1790	1381	0.1790
	As on 14/04/2017 - Transfer	-125	-0.0162	1256	0.1628
	As on 30/09/2017 - Transfer	3	0.0004	1259	0.1632
	As on 12/01/2018 - Transfer	-200	-0.0259	1059	0.1373
	At the end of the year			1059	0.1373
10	NEVILLE COELHO				
	At the beginning of the year	1410	0.1828	1410	0.1828
	At the end of the year			1410	0.1828
11	SAMIR MAHENDRA SHAH				
	At the beginning of the year	2190	0.2839	2190	0.2839
	At the end of the year			2190	0.2839
12	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY				
	At the beginning of the year	0	0.0000	0	0.0000
	As on 01/12/2017 - Transfer	17432	2.2597	17432	2.2597
	As on 08/12/2017 - Transfer	2	0.0003	17434	2.2600
	At the end of the year			17434	2.2600

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

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



## V INDEBTEDNESS

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

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

**B. Remuneration to other directors:**

Sl.No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors				
	(a) Fees for attending board committee meetings	RAMESH CHANDRA TAPURIAH			75,000
		ALKA BHANDARI			65,000
		SARDUL SINGH JAIN			70,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	210,000
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	ADITYA VIKRAM LODHA			35,000
		HARSH VARDHAN LODHA			40,000
		SIMIKA LODHA			30,000
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	105,000
	<b>Total (B)=(1+2)</b>	-	-	-	315,000
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act.</b>				315,000

**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.	680,000	1,028,200	1,708,200
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	680,000	1,028,200	1,708,200

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

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



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

### 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 2018 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 19th May 2017, 28th July 2017, 18th October 2017 and 29th January 2018.

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 2018 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	3	No	38,043	3	1	1
Mr. H V Lodha	Brother of Mr. A V Lodha Brother-in-law of Ms. Simika Lodha	Non-independent Non-executive	4	Yes	35,040	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	2	–	–
Mr. R.C Tapuriah	None	Independent ** Non-executive	5	Yes	132	13	2	4
Mr. S.S Jain	None	Independent ** Non-executive	5	Yes	–	16	3	2
Mrs. Alka Bhandari	None	Woman Independent ** Non-executive	5	Yes	–	1	–	–

\* including Alternate Directorships, Directorships of Private Companies and excluding Directorships in Foreign Companies.

\*\* including 1 meeting of Independent Directors.

### Code of Conduct:

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

### 3. Audit Committee

The Audit Committee of the Board of your Company comprises exclusively of Independent Non-executive Directors Mr. S S Jain, Mr. R C Tapuriah and 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 19.05.2017, 28.07.2017, 18.10. 2017 and 29.01.2018.

Attendance of Directors at these meetings are as under:-

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

#### 4. Nomination & Remuneration Committee

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

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

During the year, one meeting of the Nomination and Remuneration Committee was held on 18.10.2017.

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	Status	No. of Meetings attended
Mr. R C Tapuriah	Chairman	1
Mr. A V Lodha	Member	1
Mrs. Alka Bhandari	Member	1

#### 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 18.10.2017 and 29.01. 2018.

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

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

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

#### 6. Details of Sitting Fees paid to the Directors during the financial year ended 31st March 2018

Name of Director	Sitting Fees Rs.
Mr. A.V. Lodha	... 35,000/-
Mr. H.V. Lodha	... 40,000/-
Mr. R.C. Tapuriah	... 75,000/-
Mr. S.S. Jain	... 70,000/-
Ms. Simika Lodha	... 30,000/-
Mrs. Alka Bhandari	... 65,000/-

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
2016-17	Bengal National Chamber of Commerce & Industry 23, Sir R N Mukherjee Road, Kolkata- 700 001	28.07.2017	10.30 a.m.
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.

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 11 of the Accounting Policies and Notes on Accounts of the Annual Accounts. There are no materially significant transactions with related parties conflicting with the Company's interests.
- 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](http://www.alfredherbert.co.in)

## 10. General Shareholder information

98th Annual General Meeting :  
 Date & Time : 27th July 2018 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 2018  
 2nd quarterly results : Before 15th November 2018  
 3rd quarterly results : Before 15th February 2019  
 Audited yearly results : Before 31st May 2019  
 for the year ending  
 31st March 2019  
 Date of Book Closure : From 19th July 2018  
 to 27th July 2018  
 (both days inclusive)  
 Dividend Payment Date : On or after 28th July 2018

## 12. Listing of Stock Exchanges

The Company's shares : Bombay Stock Exchange  
 are listed at Limited  
 Listing Fees as prescribed have  
 been paid to the above Stock  
 Exchange for the Financial year  
 2017-18

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

## 13. Market Price Data during the Financial Year 2017-18:

Month	Bombay Stock Exchange Ltd.	
	High Rs.	Low Rs.
April	: 597.40	513.10
May	: 724.00	560.00
June	: 698.50	591.05
July	: 991.60	600.00
August	: 888.80	705.00
September	: 757.50	640.00
October	: 862.60	640.00
November	: 828.00	716.00
December	: 799.95	675.10
January	: 1,598.00	808.00
February	: 1,100.10	943.35
March	: 1,000.00	875.00

Registrar and Share : Maheshwari Datamatics Pvt Limited  
 Transfer Agent 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 2018**

No. of Equity Shares held	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
Upto 1000	2720	99.1977	136650	17.7139
1001 to 5000	12	0.4376	21905	2.8396
5001 to 10000	3	0.1094	25046	3.2467
10001 to 50000	5	0.1824	146676	19.0135
50001 and above	2	0.072	44 1152	57.1863
<b>Total</b>	<b>2742</b>	<b>100.0000</b>	<b>771429</b>	<b>100.0000</b>

**No. of Shareholders : 2742**

**Share Capital : 771429**

**Shareholding Pattern as on 31st March 2018**

Category	No. of Share holders	No. of Shares held	Total Share holding as a % of Total Share
<b>Promoter's Holding</b>			
<b>Promoters</b>			
Indian Promoters	5	302025	39.15
NRI Promoters	2	258619	33.53
	<u>7</u>	<u>560644</u>	<u>72.68</u>
<b>Non-Promoters Holding</b>			
<b>Individuals</b>			
Non-Resident Individuals	29	19369	2.51
Bodies Corporate	42	6805	0.88
Financial Institutions/Banks	2	90	0.01
Trusts	1	90	0.01
Clearing Member	11	1046	0.14
Investor Education & Protection Fund	1	17434	2.26
	<u>2681</u>	<u>210785</u>	<u>27.32</u>
<b>Total</b>	<b>2688</b>	<b>771429</b>	<b>100.00</b>

Dematerialization of Shares: – 92.90% of Equity Shares have been dematerialized as on 31st March 2018

**Reconciliation of Share Capital**

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

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

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

Fax : (033) 2229 9124

Place: Kolkata

Date: 30th May, 2018

**CERTIFICATION OF CODE OF CONDUCT**

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

30th May 2018

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 2018 as envisaged under Schedule V of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For Alfred Herbert (India) Limited,

V Matta  
Chief Executive Officer

**STATUTORY COMPLIANCE CERTIFICATE**

The Board of Directors

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

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 2018 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.

Shobhana Sethi  
Company Secretary &  
Chief Financial Officer

V Matta  
Chief Executive 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, 2018, 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, 2018, 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" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. According to 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 31.03.2018 are as follows:
- Investment Income to Total Income: 56.25%  
Total Investments to Total Assets : 54.21%
- In view of the above ratios, the Company is entitled to hold Certificate of Registration issued by the Reserve Bank of India as on 31.03.2018.
- 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 29th January, 2018 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.
3. 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 "B".
- (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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3 to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - The disclosure regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year under review.

