

HERBERT HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR 2016

RAY & RAY
Chartered Accountants
Kolkata Mumbai Delhi Bangalore Chennai

HERBERT HOLDINGS LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Twenty-eighth Annual General Meeting of the Members of Herbert Holdings Limited will be held at the Registered Office of the Company, 13/3 Strand Road, Kolkata- 700 001, on Wednesday, 29th June 2016 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2016 and statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R Subramanian (DIN 00386887), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

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

Date: 17th May 2016

On behalf of the Board



A K Basu
Director

NOTE: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. The proxy, in order to be effective, shall be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

HERBERT HOLDINGS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL RESULTS

The Financial Results are as under:

	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
Gross Income	591,334	627,991
Profit before Tax	564,009	581,115
Provision for Tax (including relating to earlier year)	30	-
Excess provision written back	-	168
Profit after Tax	563,979	581,283
Profit brought forward	4,374,539	3,913,256
Amount available for appropriation	<u>4,938,518</u>	<u>4,494,539</u>
Appropriations:		
Special Reserve	115,000	120,000
Balance carried to Balance Sheet	<u>4,823,518</u>	<u>4,374,539</u>
	<u>4,938,518</u>	<u>4,494,539</u>

DIVIDEND

Your Directors do not recommend any dividend for the year.

DIRECTORS

Mr. R. Subramanian, Director, retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.

MEETINGS

During the year four meetings of the Board of Directors were convened and held.

AUDITORS

M/s. Ray & Ray, Chartered Accountants, (Regn. No. 301072E) will retire at the Annual General Meeting and they have given their consent to be re-appointed for the current year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATION COMPANIES

As on 31st March 2016, the Company does not have any Subsidiary/Associate Company.

DEPOSITS

The Company has not invited/accepted any deposits from the Public during the year ended 31st March 2016 Under Section 58A of the Companies Act, 1956 and Section 73 of the Companies Act, 2013.

AUDIT COMMITTEE, REMUNERATION & STAKEHOLDERS RELATIONSHIP COMMITTEE

The Provisions of Section 177 with respect to the Constitution of Audit Committee and provisions of Section 178 of the Companies Act, 2013 requiring setting up of a Remuneration and Stakeholders Relationship Committee do not apply to your Company.

DETAILS OF SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATION

To the best of our knowledge the Company has not received any such order by Regulators, Courts or Tribunals during the year under review which may impact the going concern status or the Company's operations in future.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

BUSINESS RISK MANAGEMENT

The main identified risks at the Company are Commercial Risks and Financial 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATOR 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH

The requirement for disclosure of information under Section 134(3)(M) of the Companies Act, 2013 read with Rule 8 of Companies(Accounts) Rules, 2014 relating to Conservation of Energy and Technology absorption are not applicable as no manufacturing or trading activities were carried out during the year.

FOREIGN EXCHANGE EARNING & OUTGO

The Company has not used or earned any foreign exchange during the year.

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 "A"

DECLARATION BY INDEPENDENT DIRECTOR

The Company was not required to appoint Independent Directors under section 149(4) of the Companies Act, 2013 and Rules 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration is required.

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 2015, 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 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 2015 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;

Kolkata
Date: 17th May 2016

On behalf of the Board



DIRECTORS

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U67120WB1987PLC043328
ii	Registration Date	23RD NOVEMBER 1987
iii	Name of the Company	HERBERT HOLDINGS 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. 033-22268619, 03322299124
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N. A.

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	B-05.06541	100%
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 (INDIA) LIMITED	L74999WB1919PLC003516	HOLDING COMPANY	100	2(46)
2					
3					

[illegible]

iii) Non Resident Individual	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	220,000	220,000	100.0000	-	220,000	220,000	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	ALFRED HERBERT (INDIA) LIMITED	219,988	99.9946	-	219,988	99.9946	-	-
2	ALFRED HERBERT (INDIA) LIMITED J/A A. K. BASU	2	0.0009	-	2	0.0009	-	-
3	ALFRED HERBERT (INDIA) LIMITED J/A V. MATTA	2	0.0009	-	2	0.0009	-	-
4	ALFRED HERBERT (INDIA) LIMITED J/A P. K. PAL	2	0.0009	-	2	0.0009	-	-
5	ALFRED HERBERT (INDIA) LIMITED J/A A. V. LODHA	2	0.0009	-	2	0.0009	-	-
6	ALFRED HERBERT (INDIA) LIMITED J/A P. MAJUMDAR	2	0.0009	-	2	0.0009	-	-
7	ALFRED HERBERT (INDIA) LIMITED J/A M. BANERJEE	2	0.0009	-	2	0.0009	-	-
							-	-
	Total	220,000	100.0000		220,000	100.0000	-	-

