
HERALD COMMERCE LIMITED

32nd Annual Report, 2014

BOARD OF DIRECTORS

SHRI SURENDRA KUMAR JAIN, *Managing Director*
SHRI MANOJ SARAOGI
SHRI SUSANTA SENGUPTA
SHRI ARUN NATH

COMPANY SECRETARY

SHRI AJAY KUMAR LAHOTI

AUDITORS

M/s. DEOKI BIJAY & CO.
Chartered Accountants

BANKERS

CANARA BANK
INDUSIND BANK
BANK OF BARODA
HDFC BANK
ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

10, PRINCEP STREET
2ND FLOOR
KOLKATA – 700 072
Phone: (033) 4002-2880
E-mail: info@heraldcommerce.com
Website: www.heraldcommerce.com
CIN: L51909WB1982PLC035364

REGISTRAR & SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD
6, MANGOE LANE, 2ND FLOOR
KOLKATA- 700 001
Phone: (033) 2243-5029/5809
Fax: (033) 2248-4787
Email: mdpl@cal.vsnl.net.in

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the company will be held on Friday, 26th day of September, 2014 at 10.30 a.m. at the "Somani Conference Hall" Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2014 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors of the Company to hold office, from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration and to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 and the Rules made there under, M/s Deoki Bijay & Co., Chartered Accountants (Firm Registration No. 313105E), the retiring auditors, be are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of Companies Act, 2013, Shri Arun Nath (DIN No. 02087215), Director of the Company, who retires by rotation at the ensuing Annual General Meeting, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be & is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, and whose office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of Companies Act, 2013, Shri Manoj Saraogi (DIN No. 00278490), Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be & is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, and whose office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of Companies Act, 2013, Shri Susanta Sengupta (DIN No. 00194498), Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be & is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, and whose office shall not be liable to retire by rotation."

Registered Office :
10, Princep Street
2nd Floor
Kolkata- 700 072
Date: 28.05.2014

By the order of the Board
For **Herald Commerce Limited**
Sd/-
Ajay Kumar Lahoti
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the Special Businesses set out in the Notice is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2nd Floor, Kolkata 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.
3. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 19th September 2014 to Friday, 26th September 2014 (both days inclusive).
5. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
6. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2nd Floor, Kolkata 700 001.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. Additional information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed/re-appointed, members are requested to kindly refer Para 2 of the Report on Corporate Governance forming part of this Annual Report.
9. Members are requested to inform their correct email address, if any to the Depositories (if shares held in demat form) and to our Registrars (if shares are held in physical form) in compliance of Green Initiative as per circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice/document through e-mail.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member 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/Registrar.
11. **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 32nd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for member to vote using the e-voting facility, and member may avail of the facility at his/her/its discretion. The **instructions for e-voting are as under:**
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) 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.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) However, If you are a first time user, follow the steps given below and fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
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 can enter in the PAN field the 10 characters as, first two Alphabets of the first holder name followed by 8 characters consisting of folio number prefix by “0” (or in case of CDSL, 8 characters from right of BO-ID and in case of NSDL, 8 characters of Client ID). No special characters will be taken from the name and folio number. Example: (1) Mrs. Krishna Chatterjee and Folio No. is 000104, the PAN to be entered will be KR00000104. (2) Mrs. Krishna Chatterjee and BO-ID is 1201060002255147, the PAN to be entered will be KR02255147. (3) Mrs. Krishna Chatterjee and Client ID is 10359854, the PAN to be entered will be KR10359854.

Please enter any one of the details in order to login. In case both details are not recorded with the depository or company please enter the Number of Shares held by you as on Cut-Off Date of 22nd August, 2014 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 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.
- (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> 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 Resolution details.
- (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) In case of members receiving the physical copy: Please follow all steps from sl. no. I. (i) to sl. no. I. (xv) above to cast vote.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to 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.
- (xviii) **The voting period begins on Saturday, 20th September, 2014 at 9.00 a.m. ends on Monday, 22nd September, 2014 at 6.00 p.m.** During this period shareholder’s of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date of 22nd August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 22nd August, 2014.
 - III. Shri. Arani Guha, Practicing Company Secretary (C.P. No. 9573, Membership No. ACS 26011) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - IV. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in 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 AGM.
 - V. The results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite members of vote in favour of the resolutions.
 - VI. The results declared along with Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company. The results will also be communicated to Stock Exchanges where the shares of the Company are listed.

Registered Office :
10, Princep Street
2nd Floor
Kolkata- 700 072
Date: 28.05.2014

By the order of the Board
For **Herald Commerce Limited**
Sd/-
Ajay Kumar Lahoti
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item no. 4****Appointment of Shri Arun Nath as an Independent Director**

Shri Arun Nath is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 2nd June, 2008.

Shri Arun Nath has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Shri Arun Nath being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director up to 31st March, 2019. A notice has been received from a member proposing Shri Arun Nath as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Arun Nath fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft Letter of Appointment of Shri Arun Nath would be available for inspection. The Board considers that his continued association would be of immense benefit to the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

Except Shri Arun Nath, being an appointee, none of the Directors or Key Managerial Personnels of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item no. 5**Appointment of Shri Manoj Saraogi as an Independent Director**

Shri Manoj Saraogi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 18th April, 2002.

Shri Manoj Saraogi does not hold by himself or for any other person on a beneficial basis, any share in the Company.

Shri Manoj Saraogi has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 Shri Manoj Saraogi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director up to 31st March, 2019. A notice has been received from a member proposing Shri Manoj Saraogi as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Manoj Saraogi fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft Letter of Appointment of Shri Manoj Saraogi would

be available for inspection.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

Except Shri Manoj Saraogi, being an appointee, none of the Directors or Key Managerial Personnels of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item no. 6

Appointment of Shri Susanta Sengupta as an Independent Director

Shri Susanta Sengupta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 7th March, 2011.