For A L P S & CO.  
Chartered Accountants  
Firm's ICAI Regn. No. 313132E

(R.S.Tulsyan)

Partner

Kolkata

Dated: 30th day of May, 2018

M. No. 51793

## **Annexure "A" 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 5 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 A L P S & CO.  
Chartered Accountants  
Firm's ICAI Regn. No. 313132E

(R.S.Tulsyan)  
Partner

Kolkata  
Dated: 30th day of May, 2018

M. No. 51793

**Annexure "B" to Independent Auditors' Report  
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, 2018 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, 2018, 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 A L P S & CO.  
Chartered Accountants  
Firm’s ICAI Regn. No. 313132E

(R.S.Tulsyan)  
Partner

Kolkata  
Dated: 30th day of May, 2018

M. No. 51793

**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 2018, 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 A L P S & CO.  
Chartered Accountants  
Firm’s ICAI Regn. No. 313132E

(R.S.Tulsyan)  
Partner

Kolkata  
Dated: 30th day of May, 2018

M. No. 51793

**Balance Sheet**

as at 31st March, 2018

	Note Number	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	7,714,290	7,714,290
(b) Reserves and Surplus	2.2	479,597,105	469,556,679
<b>(2) Non-current Liabilities</b>			
(a) Deferred Tax Liability (Net) (Note No.10 )		3,251,630	4,612,018
(b) Other Long term Liabilities	2.3	3,220,822	3,368,808
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	2.4	1,676,219	1,476,400
(b) Short-term Provisions	2.5	77,677	43,937,677
<b>TOTAL</b>		<b>495,537,743</b>	<b>530,665,872</b>
<b>II ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipment			
(i) Tangible Assets	2.6	38,845,791	37,643,338
(ii) Capital Work-in-Progress		137,714,286	117,878,735
(b) Non-current Investments	2.7	121,547,798	121,548,599
(c) Long-term Loans and Advances	2.8	1,946,233	2,941,260
<b>(2) Current Assets</b>			
(a) Current Investments	2.9	147,103,115	179,795,377
(b) Cash and Cash Equivalents	2.10	3,159,779	2,574,203
(c) Short-term Loans and Advances	2.11	44,854,914	67,912,489
(d) Other Current Assets	2.12	365,827	371,871
<b>TOTAL</b>		<b>495,537,743</b>	<b>530,665,872</b>
Significant Accounting Policies	1		

Notes form an integral part of the Financial Statements  
This is the Balance Sheet referred to in our report of even date.

For ALPS & Co.  
*Chartered Accountants*

R. S. Tulsyan  
*Partner*  
Membership No.051793  
Kolkata, 30th May, 2018

For and on behalf of the Board  
A. V. Lodha, DIN : 00036158  
*Chairman*  
R. C. Tapuriah, DIN : 00395997  
*Director*  
V. Matta , PAN : ADMPPM4399R  
*Chief Executive Officer*  
Shobhana Sethi , PAN : DLBPS7691G  
*Company Secretary & Chief Financial Officer*



## Statement of Profit and Loss

for the year ended 31st March, 2018

PARTICULARS	Note Number	For the year ended 31st March, 2018	For the year ended 31st March, 2017
		Rs.	Rs.
I Revenue from Operations	2.13	26,517,727	20,665,393
II Other Income		19,772	3,970
III Total Revenue (I + II)		26,537,499	20,669,363
IV Expenses :			
Purchases of Stock-in-Trade (Note No.14)		–	53,007
Employee Benefits Expenses	2.14	3,838,509	4,777,137
Depreciation and Amortization Expenses		920,570	899,513
Other Expenses	2.15	11,189,173	10,525,473
Total Expenses		15,948,252	16,255,130
V Profit/(Loss) Before Exceptional Items and Tax (III - IV)		10,589,247	4,414,233
VI Exceptional Items : -			
(1) Profit Against Acquisition of Land & Building		–	200,668,476
(2) Interest Against Acquisition of Land & Building		–	8,413,681
VII Profit/(Loss) Before Tax (V + VI)		10,589,247	213,496,390
VIII Tax Expenses			
(1) Current Tax		60,000	43,800,000
(2) Deferred Tax		(1,360,388)	1,019,792
(3) Excess Tax Provision for Earlier Years Written Back		(7,739)	– 44,819,792
IX Profit After Tax (VII - VIII)		11,897,374	168,676,598
X Earning Per Equity Share :			
Basic & Diluted (Face Value Rs.10/- each)	12	15.42	218.65

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 ALPS & Co.  
Chartered Accountants

R. S. Tulsyan  
Partner  
Membership No.051793  
Kolkata, 30th May, 2018

For and on behalf of the Board  
A. V. Lodha, DIN : 00036158  
Chairman  
R. C. Tapuriah, DIN : 00395997  
Director  
V. Matta , PAN : ADMPPM4399R  
Chief Executive Officer  
Shobhana Sethi , PAN : DLBPS7691G  
Company Secretary & Chief Financial Officer



## CASH FLOW STATEMENT

	Year ended 31st March,	
	2018 (Rs.)	2017 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	10,589,247	213,496,390
Adjustment for :		
Depreciation	920,570	899,513
Profit on Acquisition of Land & Building	–	(200,668,476)
Provision for Non-performing Loans & Advance	4,200,000	–
Loss on sale of Investments	–	2,418,510
Profit on sale of Investments	(227,384)	(100,044)
Operating Profit before Working Capital Changes	15,482,433	16,045,893
Adjustments for :		
Other Current Assets	6,044	(25,335)
Irrecoverable amount written off	–	565,820
Loans & Advances	(23,737,473)	(10,202,301)
Liabilities & Provisions	51,833	(4,261,871)
Cash (utilised in)/generated from Operating Activities	(8,197,163)	2,122,206
Direct Tax (Net)	(322,186)	(43,820,135)
Net Cash (utilised in)/generated from Operating Activities	(8,519,349)	(41,697,929)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,123,023)	(10,838)
Sale of Fixed Assets	–	200,718,529
Capital work-in-progress	(19,835,551)	(16,817,360)
Proceeds from Sale/Redemption of Investments	45,115,550	51,129,521
Purchase of Investments	(12,195,103)	(190,155,506)
Net Cash (utilised in)/generated from Investment Activities	10,961,873	44,864,346
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(1,542,858)	(1,514,996)
Corporate Dividend Tax	(314,090)	(314,090)
Net Cash (utilised in)/generated from Financing Activities	(1,856,948)	(1,829,086)
Net Increase/(Decrease) in Cash & Cash Equivalent	585,576	1,337,331
Cash and Cash Equivalents (Opening Balance)	2,574,203	1,236,872
Cash and Cash Equivalents (Closing Balance)	3,159,779	2,574,203
	585,576	1,337,331

**Notes**

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

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

For ALPS & Co.

Chartered Accountants

R. S. Tulsyan

Partner

Membership No.051793

Kolkata, 30th May, 2018

For and on behalf of the Board

A. V. Lodha, DIN : 00036158

Chairman

R. C. Tapuriah, DIN : 00395997

Director

V. Matta , PAN : ADMPPM4399R

Chief Executive Officer

Shobhana Sethi , PAN : DLBPS7691G

Company Secretary & 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 Payment

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  
(2017 – 5,000,000)

**Issued, subscribed and paid-up**

 771,429 – Equity shares of Rs.10 each fully paid-up  
(2017 – 771,429)

As at 31st March, 2018	As at 31st March, 2017
Rs.	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 31.3.2018	% holding	No. of Shares held on 31.3.2017	% 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

250,000,000

209,562,394

Add : Transferred from surplus

1,000,000

40,437,606

251,000,000
250,000,000
**Special Reserve (Under Section 45 IC of Reserve Bank of India Act)**

As per last Account

73,872,000

40,122,000

Add : Transferred from surplus

2,400,000

33,750,000

76,272,000
73,872,000
**Surplus in the Statement of Profit & Loss - As per last Account**

140,639,012

46,150,020

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

11,897,374

168,676,598

**Amount available for appropriation**
152,536,386
214,826,618
**APPROPRIATIONS**

Dividend for 2016-2017

1,542,858

-

Corporate Dividend Tax

314,090

-

General Reserve

1,000,000

40,437,606

Special Reserve

2,400,000

33,750,000

**Surplus - closing balance**
147,279,438
140,639,012
**TOTAL**
479,597,105
469,556,679



Notes forming part of Balance Sheet (Contd.)

**2.3 OTHER LONG-TERM LIABILITIES**

Security Deposit  
Others

As at  
31st March,  
2018

Rs.

2,896,461  
324,361

3,220,822

As at  
31st March,  
2017

Rs.

