



**ALFRED HERBERT (INDIA) LTD.**

**ANNUAL REPORT  
2013 - 2014**



## ANNUAL REPORT

2013-2014

### BOARD OF DIRECTORS

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

### AUDITORS

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RAY & RAY  
Chartered Accountants

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### REGISTERED OFFICE

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Herbert House  
13/3, Strand Road, Kolkata - 700 001  
Telephones : 2226 8619/2264 0106  
Fax : (91) 033 2229 9124  
E-mail : [kolkata@alfredherbert.com](mailto:kolkata@alfredherbert.com)  
CIN : L74999WB1919PLC003516

### MUMBAI OFFICE

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

### ALFRED HERBERT LIMITED

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

## NOTICE OF MEETING

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

### ORDINARY BUSINESS:

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

### SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ramesh Chandra Tapuriah (holding DIN: 00395997), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sanjeev Bhandari (holding DIN: 00724312), Director of the Company whose period of office is liable to determination

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

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sardul Singh Jain (holding DIN: 00013732), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

8. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to entire exclusion, of the regulations contained in the existing Articles of Association of the Company; RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

On behalf of the Board

Date : 17th May, 2014

S. S. Jain

Place : Kolkata

Director

### IMPORTANT NOTES :

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



2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

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

4. Dividend of Rs. 2/- per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 31st July, 2014
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs.55,996/- being the unpaid and unclaimed dividend amount pertaining to Dividend of 2005-2006 on 26th September, 2013 to the Investor Education and Protection Fund of the Central Government.

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

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

7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.

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

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

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. "ALFRED HERBERT (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted

on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*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 sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the DPID-CLIENT ID/Folio Number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company Name, i.e. "ALFRED HERBERT (INDIA) LIMITED" on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent





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

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

**In case of members receiving the physical copy:**

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

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

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

**Item No. 5**

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

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

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

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

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

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

#### **Item No. 6**

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

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

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

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

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

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

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

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

#### **Item No. 7**

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

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

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

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

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



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

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

#### **Item No. 8**

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

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

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

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

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

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

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

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

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

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

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

On behalf of the Board  
S. S. Jain  
Director

Date : 17th May, 2014  
Place : Kolkata



**DIRECTORS' REPORT**

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

**FINANCIAL RESULTS**

The Financial Results are as under :

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

**DIVIDEND**

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

**FINANCIAL PERFORMANCE**

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

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

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

alternative markets/ products to consolidate its operations.

**DIRECTORS**

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

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

**AUDITORS**

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

**CORPORATE GOVERNANCE**

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

**SUBSIDIARY COMPANIES**

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

**DELISTING FROM CALCUTTA STOCK EXCHANGE LTD.**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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



- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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

The particulars regarding foreign exchange earnings and expenditure appear as Annexure to Schedule at

item No.14 & 15 in the Notes to the Accounts. The other particulars relating to Conservation of Energy and Technology Absorption stipulated in the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

**PERSONNEL**

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

**COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956**

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

**PARTICULARS OF EMPLOYEES**

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

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

Kolkata  
Date : 17th May, 2014

On behalf of the Board  
A. V. Lodha  
Chairman