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

Sl. No.		Share holding at the beginning of		Cumulative Share holding during the	
		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 01.04.2015 & 31.03.2016					

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

Sl. No		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
	For Each of the Top 10 Shareholders				
NOT APPLICABLE					

(v) Shareholding of Directors & KMP

Sl. No		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
	For Each of the Directors & KMP				
NOT APPLICABLE					

V INDEBTEDNESS

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount	
1	Independent Directors					
	(a) Fees for attending board committee meetings					-
	(b) Commission					-
	(c) Others, please specify					-
	Total (1)					-
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings					-
	(b) Commission					-
	(c) Others, please specify.					-
	Total (2)					-
	Total (B)=(1+2)					-
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.					-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 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	-	-		-
5	Others, please specify	-	-		-
	Total	-	-		-

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

RAY & RAY

CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Bidhan Nagar, Salt Lake, Kolkata - 700 091
Telephones: +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@airtelmail.in

INDEPENDENT AUDITOR'S REPORT

To

To the Members of

Herbert Holdings Limited

Report on the Financial Statements

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

Management's Responsibility for the 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 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 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.



MUMBAI • NEW DELHI • BANGALORE • CHENNAI

City Office : 6 Church Lane, Kolkata - 700 001, E-mail : raynray@vsnl.com

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those *books*
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(h) According to the information and explanations given to us and on the basis of such checks as we considered appropriate was carried out by us during the course of the audit of the company, our report on the matters specified under the Para 3(A) and 3(C) of Non - Banking Financial Companies Auditors 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. 06541 dated 4th April 2005. The Company is engaged in the business of Non Banking Financial Institution.

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

Investment Income to Total Income: 100%

Total Investments to Total Assets : 99.36%

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

iii) The Company has not been classified as Assets Finance Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year under reference.

iv) The Company has not been classified as Micro Finance Institution as defined in Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 with reference to the business carried on by it during the financial year under reference.

v) Board of Directors of the Company had passed a resolution at its meeting held on 27th January, 2016 for not accepting any public deposit.

vi) The Company has not accepted any public deposit during the year under reference.



- vii) ; The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- viii) The Company is not a Systemically Important Non-Deposit taking NBFC as defined in paragraph 2 (1) (xix) of the Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as the Company has not accepted / held any public deposits and does not have total assets of Rs.100 crores or above.

For **RAY & RAY**
Chartered Accountants

(Firm's Registration No.301072E)

Place: Kolkata

Date: 17th May, 2016

Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay

Partner

Membership No.: 056359



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- (i) The Company does not have any Fixed Assets and therefore, provisions of Clauses (i) (a) and (b) of Paragraph 3 of the aforesaid Order are not applicable to the Company.
- (ii) The Company does not have any inventory and therefore, provisions of Clauses (ii) (a), (b) and (c) 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 Companies Act, 2013. Accordingly, provisions of clauses (iii) (a) and (b) of Paragraph 3 of the aforesaid Order are not applicable to the Company.
- (iv) According to the information and explanation given to us, during the year the Company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Act. .
- (v) The Company has not accepted any deposits during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 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 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.
- (x) According to the information and explanations given to us, no managerial remuneration is paid by the Company during the year. 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, all transactions 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. 06541 dated 4th April 2005.