2,896,461  
472,347

3,368,808

**2.4 OTHER CURRENT LIABILITIES**

Balances in Unpaid Dividend Accounts  
Contribution to Gratuity Fund  
Others \*

\* Including statutory dues payable

535,860

253,327

887,032

1,676,219

510,714

597,191

368,495

1,476,400

**2.5 SHORT-TERM PROVISIONS**

Taxation

77,677

77,677

43,937,677

43,937,677

**2.6 PROPERTY, PLANT & EQUIPMENT**

Tangible Assets

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	Original Cost / Revaluation as on 01.04.2017	Additions during the year	Sales/ Adjustments	Original Cost / Revaluation as on 31.03.2018	Upto 31.03.2017	Depreciation for the year	Sales/ Adjustments	Total 31.03.2018	Value as on 31.03.2018	Value as on 31.03.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	3,624,535	-	-	3,624,535	-	-	-	-	3,624,535	3,624,535
Building :										
Freehold	50,835,733	2,123,023	-	52,958,756	18,250,829	792,035	-	19,042,864	33,915,892	32,584,904
Leasehold	342,945	-	-	342,945	274,114	9,557	-	283,671	59,274	68,831
Plant & Machinery	2,647,593	-	-	2,647,593	1,296,610	117,321	-	1,413,931	1,233,662	1,350,983
Furniture, Fixtures and Equipments	165,861	-	-	165,861	151,776	1,657	-	153,433	12,428	14,085
<b>Total</b>	<b>57,616,667</b>	<b>2,123,023</b>	<b>-</b>	<b>59,739,690</b>	<b>19,973,329</b>	<b>920,570</b>	<b>-</b>	<b>20,893,899</b>	<b>38,845,791</b>	<b>37,643,338</b>
Previous year	57,655,882	10,838	50,053	57,616,667	19,073,816	899,513	-	19,973,329	37,643,338	

**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)

Grasim Industries Ltd. (Face value Rs.2 per share)

Aditya Birla Nuvo Limited (ABNL)

Aditya Birla Fashion and Retail Limited (ABFRL)

Aditya Birla Capital Limited

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

Nos.

2017-18

2016-17

350,000

350,000

157

-

-

105

546

546

219

-

400

400

2,500

2,500

45,750

45,750

130,000

65,000

50,000

50,000

As at  
31st March,  
2018

Rs.

19,866,484

13,139

-

127

580

4,000

5,000

4,392,000

18,982,115

3,511,762

As at  
31st March,  
2017

Rs.

19,866,484

-

14,521

127

-

4,000

5,000

4,392,000

18,982,114

3,511,762

**ALFRED HERBERT (INDIA) LTD.**

Notes forming part of Balance Sheet (Contd.)

**2.7 NON-CURRENT INVESTMENTS (Contd.)**

			As at 31st March, 2018	As at 31st March, 2017
			Rs.	Rs.
IDFC Bank Ltd.	50,000	50,000	-	-
(As per the scheme of demerger, 1 (one) equity share of Rs.10 each of IDFC Bank Ltd. Issued for each equity share of Rs.10 each of IDFC Limited free of cost.)				
ITC Limited (Face value Re.1 per share)	90,000	90,000	3,578,171	3,578,171
Vedanta Ltd. (Face Value Re.1 per share) (Formerly known as Sesa Sterlite Ltd)	6,012	6,012	188,310	188,310
<b>Bonds</b>				
8.30% NHAI Tax Free Bonds	3,743	3,743	3,837,493	3,837,493
8.50% NHAI Tax Free Bonds	30,000	30,000	30,000,000	30,000,000
8.75% NHAI Tax Free Bonds	21,200	21,200	21,159,647	21,159,647
			<u>105,538,828</u>	<u>105,539,629</u>
<b>Long Term, (Non-Trade), Unquoted</b>				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Woodlands Multispeciality Hospital Limited	1,780	1,780	8,900	8,900
Kirloskar Computer Services Limited	10,000	10,000	100,000	100,000
Less : Provision for diminution in value of shares			(100,000)	(100,000)
<b>In Subsidiary Companies:</b>				
Equity Shares of Rs.10 each except where otherwise stated (fully paid)				
Herbert Holdings Ltd	220,000	220,000	7,000,000	7,000,000
Alfred Herbert Limited	900,007	900,007	9,000,070	9,000,070
			<u>16,008,970</u>	<u>16,008,970</u>
			<u>121,547,798</u>	<u>121,548,599</u>
a) Quoted Investments - Book value			<u>105,538,828</u>	<u>105,539,629</u>
b) Unquoted Investments - Book value			<u>16,008,970</u>	<u>16,008,970</u>
			<u>121,547,798</u>	<u>121,548,599</u>
Aggregate Market Value of Quoted Investments			<u>479,840,414</u>	<u>236,819,677</u>
<b>2.8 LONG-TERM LOANS &amp; ADVANCES</b>				
Unsecured-considered good				
Capital Advance			-	1,000,000
Security Deposits			1,946,233	1,941,260
			<u>1,946,233</u>	<u>2,941,260</u>
Nos.				
<b>2.9 CURRENT INVESTMENTS (Unquoted)</b>				
	2017-18	2016-17	Rs.	Rs.
Units of Rs.10 each in UTI Fixed Income Interval Plan - Quarterly Plan Series III - Institutional Growth Plan	1,367,720.056	1,367,720.056	20,004,000	20,004,000
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Dividend-(Regular Plan)	6,529,199.962	8,029,724.999	65,833,868	80,949,030
Units of Rs.10 each in HDFC Cash Management Fund - T.A. Plan - Retail - Regular Plan - Weekly Dividend Reinvest	6,055,385.588	7,801,977.804	61,265,247	78,842,347
			<u>147,103,115</u>	<u>179,795,377</u>
Aggregate Market Value of Investments (NAV as at 31st March)			<u>159,549,702</u>	<u>190,349,059</u>
<b>2.10 CASH AND CASH EQUIVALENTS</b>				
Balances with Banks :				
(i) On Current Accounts			1,187,019	719,028
(ii) On Unpaid Dividend Accounts			535,860	510,714
(iii) On Fixed Deposit with ICICI Bank with maturity of twelve months			1,434,082	1,340,000
Cash in hand			2,818	4,461
<b>TOTAL</b>			<u>3,159,779</u>	<u>2,574,203</u>



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

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
<b>2.11 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured- Considered good		
Advance recoverable in cash or in kind or for value to be received	1,011,407	271,508
Advance Income Tax	6,043,507	49,633,582
Prepaid Expenses	-	7,399
Unsecured- Considered doubtful		
Advance to Subsidiary Company (Note No.5)	42,000,000	18,000,000
Less: Provision for Non-Performing Loans & Advances (Note No.5)	<u>4,200,000</u>	<u>-</u>
	<u>37,800,000</u>	<u>18,000,000</u>
	<u>44,854,914</u>	<u>67,912,489</u>
<b>2.12 OTHER CURRENT ASSETS</b>		
Unsecured- Considered good		
Interest Accrued	365,827	371,871
	<u>365,827</u>	<u>371,871</u>
	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>2.13 REVENUE FROM OPERATIONS</b>		
Sale of products (Note No. 13)	-	103,970
Interest Income :-		
Interest on Bonds	4,661,818	4,662,669
Others *	<u>198,673</u>	<u>315,572</u>
Dividend from Shares (Long Term)	4,860,491	4,978,241
Dividend from Mutual Funds (Short Term)	3,957,455	603,046
Rent	6,080,354	5,155,507
Other Operating Revenues :		
Profit on Sale of Current Investments (Net)	11,392,043	9,724,585
	<u>227,384</u>	<u>100,044</u>
	<u>26,517,727</u>	<u>20,665,393</u>
* Including Interest on Income Tax Refund Rs.91,736 (2016-17 :Rs.72,822)		
<b>2.14 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	3,295,273	3,900,816
Contribution to Provident and Other Funds	491,883	817,915
Staff Welfare Expenses	51,353	58,406
	<u>3,838,509</u>	<u>4,777,137</u>
<b>2.15 OTHER EXPENSES</b>		
Electricity	407,369	575,987
Rent	1,413,546	1,353,994
Repairs to Building	587,684	1,071,615
Repairs - Others including Maintenance	309,646	192,558
Insurance	25,088	23,352
Rates and Taxes	270,683	941,312
Flat Maintenance	230,284	233,660
Loss on Sale of Non-current Investments (Long Term)	-	2,418,510
Postage and Telephone	320,225	329,027
Legal & Secretarial Expenses	963,096	645,429
Irrecoverable Amount Written off	-	565,820
Professional Fees	17,000	203,000
Traveling and Conveyance	433,757	337,622
Directors' Fees	315,000	280,000
Motor Car Expenses	248,750	361,575
Provision for Non-Performing Loans & Advances (Note No.5)	4,200,000	-
Miscellaneous Expenses (I)	<u>1,447,045</u>	<u>992,012</u>
	<u>11,189,173</u>	<u>10,525,473</u>
(i) Includes :		
Auditors' Remuneration :(Exclusive of Taxes)		
Statutory Audit Fees	50,000	50,000
Tax Audit Fees	10,000	14,000
Other Services	24,000	30,500

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 Corporate Guarantee for Rs.27,500,000/- (2016-17 Rs.27,500,000/)
- b) 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/- (2016-17 Rs.1,340,000/-)
- c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for – Rs.Nil (2016-17 Rs.1,280,000/-)

**4. Land at Bangalore**

In response to the Company's Writ Petition against the order of the Assistant Commissioner of Forest, Karnataka for vacating the Company's property in Whitefield which had been acquired from KIADB. The single bench of Hon'ble High Court at Karnataka upheld the Company's contention and held that the land did not belong to the forest department. A review petition has been filed by the forest department 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.