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

Place: Kolkata

Date: 17th May, 2016

Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay
Partner
Membership No. : 056359



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF HERBERT HOLDINGS LIMITED**

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

Report on the Financial Statements

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

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

For and on behalf of

RAY & RAY

Chartered Accountants

Firm Registration No. 301072E

Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay

Partner

Membership No.056359

Kolkata 17th May, 2016



RAY & RAY

CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Bidhan Nagar, Salt Lake, Kolkata - 700 091
Telephones: +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@airtelmail.in

To
The Board of Directors
Herbert Holdings Limited,
13/3 Strand Road,
Kolkata- 700 001

REPORT TO THE BOARD OF DIRECTORS

Dear Sirs,

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

a) The Company which was incorporated prior to 9th January 1997 has applied for registration as provided in section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and has received registration certificate from the Reserve Bank of India and the Certificate No. N. 05. 06541 dated 4th April 2005. The Company is engaged in the business of Non Banking Financial Institution.

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

Investment Income to Total Income:	100%
Total Investments to Total Assets :	99.36%

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

c) The Company has not been classified as Assets Finance Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year under reference.

d) The Company has not been classified as Micro Finance Institution as defined in Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 with reference to the business carried on by it during the financial year under reference.

e) The Board of Directors of the Company passed a resolution at its meeting held on 27th January, 2016 for not accepting any public deposit.



MUMBAI • NEW DELHI • BANGALORE • CHENNAI

City Office : 6 Church Lane, Kolkata - 700 001, E-mail : raynray@vsnl.com

- f) The Company has not accepted any public deposit during the year under reference.
- g) The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- h) The Company is not a Systemically Important Non-Deposit taking NBFC as defined in paragraph 2 (1) (xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Yours faithfully,
For RAY & RAY
Chartered Accountants
(Firm's Registration No. 301072E)

Place: - Kolkata
Date:- 17th May, 2016

Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay
Partner
Membership No.056359



Herbert Holdings Limited
Balance Sheet as at 31st March, 2016

	<u>Note Number</u>	<u>As at</u> <u>31st March,</u> <u>2016</u> <u>Rs.</u>	<u>As at</u> <u>31st March,</u> <u>2015</u> <u>Rs.</u>
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	2,200,000	2,200,000
(b) Reserves and surplus	2.2	12,814,368	12,250,389
(2) Current liabilities			
(a) Other Current Liabilities	2.3	13,800	27,163
TOTAL		15,028,168	14,477,552
II ASSETS			
(1) Non-current assets			
Non-current Investments	2.4	3,351,013	3,351,013
(2) Current assets			
(a) Current investments	2.5	11,580,664	10,988,201
(b) Cash and Cash Equivalents	2.6	96,491	138,338
TOTAL		15,028,168	14,477,552
Significant Accounting Policies	1		

Notes form an integral part
of the Financial Statements

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

For RAY & RAY
Chartered Accountants

Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay
Partner
Membership No.056359
Kolkata, 17th May, 2016



For and on behalf of the Board

Arish

Am

Directors

Herbert Holdings Limited
Statement of Profit and Loss
for the year ended 31st March, 2016

For the year ended
31st March,
2016
Rs.

For the year ended
31st March,
2015
Rs.

<u>Particulars</u>	<u>Note Number</u>		
I Revenue from Operations	2.7	<u>591,334</u>	<u>627,991</u>
II Total Revenue		<u>591,334</u>	<u>627,991</u>
III Expenses :			
Other expenses	2.8	<u>27,325</u>	<u>46,876</u>
Total Expenses		<u>27,325</u>	<u>46,876</u>
IV Profit before tax (II - III)		<u>564,009</u>	<u>581,115</u>
V Tax expenses			
(1) Current tax		-	-
(2) Excess Provision for earlier years written back		-	(168)
(3) Income Tax relating to earlier year		<u>30</u>	<u>-</u>
VI Profit after tax (IV - V)		<u>563,979</u>	<u>580,947</u>
VII Earning per equity share :			
Basic and Diluted	9	<u>2.56</u>	<u>2.64</u>
(Face Value of Rs.10 each per share)			