5. Loans and Advances given to 100% subsidiary, Alfred Herbert Limited include Rs.30 lakhs which has become Non-Performing Asset (NPA) during the year in terms of Prudential Norms issued by the Reserve Bank of India. Pending outcome of the steps for recovery taken by the Company, the entire amount of loan of Rs.420 lakhs given to the said subsidiary has been considered to be NPA and has been so classified in these Accounts. Provision of Rs.42 lakhs required in terms of the guidelines issued by Reserve Bank of India has been made in these Accounts. Further, no interest as a matter of support to the subsidiary and also considering the prudential guidelines by the Reserve Bank of India has been accrued against the said loan.

**6. 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 2018.

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

		As on 31.03.2018	As on 31.03.2017
A	Present Value of Defined Benefit Obligations at the beginning of period	1,595,135	939,718
B	Current Service Cost	74,294	87,296
C	Interest Cost	113,893	72,546
D	Plan Amendments	198,533	–
E	Actuarial Losses/(Gains)	(50,744)	495,575
F	Benefits paid	–	–
G	Present Value of Defined Benefit Obligations at the end of period	1,931,111	1,595,135

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

		As on 31.03.2018	As on 31.03.2017
A	Plan assets at beginning of period	997,944	914,982
B	Expected return on plan assets	92,573	71,591
C	Actual Company contributions	597,191	24,736
D	Actuarial gain/(loss)	(9,924)	(13,365)
E	Benefits paid	–	–
F	Plan assets at the end of period	1,677,784	997,944



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 31.03.2018	For the Year Ended 31.03.2017
A	Current Service Cost	74,294	87,296
B	Interest Cost	113,893	72,546
C	Expected return on plan assets	(92,573)	(71,591)
D	Unrecognised Past Service Cost	198,533	-
E	Actuarial Losses/(Gains)	(40,820)	508,940
F	Total expenses recognised in the Statement of Profit & Loss	253,327	597,191

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

	Funded Status	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
A	Present Value of Defined Benefits Obligations	1,931,111	1,595,135
B	Fair value of plan assets	1,677,784	997,944
C	Funded Status [Surplus / (Deficit)]	(253,327)	(597,191)
D	Employer expenses	253,327	597,191
E	Employer contributions	597,191	24,736
F	Net asset / (liability) recognised in Balance Sheet at end of the period	(253,327)	(597,191)

v) Actuarial Assumptions

		As on 31.03.2018	As on 31.03.2017
A	Discount Rate	7.55%	7.14%
B	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
C	Salary increases	8%	8%
D	Expected return on assets	7.14%	7.72%
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 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014
A	Present Value of Defined Benefit Obligation	1,931,111	1,595,135	939,718	855,705	1,022,098
B	Fair Value of Plan Assets	1,677,784	997,944	914,982	782,170	1,007,270
C	Funded Status [Surplus/(Deficit)]	(253,327)	(597,191)	(24,736)	(73,535)	(14,828)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	(27,286)	462,755	(70,879)	(28,234)	6,897
E	Experience Gain/(Loss) adjustment on Plan Assets	(9,924)	(13,365)	(4,436)	(9,900)	(10,133)
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	(23,458)	32,820	2,312	50,709	(44,911)



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

**7. 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.

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

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

(Amount in Rs.)

	As on 31.03.2018	As on 31.03.2017
<b>Deferred Tax Liability</b>		
On Account of Depreciation	<b>3,251,630</b>	4,612,018

11. 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. (Upto 31st December, 2017)	Company where significant influence exist
La Crème De La Crème Services LLP (w.e.f. 1st January, 2018)	LLP where certain Directors are Partners

**Key Management Personnel**

R. Radhakrishnan	Chief Executive Officer & Company Secretary (Resigned w.e.f. 2nd November, 2017)
V. Matta	Chief Financial Officer

**Disclosure of transactions with Related Parties during the year and outstanding balances as on 31st March 2018.**

(Amount in Rs.)

	Subsidiary Companies		Company where significant influence exist Jain Industrial	LLP Where certain Directors are Partners La Creme	Key Management Personnel	
	Alfred Herbert Ltd.	Herbert Holdings Ltd.			CEO & CS	CFO
Advance	24,000,000	-	-	-	-	-
Given	(15,000,000)	-	-	-	-	-
Advance	-	-	-	-	-	-
Received Back	(1,500,000)	-	-	-	-	-
Advance	42,000,000	-	-	-	-	-
Outstanding	(18,000,000)	-	-	-	-	-
Corporate	27,500,000	-	-	-	-	-
Guarantee	(27,500,000)	-	-	-	-	-
Lease Rent	-	-	1,242,000	414,000	-	-
Received	-	-	(1,494,000)	(-)	-	-
Remuneration	-	-	-	-	680,000	1,028,200
	-	-	-	-	(1,215,000)	(882,500)

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.)

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

	For the year ended	
	31st March 2018	31st March 2017
i. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	<b>11,897,374</b>	168,676,598
ii. Number of Equity Shares used as denominator for calculating EPS	<b>771,429</b>	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	<b>15.42</b>	218.65
iv. Face Value per Equity Share (Rs.)	<b>10</b>	10

**13. Particulars in respect of Purchases & Sales of Trading Goods**

DESCRIPTION	2017-2018		2016-2017	
	Qty. (Unit)	Value Rs.	Qty. (Unit)	Value Rs.
A) Purchase		Nil		53,007
B) Sales		Nil		103,970

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

**STATEMENT REGARDING SUBSIDIARY COMPANIES FOR 2017-18**

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	(43,141,278)	79,560,891	79,560,891	-	118,166,429	(24,847,166)	(575,307)	(24,271,859)	-
2	Herbert Holdings Limited India	INR	2,200,000	13,859,356	16,071,156	16,071,156	15,726,074	506,425	475,662	-	475,662	-

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

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

**2017-2018**



## **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, 2018, 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 matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the 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 of the consolidated financial statements 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 we have obtained 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, 2018, 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, 2018 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, 2018 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.
  - (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 disclosure regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year under review.

For A L P S & CO.  
Chartered Accountants  
Firm's ICAI Regn. No. 313132E

(R.S.Tulsyan)  
Partner  
M. No. 51793

Kolkata  
Dated: 30th day of May, 2018

**ANNEXURE TO THE AUDITORS' REPORT**

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, 2018, 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 Companies 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 Companies Act, 2013.

### **Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, 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 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 associates companies 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 31 March 2018, 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.

For A L P S & CO.  
Chartered Accountants  
Firm's ICAI Regn. No. 313132E

Kolkata  
Dated: 30th day of May, 2018

(R.S.Tulsyan)  
Partner  
M. No. 51793

**Consolidated Balance Sheet as at 31st March, 2018**

	Note Number	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	7,714,290	7,714,290
(b) Reserves and Surplus	2.2	449,715,184	459,270,954
<b>(2) Non-current Liabilities</b>			
(a) Deferred Tax Liability (Net) (Refer Note No.9)	2.3	3,571,553	5,507,248
(b) Long-term Borrowings	2.4	1,236,660	3,484,453
(c) Other Long term liabilities	2.5	3,220,822	3,368,808
(d) Long-term Provisions	2.6	294,914	269,218
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings :- Loan from Bank	2.7	7,104,910	16,676,128
(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)		24,173,405	30,685,157
(c) Other current liabilities	2.8	33,185,201	40,913,119
(d) Short-term provisions	2.9	7,152,782	43,937,677
	<b>TOTAL</b>	<b>537,369,721</b>	<b>611,827,052</b>
<b>II ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipment			
(i) Tangible Assets	2.10	48,894,128	49,021,752
(ii) Intangible Assets	2.10	137,253	255,790
(iii) Capital Work-in-Progress		137,714,286	117,878,735
(b) Non-current Investments	2.11	108,898,741	108,899,542
(c) Long-term Loans and Advances	2.12	2,824,387	3,819,414
<b>(2) Current Assets</b>			
(a) Current Investments	2.13	159,478,176	191,806,674
(b) Inventories	2.14	35,956,510	37,569,877
(c) Trade Receivables	2.15	7,663,510	23,710,438
(d) Cash and Bank Balances	2.16	5,706,109	9,230,874
(e) Short-term Loans and Advances	2.17	17,884,797	64,294,429
(f) Other Current Assets	2.18	12,211,824	5,339,527
	<b>TOTAL</b>	<b>537,369,721</b>	<b>611,827,052</b>

Significant Accounting Policies 1  
Notes form an integral part of the Financial Statements

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

For ALPS & Co.  
Chartered Accountants

R. S. Tulsyan  
Partner  
Membership No.051793  
Kolkata, 30th May, 2018

For and on behalf of the Board  
A. V. Lodha, DIN : 00036158  
Chairman  
R. C. Tapuriah, DIN : 00395997  
Director  
V. Matta , PAN : ADMPPM4399R  
Chief Executive Officer  
Shobhana Sethi , PAN : DLBPS7691G  
Company Secretary & Chief Financial Officer



## Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

PARTICULARS	Note Number	For the year ended 31st March, 2018	For the year ended 31st March, 2017
		Rs.	Rs.
<b>I Revenue from Operations</b>	2.19	147,167,745	126,442,781
Less : Excise Duty		2,087,468	10,735,190
Net Revenue from Operations		145,080,277	115,707,591
<b>II Other Income</b>	2.20	336,014	113,952
<b>III Total Revenue (I + II)</b>		145,416,291	115,821,543
<b>IV Expenses :</b>			
Cost of Materials Consumed		82,080,684	62,487,238
Excise Duty Expenses		-	-
Purchase of Stock-in-Trade		-	53,007
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	2.21	290,884	222,881
Employee Benefits Expenses	2.22	29,969,241	32,849,692
Finance Costs	2.23	2,346,182	3,011,230
Depreciation and Amortization Expenses	2.10	2,369,184	2,170,110
Other Expenses	2.24	37,942,372	33,648,765
Total Expenses		154,998,547	134,442,923
<b>V Profit /(Loss) before Exceptional Item &amp; Tax (III - IV)</b>		(9,582,256)	(18,621,380)
<b>VI Exceptional Items :- { Note 5 (ii)}</b>			
(i) Profit against acquisition of Land & Building		-	200,668,476
(ii) Interest against acquisition of Land & Building		-	8,413,681
<b>VII Profit /(Loss) before Tax (V + VI)</b>		(9,582,256)	190,460,777
<b>VIII Tax Expenses</b>			
(1) Current Tax		60,000	43,800,000
(2) For Earlier Years (Net)		-	-
(3) Excess Tax provision for Income Tax relating to earlier years written back		(7,739)	-
(4) Deferred Tax		(1,935,695)	1,925,924
<b>IX Profit/(Loss) after Tax</b>		(7,698,822)	144,734,853
<b>X Earning per Equity Share :</b>			
Basic & Diluted (Rs.)	13	(9.98)	187.62
Number of shares used in computing earning per share		771,429	771,429

Significant Accounting Policies 1

Notes form an integral part of the Financial Statements

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

For ALPS & Co.

Chartered Accountants

R. S. Tulsyan

Partner

Membership No.051793

Kolkata, 30th May, 2018

For and on behalf of the Board

A. V. Lodha, DIN : 00036158

Chairman

R. C. Tapuriah, DIN : 00395997

Director

V. Matta , PAN : ADMPPM4399R

Chief Executive Officer

Shobhana Sethi , PAN : DLBPS7691G

Company Secretary & Chief Financial Officer



**Consolidated Cash Flow Statement**

Year ended 31st March,

	2018 (Rs.)	2017 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	(9,582,256)	190,460,777
Adjustment for :		
Depreciation	2,369,184	2,170,110
Interest Paid	2,346,182	2,445,410
Loss on Sale of Investments	-	2,418,510
Profit on Acquisition of Land & Building	-	(200,668,476)
Loss on Sale of Fixed Assets	-	-
Profit on Sale of Investments	(227,384)	(100,044)
Interest Accrued on Deposits	-	-
	<u>4,487,982</u>	<u>(193,734,490)</u>
Operating Profit before Working Capital Changes	(5,094,274)	(3,273,713)
Adjustments for :		
Inventories	1,613,367	609,830
Trade Receivables	16,046,928	3,095,031
Other Current Assets	(6,872,297)	3,465,664
Irrecoverable amount written off	-	565,820
Trade Payables	(6,511,752)	-
Loans & Advances	3,846,400	(14,480,058)
Liabilities & Provisions	(7,852,134)	16,081,143
	<u>270,512</u>	<u>9,337,430</u>
Cash (Utilised in)/Generated from Operating Activities	(4,823,762)	6,063,717
Direct Tax (Net)	6,721,103	(43,820,135)
Net Cash (Utilised in)/ Generated from Operating Activities	<u>1,897,341</u>	<u>(37,756,418)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,123,023)	(2,105,741)
Sale / Discard of Fixed Assets	-	200,718,529
Capital work-in-progress	(19,835,551)	(16,817,360)
Proceeds from Sale/Redemption of Investments	45,115,550	51,129,521
Purchase of Investments	(12,558,867)	(190,586,139)
Net Cash (Utilised in)/ Generated from Investment Activities	<u>10,598,109</u>	<u>42,338,810</u>
<b>C. Cash Flow from Financing Activities</b>		
Interest paid on Borrowings	(2,346,182)	(2,445,410)
Dividend Paid	(1,542,858)	(1,514,996)
Corporate Dividend Tax	(314,090)	(314,090)
Proceeds/(Repayment) of Borrowings	(11,817,085)	4,898,501
Net Cash (Utilised in)/ Generated from Financing Activities	<u>(16,020,215)</u>	<u>624,005</u>
Net Increase/(Decrease) in cash & cash equivalent	<u>(3,524,765)</u>	<u>5,206,397</u>
Cash and Cash Equivalents (Opening Balance)	9,230,874	4,024,477
Cash and Cash Equivalents (Closing Balance)	<u>5,706,109</u>	<u>9,230,874</u>
	<u>(3,524,765)</u>	<u>5,206,397</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 ALPS & Co.  
Chartered Accountants

R. S. Tulsyan  
Partner  
Membership No.051793  
Kolkata, 30th May, 2018

For and on behalf of the Board  
A. V. Lodha, DIN : 00036158  
Chairman  
R. C. Tapuriah, DIN : 00395997  
Director  
V. Matta , PAN : ADMPPM4399R  
Chief Executive Officer  
Shobhana Sethi , PAN : DLBPS7691G  
Company Secretary & 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.

### **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 – (2017 – 100) 8% Redeemable Preference Shares of Rs.100 each

100 – (2017 – 100) Redeemable Preference Shares of Rs.100 each

5,000,000 – (2017 – 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 (2017 – 771,429)

As at 31st March, 2018	As at 31st March, 2017
Rs.	Rs.
10,000	10,000
10,000	10,000
<u>50,000,000</u>	<u>50,000,000</u>
<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 31.3.2018		No. of Shares held on 31.3.2017	
	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, 2018	As at 31st March, 2017
Rs.	Rs.
5,035,730	5,035,730
<u>5,035,730</u>	<u>5,035,730</u>
59,937	59,937
1,400	1,400
255,288,775	214,851,169
1,000,000	40,437,606
<u>256,288,775</u>	<u>255,288,775</u>

**ALFRED HERBERT (INDIA) LTD.**

Consolidated Notes to the Balance Sheet (Contd.)

	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
<b>Special Reserve</b> ( Under Section 45 IC of Reserve Bank of India Act.) ( As per last Account)	75,127,150	41,262,150
Add : Transferred from surplus	2,495,500	33,865,000
	<u>77,622,650</u>	<u>75,127,150</u>
<b>Surplus in Profit &amp; Loss Account</b> (As per last Account)	123,757,962	53,325,715
Add /(Less): Profit after tax transferred from statement of Profit & Loss	(7,698,822)	144,734,853
<b>Surplus available for appropriation</b>	116,059,140	198,060,568
<b>APPROPRIATIONS</b>		
Dividend for 2016-2017	1,542,858	-
Corporate Dividend Tax	314,090	-
General Reserve	1,000,000	40,437,606
Special Reserve	2,495,500	33,865,000
<b>Surplus - closing balance</b>	<u>110,706,692</u>	<u>123,757,962</u>
<b>TOTAL</b>	<u>449,715,184</u>	<u>459,270,954</u>
<b>2.3 DEFERRED TAX (ASSETS)/LIABILITIES (NET)</b> (Refer Note No.9)		
Deferred Tax Liabilities	3,571,553	5,507,248
	<u>3,571,553</u>	<u>5,507,248</u>
<b>2.4 LONG-TERM BORROWINGS</b>		
Term Loan from Canara Bank, Bangalore Secured by Hypothecation of Equipments	1,236,660	3,484,453
	<u>1,236,660</u>	<u>3,484,453</u>
<b>2.5 OTHER LONG-TERM LIABILITIES</b>		
Security deposit	2,896,461	2,896,461
Others	324,361	472,347
	<u>3,220,822</u>	<u>3,368,808</u>
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Provision for Leave Encashment	294,914	269,218
	<u>294,914</u>	<u>269,218</u>
<b>2.7 SHORT-TERM BORROWINGS</b>		
Loan repayable on demand from Bank :		
From Canara Bank, Bangalore :		
Cash Credit/Current A/c (Secured by Hypothecation of stocks and book debts and Plant & Machinery, Furniture and Fixtures)	7,104,910	12,176,128
Packing Credit for exports	-	4,500,000
	<u>7,104,910</u>	<u>16,676,128</u>



Consolidated Notes to the Balance Sheet (Contd.)