Significant Accounting Policies 1

Notes form an integral part
of the Financial Statements

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

For Ray & Ray
Chartered Accountants

For and on behalf of the Board

Asish Kumar Mukhopadhyay

Asish Kumar Mukhopadhyay
Partner

Membership No.056359
Kolkata, 17th May, 2016



Aditya

A. A. M.

Directors

HERBERT HOLDINGS LIMITED

CASH FLOW STATEMENT

	Year ended 31st March,	
	2016	2015
	Rs.	Rs.
A. Cash Flow from Operating Activities		
Profit before Tax	564,009	581,115
Operating Profit before Working Capital Changes	564,009	581,115
Adjustment for : Current Liabilities	-	13,680
Cash (Utilised in)/Generated from Operating Activities	564,009	594,795
Direct Tax (Net)	(30)	(193)
Net Cash (Utilised in)/Generated from Operating Activities	563,979	594,602
B Cash Flow from Investing Activities		
Outstanding Liabilities	(13,363)	-
Purchase of Investments	(592,463)	(623,212)
Net Cash (utilised in)/ Generated from Investment Activities	(605,826)	(623,212)
C. Cash Flow from Financing Activities		
Net increase/(Decrease) in Cash & Cash Equivalent	(41,847)	(28,610)
Cash and Cash Equivalents(Opening Balance)	138,338	166,948
Cash and Cash Equivalents (Closing Balance)	96,491	138,338
	(41,847)	(28,610)

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

i i) Cash and Cash Equivalents represent Cash and Bank Balances.

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

for Ray & Ray
Chartered Accountants

Asish Kumar Mukhopadhyay
Asish Kumar Mukhopadhyay

Partner

Membership No.056359

Kolkata, 17th May, 2016



For and on behalf of the Board

Asish Kumar Mukhopadhyay

Asish Kumar Mukhopadhyay

Directors

HERBERT HOLDINGS LIMITED

NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The Financial Statements are prepared on accrual basis under the historical cost convention 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 other accounting principles generally accepted in India.

Use of Estimates

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amount 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.

Revenue Recognition

Income is accounted for on accrual basis except in cases where amount receivable cannot be determined with reasonable accuracy.

Investment

Long Term Investments are stated at cost less provision for diminution in value other than temporary, if any. Current investments are valued at cost or net realisable value whichever is lower. Dividend is accounted for as and when the right to receive the same is established.

Taxes on Income

Income tax is accounted for in accordance with accounting Standard (AS - 22) - 'Accounting for Taxes on Income'. Deferred tax is provided and recognised on timing differences between taxable income and accounting income subject to prudential consideration. Deferred tax assets on unabsorbed depreciation and carry forward losses are not recognised 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 event 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 the 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.



Herbert Holdings Limited
2 Notes forming part of Balance Sheet

	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
2.1. SHARE CAPITAL		
Authorised		
249,000 - Equity shares of Rs.10 each (2015 - 249,000)	2,490,000	2,490,000
100 - Redeemable Preference Shares of Rs.100 each (2015 - 100)	10,000	10,000
	2,500,000	2,500,000
Issued, subscribed and paid-up		
220,000 - Equity Shares of Rs.10 each fully paid up (2014 - 220,000)	2,200,000	2,200,000
	2,200,000	2,200,000
2.1.1 There has been no change / movement in the number of shares outstanding at the beginning and at the end of the reporting period.		
2.1.2. All equity shares are held by Alfred Herbert (India) Limited the holding Company and its nominees		
2.1.3 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 shareholder.		
2.2 RESERVES AND SURPLUS		
Capital Reserve (As per last Account)	50,000	50,000
Capital Redemption Reserve (As per last Account)	700	700
Security Premium Reserve (As per last Account)	4,800,000	4,800,000
Special Reserve (Under Section 45 IC of Reserve Bank of India Act.) - opening balance	1,025,150	905,150
Add : Transferred from surplus	115,000	120,000
	1,140,150	1,025,150
General Reserve (As per last Account)	2,000,000	2,000,000
Surplus in the Statement of Profit & Loss - opening balance	4,374,539	3,913,256
Add : Profit after tax transferred from statement of Profit & Loss	563,979	581,283
Surplus available for appropriation	4,938,518	4,494,539
APPROPRIATIONS		
Special Reserve	115,000	120,000
Surplus - closing balance	4,823,518	4,374,539
TOTAL	12,814,368	12,250,389
2.3 OTHER CURRENT LIABILITIES		
Others	13,800	27,163
	13,800	27,163
2.4 NON-CURRENT INVESTMENTS		
<u>Long Term, (Non-Trade), Quoted</u> (At Cost) (Note 10)		
Equity Shares of Rs.10 each except where otherwise stated (fully paid)		
2,000 (2015 - 2,000) Reliance Industries Ltd.	369,727	369,727
50 (2015 - 50) Reliance Capital Ltd.	9,243	9,243
250 (2015 - 250) Reliance Power Ltd.	4,977	4,977
1,000 (2015 - 1,000) Reliance Communication Ltd. (Face Value Rs.5 per share)	275,162	275,162
75 (2015 - 75) Reliance Infrastructure Ltd	51,904	51,904
	711,013	711,013
Aggregate Market Value of Quoted Investments	2,211,266	1,776,522
Unquoted Shares		
Equity Shares of Rs.10 each except where otherwise stated (fully paid)		
264,000 (2015 - 264,000) Lodha Capital Markets Limited	2,640,000	2,640,000
	3,351,013	3,351,013



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

	No. of units	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
2.5 CURRENT INVESTMENTS (Unquoted)			
Units of Rs.10 each in IDFC Banking Debt Fund - Growth	46,947.916 (2015 - 46,947.916)	500,000	500,000
Units of Rs.10 each in IDFC Super Saver Income Fund - Growth	16,893.775 (2015 - 16,893.775)	500,000	500,000
Units of Rs.10 each in IDFC Money Manager Fund - Monthly Div. Payout	41,062.309 (2015 - 41062.309)	414,623	414,623
Units of Rs.10 each in IDFC Ultra Short Term Fund - Weekly Div. Reinvestment	41,513.565 (2015 - 20,212.792)	416,878	203,026
Units of Rs.1000 each in UTI Treasury Advantage Fund-Flexi Div. Plan-Payout	2,433.020 (2015 - 2433.020)	2,634,445	2,634,445
Units of Rs.1000 each in UTI Treasury Advantage Fund-Weekly Dividend Reinvestment	7,087.746 (2015 - 6,710.533)	7,114,718	6,736,107
		11,580,664	10,988,201
Aggregate Market Value of Investments (NAV as on 31st March,)		11,844,661	11,149,658
2.6 CASH AND CASH EQUIVALENTS			
Balances with Scheduled Banks :			
On Current Accounts		96,491	138,338
		96,491	138,338
		For the year ended 31-03-2016 Rs.	For the year ended 31-3-2015 Rs.
2.7 REVENUE FROM OPERATIONS			
Dividend from shares (Long Term)		42,300	19,988
Dividend from investment in Mutual Fund (Short Term)		549,034	608,003
		591,334	627,991
2.8 OTHER EXPENSES			
Rates and Taxes		4,350	4,350
Legal & Secretarial Expenses		8,290	12,885
Consultancy Charges		-	3,933
Miscellaneous expenses (i)		14,685	25,708
		27,325	46,876
(i) Miscellaneous expenses Includes			
Auditors' Remuneration : (Exclusive of Tax)			
Statutory Audit Fees		12,000	12,000
Other services		-	10,000



Herbert Holdings Limited

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

(3) The Company does not have any employee of its own, hence provisions of The Employees' Provident Funds Act, 1952, Employees State Insurance Act, 1948, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972 are not applicable to the Company.

(4) Related Party disclosure as identified by the management in accordance with the Accounting Standard 18 are as follows :-

(i) Name of Related Party
Alfred Herbert (India) Limited Holding Company

There is no transaction with related parties during the year

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

(6) The Directors have waived their respective sitting fees payable to them.

(7) As there is no timing difference items hence deferred tax is not applicable to the Company in accordance with Accounting Standard (AS) 22 on "Taxes on Income".

(8) Earnings Per Share (EPS)	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs.	Rs.
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)	563,979	580,947
ii) Number of shares used in computing earning per share - Basic & Diluted	220,000	220,000
iii) Basic and Diluted Earnings per share (Rs.)	2.56	2.64
iv) Face Value per equity share (Rs.)	10.00	10.00

(9) The Company operate mainly in one business segment and therefore, the Segment Reporting as per the Accounting Standard (AS - 17) is not applicable to the Company

(10) Diminution in value of investment in Reliance Communications Limited is due to market fluctuations and ithe same is treated as Long Term Investment at cost.

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



For and on behalf of the Board

Adh dho

HA mm

Directors