**2.8 OTHER CURRENT LIABILITIES**

Other Payables :

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
Current maturity of Long term debt	2,120,004	1,992,412
Advances received from Customers	26,730,186	28,396,870
Balances with Unpaid Dividend Accounts	535,860	510,714
Provision for Leave Encashment	1,926	269,218
Contribution to Gratuity Fund	253,327	597,191
Others (Excise Duty, TDS, Payroll Deductions, unpaid Dividend Accounts etc.)	3,543,898	9,146,714
	33,185,201	40,913,119

**2.9 SHORT-TERM PROVISIONS**

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
Taxation	7,152,782	43,937,677
	7,152,782	43,937,677

**2.10 PROPERTY, PLANT & EQUIPMENT**

Tangible Assets

Description	Gross Carrying Amount				Depreciation					Net Carrying Amount	
	Original Cost / Revaluation as on 01.04.2017	Additions during the year	Sales/ Adjustments	Original Cost / Revaluation as on 31.03.2018	Upto 31.03.2017	For the year	Carrying amount adjusted with Retained Earnings	Sales/ Adjustments	Upto 31.03.2018	Value as on 31.03.2018	Value as on 31.03.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Refer Note No.6)	3,624,535	-	-	3,624,535	-	-	-	-	-	3,624,535	3,624,535
Building :											
Freehold	50,835,733	2,123,023	-	52,958,756	18,250,829	792,035	-	-	19,042,864	33,915,892	32,584,904
Leasehold	342,945	-	-	342,945	274,114	9,557	-	-	283,671	59,274	68,831
Plant & Machinery	27,898,119	-	-	27,898,119	15,543,585	1,266,631	-	-	16,810,216	11,087,903	12,354,534
Furniture, Fixtures & Equipments	814,435	-	-	814,435	684,982	22,781	-	-	707,763	106,672	129,453
Vehicles	1,526,940	-	-	1,526,940	1,526,940	-	-	-	1,526,940	-	-
Office Equipment	452,408	-	-	452,408	394,434	20,028	-	-	414,462	37,946	57,974
Others-Computers	2,161,880	-	-	2,161,880	1,960,359	139,615	-	-	2,099,974	61,906	201,521
<b>Total</b>	<b>87,656,995</b>	<b>2,123,023</b>	<b>-</b>	<b>89,780,018</b>	<b>38,635,243</b>	<b>2,250,647</b>	<b>-</b>	<b>-</b>	<b>40,885,890</b>	<b>48,894,128</b>	<b>49,021,752</b>
INTANGIBLE ASSETS :											
Computer Software	623,877	-	-	623,877	368,087	118,537	-	-	486,624	137,253	255,790
	623,877	-	-	623,877	368,087	118,537	-	-	486,624	137,253	255,790
Previous Year	77,681,596	10,649,329	50,053	88,280,872	36,833,220	2,170,110	-	-	39,003,330	49,277,542	

Consolidated Notes to the Balance Sheet (Contd.)

**2.11 NON-CURRENT INVESTMENTS**
**Long Term, (Non-Trade), Quoted  
Equity Shares of Rs.10 each except  
where otherwise Stated (fully paid)**

	No. of shares	As at 31st March, 2018 Rs.	No. of shares	As at 31st March, 2017 Rs.
Graphite India Limited (Face value Rs.2 per share)	350,000	19,866,484	350,000	19,866,484
Aditya Birla Nuvo Limited	-	-	105	14,521
Aditya Birla Fashion and Retail Limited (ABFRL)	546	127	546	127
Aditya Birla Capital Limited	219	580	-	-
Grasim Industries Ltd. (Face Value Rs.2 per share)	157	13,139	-	-
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	45,750	4,392,000
Reliance Industries Ltd.	134,000	19,351,842	134,000	19,351,841
I D F C	50,000	3,511,762	50,000	3,511,762
I D F C Bank Ltd.	50,000	-	-	-
(As per the scheme of demerger, 1 (one) equity share of Rs.10 each of IDFC Bank Ltd. Issued for each equity share of Rs.10 each of IDFC Limited free of cost.)				
I T C Limited (Face value Re.1 per share)	90,000	3,578,171	90,000	3,578,171
Reliance Capital Ltd.	50	9,110	50	9,243
Reliance Power Ltd.	250	4,977	250	4,977
Reliance Communications Ltd.(Face value Rs.5 per share)	1,000	275,162	1,000	275,162
Reliance Infrastructure Ltd	75	51,904	75	51,904
Reliance Home Finance Ltd.	50	133	-	-
Vedanta Ltd. (Face Value Re.1 per share)	6,012	188,310	6,012	188,310
<b>Bonds</b>				
8.30% NHA1 Tax Free Bonds	3,743	3,837,493	3,743	3,837,493
8.50% NHA1 Tax Free Bonds	30,000	30,000,000	30,000	30,000,000
8.75% NHA1 Tax Free Bonds	21,200	21,159,647	21,200	21,159,647
		<u>106,249,841</u>		<u>106,250,642</u>
<b>Unquoted Shares</b>				
<b>Equity Shares of Rs.10 each except where otherwise Stated (fully paid)</b>				
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	100,000	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>
<b>TOTAL</b>		<u>108,898,741</u>		<u>108,899,542</u>
a) Quoted Investments		<u>106,249,841</u>		<u>106,250,642</u>
b) Unquoted Investments		<u>2,648,900</u>		<u>2,648,900</u>
		<u>108,898,741</u>		<u>108,899,542</u>
<b>Aggregate Market Value of Quoted Investments</b>		<u>483,458,596</u>		<u>239,581,771</u>

**2.12 LONG-TERM LOANS & ADVANCES**

(Unsecured-considered good)

Capital Advances	-	1,000,000
Security Deposits	2,824,387	2,819,414
	<u>2,824,387</u>	<u>3,819,414</u>



Consolidated Notes to the Balance Sheet (Contd.)

	No. of Units	As at 31st March, 2018 Rs.	No. of Units	As at 31st March, 2017 Rs.
<b>2.13 CURRENT INVESTMENTS (Unquoted)</b>				
Units of Rs.10 each in IDFC Money Manager Fund - Investment Plan A - Monthly Dividend-(Defunct Plan)	40,536.703	414,623	40,536.703	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)	6,574,855.064	66,292,501	8,073,392.806	81,387,604
Units of Rs.1000 each in UTI Treasury Advantage Fund - Flexi Dividend Plan Payout	2,433.020	2,634,446	2,433.020	2,634,446
Units of Rs.1000 each in UTI Treasury Advantage Fund - Plan - Weekly Dividend Reinvestment.	7,837.095	7,867,359	7,494.824	7,523,654
Units of Rs.10 each in HDFC Cash Management Fund - T. A. Plan - Retail - Regular Plan - Weekly Dividend Reinvest	6,055,385.588	61,265,247	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
<b>TOTAL</b>		<b>159,478,176</b>		<b>191,806,674</b>
<b>Aggregate Market Value of Investments (As per NAV of 31st March)</b>		<b>172,352,159</b>		<b>202,731,955</b>
<b>2.14 INVENTORIES</b>				
Raw Materials		12,981,077		13,819,876
Work-in-Progress		22,477,983		22,768,860
Finished Goods		28,125		28,124
Loose Tools		469,325		953,017
		<b>35,956,510</b>		<b>37,569,877</b>
<b>2.15 TRADE RECEIVABLES (Unsecured)</b>				
Debts outstanding for a period exceeding six months				
Considered Good		1,103,307		1,997,781
Considered Doubtful		475,445		320,474
		<b>1,578,752</b>		<b>2,318,255</b>
Other debts		6,560,203		21,712,657
		<b>8,138,955</b>		<b>24,030,912</b>
Less : Provision		475,445		320,474
		<b>7,663,510</b>		<b>23,710,438</b>



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

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
<b>2.16 CASH AND BANK BALANCES</b>		
<b>A Cash and Cash equivalents</b>		
Cash in hand	126,446	197,826
Balances with Banks :		
(i) On Current Accounts	2,398,221	6,194,466
(ii) On Unpaid Dividend Accounts	535,860	510,714
(iii) On Fixed Deposit with Bank	1,434,082	1,340,000
<b>B Other Balances with Banks:</b>		
(i) On Margin Deposit- towards Bank Guarantee	1,211,500	987,868
	<u>5,706,109</u>	<u>9,230,874</u>
<b>2.17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured-considered good)		
Advance recoverable in cash or in kind or for value to be received	5,700,637	5,409,052
Prepaid Expenses	-	7,399
Advance Income Tax	15,319,719	58,877,978
	<u>21,020,356</u>	<u>64,294,429</u>
Less : Provision for Doubtful Advances	3,135,559	-
	<u>17,884,797</u>	<u>64,294,429</u>
<b>2.18 OTHER CURRENT ASSETS</b>		
(Unsecured - considered good)		
Interest Accrued	365,827	371,871
Accrued Income	4,566	23,371
Balances with Excise/Commercial Tax Dept.	11,841,431	4,944,285
	<u>12,211,824</u>	<u>5,339,527</u>
	<b>For the year ended 31st March, 2018 Rs</b>	<b>For the year ended 31st March, 2017 Rs</b>
<b>2.19 REVENUE FROM OPERATIONS</b>		
Sale of products :		
i) Domestic Sales	90,779,501	96,402,758
ii) Exports	25,801,746	6,437,171
Rent	11,392,043	9,724,585
Sale of services	400,870	218,995
Other operating revenues	3,161,476	2,223,125
Interest Income :-		
Interest on Bonds	4,661,818	4,662,669
Others	198,673	315,572
Dividend from shares (Long Term)	3,980,655	604,184
Dividend from Mutual Fund (Short Term)	6,563,579	5,753,678
Profit on Sale of Investment (net) (Long Term)	227,384	100,044
	<u>147,167,745</u>	<u>126,442,781</u>



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

	For the year ended 31st March, 2018 Rs	For the year ended 31st March, 2017 Rs
<b>2.20 OTHER INCOME</b>		
Interest Income (on Fixed Deposit & others)	108,454	75,751
Provision for doubtful debts written back (net)	–	28,215
Provision no longer required written back	205,938	–
Miscellaneous Income	21,622	9,986
	<u>336,014</u>	<u>113,952</u>
<b>2.21 CHANGES IN INVENTORY OF FINISHED GOODS &amp; WORK IN PROGRESS</b>		
a) Changes in Inventory of Finished Goods		
Opening Stock	28,125	74,550
Less : Closing Stock	28,125	28,125
	–	46,425
b) Changes in Inventory of Work in Progress		
Opening Stock	22,768,867	22,945,316
Less : Closing Stock	22,477,983	22,768,860
	290,884	176,456
Less : Jigs & fixtures capitalised from WIP	–	–
	<u>290,884</u>	<u>176,456</u>
	<u>290,884</u>	<u>222,881</u>
<b>2.22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	25,267,908	27,034,493
Contribution to Provident and other Funds	1,486,371	2,296,152
Staff Welfare Expenses	3,214,962	3,519,047
	<u>29,969,241</u>	<u>32,849,692</u>
<b>2.23 FINANCE COSTS</b>		
Interest on Overdraft	2,346,182	3,011,230
	<u>2,346,182</u>	<u>3,011,230</u>
<b>2.24 OTHER EXPENSES</b>		
Power and Fuel	2,498,699	2,386,065
Consumable Stores	1,862,641	2,268,355
Testing Charges	173,423	–
Repairs to Building	1,329,135	1,541,479
Repairs to Plant & Machinery	1,148,598	1,760,420
Repairs - Others	1,405,641	1,168,443
Rent	1,413,546	1,353,994
Rates and Taxes	590,523	1,159,554
Insurance	116,034	145,923
Electricity	407,369	575,987
Flat Maintenance	230,284	233,660
Postage and telephone	800,861	905,362
Legal & Secretarial Expenses	986,081	973,249
Loss on sale of Non-current Investments (Long Term)	–	2,418,510
Professional Fees	17,000	203,000
Motor Car Expenses	1,262,873	1,496,403
Consultancy Charges	4,437,149	6,917,368
Security Service	2,839,480	2,034,293
Traveling and Conveyance	2,593,442	2,942,959
Miscellaneous expenses (I)	13,829,593	3,163,741
	<u>37,942,372</u>	<u>33,648,765</u>
(i) Includes		
Auditors' Remuneration (Exclusive of Taxes) :		
Statutory Audit Fees	132,000	132,000
Tax Audit Fees	30,000	34,000
Other services	57,000	30,500

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

3. Contingent liabilities and Commitments not provided for in respect of :	2017-2018	(Amount in Rs.) 2016 – 2017
i) Corporate Guarantee	27,500,000	27,500,000
ii) Bank Guarantees for advance issued in favour of customers	4,845,750	229,100
iii) Bank Guarantees for performance issued in favour of customer	–	884,000
iv) Bank Guarantee for obtaining Way Bill from West Bengal Commercial Tax Department	1,340,000	1,340,000
v) Letter of credit in favour of Supplier	–	1,035,072
vi) Central Excise demands not accepted by the Company	2,054,646	2,054,646
vii) Penalties in respect of Excise / Service Tax	443,378	443,378
viii) Penalty u/s 72 of KVAT Act for delay in filing VAT 100 for the month of January 07, against which the Interim order was passed by the Hon'ble High Court of Karnataka on 13.04.07 staying the order of Penalty until further consideration of the writ petition.	57,968	57,968
ix) Income Tax matters – Tax, Penalty & Interest for FY 2010-11 & 2011-12	3,401,531	5,374,665
x) Warranty Expenses	100,000	100,000
4. Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs.Nil (2016-17 : Rs.1,280,000/-).		

**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.

**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 2018.

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

		As on 31.03.2018	As on 31.03.2017
A	Present Value of Defined Benefit Obligations at the beginning of period	9,636,929	10,296,663
B	Current Service Cost	424,781	477,808
C	Interest Cost	678,333	717,844
D	Actuarial Losses/(Gains)	(685,313)	140,936
E	Plan Amendments	198,533	-
F	Benefits Paid	(272,942)	(1,996,322)
G	Present Value of Defined Benefit Obligations at the end of period	9,980,321	9,636,929

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

		As on 31.03.2018	As on 31.03.2017
A	Plan Assets at beginning of period	9,048,317	10,283,883
B	Expected return on Plan Assets	657,746	717,812
C	Actual Company contributions	600,568	24,736
D	Actuarial Gain/(Loss)	28,780	18,208
E	Benefits Paid	(272,942)	(1,996,322)
F	Plan Assets at the end of period	10,062,469	9,048,317



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

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

	Components of employer expense	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
A	Current Service Cost	424,781	477,808
B	Interest Cost	678,333	717,844
C	Expected return on Plan Assets	(657,746)	(717,812)
D	Unrecognised Past Service Cost	198,533	-
E	Actuarial Losses/(Gains)	(714,093)	122,728
F	Total expenses recognised in the Statement of Profit & Loss	(70,192)	600,568

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

	Funded Status	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
A	Present Value of Defined Benefits Obligations	9,980,321	9,636,929
B	Fair Value of Plan Assets	10,062,469	9,048,317
C	Funded Status [Surplus / (Deficit)]	82,148	(588,612)
D	Net Asset / (Liability) recognized in Balance Sheet at beginning of period	(588,612)	(12,780)
E	Employer expenses	(70,192)	600,568
F	Employer contributions	600,568	24,736
G	Net Asset / (Liability) recognised in Balance Sheet at end of the period	82,148	(588,612)

v) Actuarial Assumptions

		As on 31.03.2018	As on 31.03.2017
A	Discount Rate	7.55%	7.14%
B	Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
C	Salary increases	8%	8%
D	Expected return on assets	7.72%	7.72%
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 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014
A	Present Value of Defined Benefit Obligation	9,980,321	9,636,929	10,296,663	11,637,923	11,534,625
B	Fair Value of Plan Assets	10,062,469	9,048,317	10,283,883	9,829,438	11,388,758
C	Funded Status [Surplus/(Deficit)]	82,148	(588,612)	(12,780)	(1,808,485)	(145,867)
D	Experience (Gain)/Loss adjustment on Plan Liabilities	(508,506)	(124,848)	(557,910)	516,995	199,063
E	Experience Gain/(Loss) adjustment on Plan Assets	28,780	18,208	92,362	(31,916)	43,174
F	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	(176,807)	265,784	28,935	751,238	(651,195)

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 31.03.2018	As on 31.03.2017
A	Present Value of obligation	296,840	269,218
B	Fair Value of Plan Assets	-	-
C	Net Asset/(Liability) recognized in Balance Sheet	(296,840)	(269,218)

**Employer Expense** (Amount in Rs.)

		For the year ended 31.03.2018	For the year ended 31.03.2017
A	Current Service Cost	55,045	65,181
B	Interest Cost	19,222	21,160
C	Actuarial Losses/(Gains)	(46,645)	(47,590)
D	Total Employer Expense	27,622	38,751

The financial assumptions employed for the calculations are as follows :

	As on 31.03.2018	As on 31.03.2017
Discount rate per annum compound	7.55% p.a.	7.14% p.a.
Rate of increase in Salaries	8.00% p.a.	8.00% p.a.
Expected average remaining working lives of employees (years)	7.90	10.17

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 31.03.2018	As on 31.03.2017
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 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014
A	Present Value of Defined Benefit Obligation	296,840	269,218	317,727	358,605	429,696
B	Funded Status [Surplus/(Deficit)]	(296,840)	(269,218)	(317,727)	(358,605)	(429,696)
C	Experience (Gain)/Loss adjustment on Plan Liabilities	(40,160)	(57,022)	(57,007)	(52,130)	(17,030)
D	Experience (Gain)/Loss adjustment on Plan Liabilities due to change in assumption	(6,485)	9,432	1,115	28,372	(27,323)

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 31.03.2018	As on 31.03.2017
Deferred Tax Liability		
On Account of Depreciation	3,621,190	5,609,866
Deferred Tax Assets		
Expenses allowable on payment basis u/s 43B	(49,637)	(341,833)
Provision for Warranty	-	-
TOTAL	(49,637)	(341,833)
Net Deferred Tax Liability	3,571,553	5,268,033

10. 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	Relationship
Jain Industrial & Commercial Services Pvt. Ltd. (Upto 31st December, 2017)	Company where significant influence exist
La Crème De La Crème Services LLP (w.e.f. 1st January, 2018)	LLP where certain Directors are Partners

**Key Management Personnel**

R. Radhakrishnan	Chief Executive Officer & Company Secretary (Resigned w.e.f. 2nd November, 2017)
V. Matta	Chief Financial Officer

Disclosure of transactions with Related Party during the year and outstanding balances as on 31st March, 2018 :

	2017-18	2016-17
<b>Lease Rent Received</b>		
Jain Industrial & Commercial Services Pvt. Ltd.	1,242,000	1,494,000
La Crème De La Crème Services LLP	414,000	-
<b>Key Management Personnel</b>		
CEO & CS	680,000	1,215,000
CFO	1,028,200	882,500

Note : Related Party transactions are excluding reimbursements.

**11 Segment Reporting**

- 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.
- 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.

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

(Amount in Rs.)

Primary Segment	Year ended 31.03.2018				Year ended 31.03.2017			
	Manufac- turing Operations	Realty & Business Services	Others	Total	Manufac- turing Operations	Realty & Business Services	Others	Total
<b>A. REVENUE</b>								
External Sales/Income	118,372,367	26,537,499	506,425	145,416,291	94,552,871	20,669,363	599,309	115,821,543
Inter Segment Sales/Income	-	-	-	-	-	-	-	-
Total-	118,372,367	26,537,499	506,425	145,416,291	94,552,871	20,669,363	599,309	115,821,543
Segment Result (Profit(+) Loss(-) before Tax & Interest)	(22,500,983)	14,789,247	475,662	(7,236,074)	(21,159,529)	213,496,390	569,326	192,906,187
Less: Un-allocable expenditure								
i) Interest				2,346,182				2,445,410
ii) Other un-allocable expenditure (Net of un-allocable income)				-				-
Total Profit before Tax				(9,582,256)				190,460,777
Less: Taxes								
Current Tax				60,000				43,800,000
Tax relating to earlier years				(7,739)				-
Deferred Tax				(1,935,695)				1,925,924
Net Income / (Loss) after Tax				(7,698,822)				144,734,853
<b>OTHER INFORMATION</b>								
Segment Assets	70,284,680	435,694,166	16,071,156	522,050,002	90,319,360	447,032,220	15,597,494	552,949,074
Un-Allocable Assets				15,319,719				58,877,978
Total				537,369,721				611,827,052
Segment Liabilities & Provisions	64,307,071	4,897,041	11,800	69,215,912	83,462,797	4,845,208	13,800	88,321,805
Un-Allocable Liabilities & Provisions				7,152,782				51,012,755
Total				76,368,694				139,334,560
Depreciation	1,448,614	920,570	-	2,369,184	1,270,597	899,513	-	2,170,110
Capital Expenditure including CWIP	-	137,714,286	-	137,714,286	-	117,878,735	-	117,878,735

**12. 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.)	
	2017-18	2016-17
Opening Provision	-	-
Provided during the year	1,006,868	145,185
Amount utilized	1,006,868	145,185
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.

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

	For the year ended	
	31st March 2018	31st March 2017
i. Net Profit/(Loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	(7,698,822)	144,734,853
ii. Number of Equity Shares used as denominator for calculating EPS	771,429	771,429
iii. Basic and Diluted Earnings per Share (Rs.)	(9.98)	187.62
iv. Face Value per Equity Share (Rs.)	10	10



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

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

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Net Assets	Amount (Rs.)
<b>Parent</b>				
Alfred Herbert (India) Limited	94.77	433,511,325	209.09	16,097,374
<b>Subsidiaries</b>				
1. Alfred Herbert Limited	1.72	7,858,793	(315.27)	(24,271,858)
2. Herbert Holdings Limited	3.51	16,059,356	6.18	475,662



# 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.43,141,278) Herbert Holdings Limited – Rs.13,859,356
6.	Total Assets	Alfred Herbert Limited – Rs.79,560,891 Herbert Holdings Limited – Rs.16,071,156
7.	Total Liabilities	Alfred Herbert Limited – Rs.113,702,099 Herbert Holdings Limited – Rs.11,800
8.	Investments	Alfred Herbert Limited – Nil Herbert Holdings Limited – Rs.15,726,074
9.	Turnover	Alfred Herbert Limited – Rs.118,372,367 Herbert Holdings Limited – Rs.506,425
10.	Profit before Taxation	Alfred Herbert Limited – (Rs.24,847,166) Herbert Holdings Limited – Rs.475,662
11.	Provision for Taxation	Alfred Herbert Limited – (Rs.575,307) Herbert Holdings Limited – Nil
12.	Profit after Taxation	Alfred Herbert Limited – (Rs.24,271,859) Herbert Holdings Limited – Rs.475,662
13.	Proposed Dividend	Nil in the case of both the Companies
14.	% of shareholding	100% in the case of both the Companies

For A L P S & Co.  
Chartered Accountants  
R. S. Tulsyan  
Partner  
Membership No. 051793

Place : Kolkata  
Date : 30th May, 2018

For and on behalf of the Board of Directors

A. V. Lodha, DIN : 00036158  
Chairman

R. C. Tapuriah, DIN : 00395997  
Director

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

CIN : L74999WB1919PLC003516

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

Telephones : 2264 0106, Fax : (91) 033 2229 9124

E-mail : kolkata@alfredherbert.com, Website : www.alfredherbert.co.in

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

DP Id\*

Folio No.

Client Id\*

No. of Shares

Name and Address of the Shareholder

I hereby record my presence at the 98th Annual General Meeting of the members of the Company held on Friday, July 27, 2018 at 10.30 a.m. at Bengal National Chamber of Commerce & Industry Auditorium, at 23, Sir R.N. Mukherjee Road, Kolkata - 700 001.

\* Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

**PROXY FORM****FORM NO. MGT-11**

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

CIN	L74999WB1919PLC003516
Name of the Company	<b>ALFRED HERBERT (INDIA) LIMITED</b>
Registered Office	Herbert House, 13/3 Strand Road, Kolkata 700 001, West Bengal
Name of the Member(s)	
Registered Address	

E-mail ID

Folio No./Client ID DP ID

I/we, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1.	Name Address E-mail ID Signature	or failing him
2.	Name Address E-mail ID Signature	or failing him
3.	Name Address E-mail ID Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf of the Ninety Eighth Annual General Meeting of the Company, to be held on Friday, 27th July, 2018 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 :

**Resolutions****Ordinary Business:**

- To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 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.
- To declare a dividend on Equity Shares.
- To appoint a director in place of Mr. H. V. Lodha (DIN 00394094), who retires by rotation and being eligible offers himself for re-appointment.

Signed this ..... day of ..... 2018

Signature of the Shareholder

Signature of the Proxy holder(s)

Affixed Revenue Stamp
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**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