Shri Susanta Sengupta does not hold by himself or for any other person on a beneficial basis, any share in the Company.

Shri Susanta Sengupta has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Shri Susanta Sengupta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director up to 31st March, 2019. A notice has been received from a member proposing Shri Susanta Sengupta as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Susanta Sengupta fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft Letter of Appointment of Shri Susanta Sengupta would be available for inspection.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

Except Shri Susanta Sengupta, being an appointee, none of the Directors or Key Managerial Personnels of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

DIRECTORS' REPORT**Dear Shareholders**

Your Directors have pleasure in presenting the 32nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are given below:

Particulars	Year ended 31.03.2014 (Rs.)	Year ended 31.03.2013 (Rs.)
Profit/(Loss) Before Tax	(279,485.84)	(752,120.38)
Tax Expense:		
Current Tax		
Tax relating to previous year	471,137.00	-
Profit/(Loss) After Tax	191,651.16	(752,120.38)

2. DIVIDEND

To conserve the resources of the Company for future expansion, the Board have decided not to recommend any dividend for the year under review.

3. PERFORMANCE REVIEW

There has been some improvement in the performance of the Company during the current year in comparison to the previous year. Your Directors are making all efforts to improve the performance of the Company further in future.

4. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

5. DIRECTORS

As per the provisions of the Article of Association of the Company, Shri Arun Nath (DIN No. 02087215), retires by rotation at the ensuing Annual General Meeting. Shri Manoj Saraogi (DIN No. 00278490), Shri Susanta Sengupta (DIN No. 00194498) and Shri Arun Nath, Directors of the Company, are being appointed as Independent Directors for five consecutive years for a term up to 31st March, 2019 as per the provisions of Section 149 and other applicable provisions of Companies Act, 2013. The Company has received a requisite notices in writing from members proposing their appointment as Directors. The Board recommends their appointment as Independent Directors.

Brief resume of the Directors seeking appointment/re-appointment, nature of their expertise in specific functional areas and details of their directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement, are provided in the Report on Corporate Governance forming part of the Annual Report.

6. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;

- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2014 on a going concern basis.

7. AUDITORS' REPORT

Board of Directors gave following explanation on qualified opinion of Auditors:

The company has consistently been valuing its Investments, whether quoted or unquoted, at Cost. The company considers the decline in the market value of quoted investments to be temporary in nature and on account of depressing economic scenario in the Country. The company expects the economy to improve and the investments to fetch a decent return over a period of time. The valuation policy is in accordance with the principles of "consistency" and has been disclosed in Note 1(5) to the financial statements as on 31st March 2014.

8. AUDITORS

M/s. Deoki Bijay & Co., Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and are eligible for the re-appointment. The Company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and they are not disqualified for re-appointment. The Board recommends the appointment of the auditors from conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

9. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975.

10. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

11. FOREIGN EXCHANGE

The Company had no foreign exchange inflow or outflow during the year under review.

12. CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchanges, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to this report.

The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The Code of Conduct is available on the Company's website www.heraldcommerce.com. The Board members and Senior management personnel have confirmed compliance with the said code.

13. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

14. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in them. Last but not the least, your Directors' place on record their sense of appreciation for the valuable contribution made by the employees of the Company.

On behalf of the Board of Directors
For **Herald Commerce Limited**

Registered office:

10, Princep Street
2nd Floor.
Kolkata -700 072
Dated :28.05.2014

Surendra Kumar Jain
Managing Director
DIN No.00166852

Susanta Sengupta
Director
DIN No. 00194498

REPORT ON CORPORATE GOVERNANCE

The Company's shares are listed in Calcutta Stock Exchange. Accordingly, the Corporate Governance Report for the year 2013-2014, has been prepared as per the guidelines issued by SEBI and incorporated in Clause 49 of the Equity Listing Agreement: -

Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance is how an organisation is managed, which includes its culture, structure, policies and manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that direct the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your Company makes best endeavors to implement these core values in all facets of its operations. The Company continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

Para 2. BOARD OF DIRECTORS

(i) Composition of the Board:

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing.

The composition of the Board of Directors as on 31st March 2014 is given below:

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships (+)	Committee (++)	
				Chairman	Member
1	Shri Surendra Kumar Jain – Managing Director	Executive	1	-	-
2	Shri Manoj Saraogi	Non-Executive & Independent	2	-	1
3	Shri Susanta Sengupta	Non-Executive & Independent	1	-	-
4	Shri Arun Nath	Non-Executive & Independent	3	-	4

(*) Excluding directorship held in private limited/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

(**) Represents chairmanship/membership of the Audit Committee and Shareholder's/ Investors' Grievance Committee of other companies, in which they are director.

(ii) The attendance of the Directors at the Board meetings and the last AGM held are given below:

Name of the Director	No. of meetings		Attendance at last AGM - held on 26 th September, 2013
	Held	Attended	
Shri Surendra Kumar Jain – Managing Director	7	7	Yes
Shri Manoj Saraogi	7	7	Yes
Shri Arun Nath	7	7	Yes
Shri Susanta Sengupta	7	7	Yes

Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :

Name of the Director	Shri Arun Nath	Shri Manoj Saraogi	Shri Susanta Sengupta
Date of Birth	28/10/1968	02/01/1969	16/01/1957
Date of Appointment	02/06/2008	18/04/2002	07/03/2011
Qualification	B.Com (Hons.)	B.Com	B.Com
Expertise in specific functional area	Shri Arun Nath is having wide experience in Accounts & Finance matters.	Shri Maoj saraogi is having wide experience in Corporate Finance & Accounts matters.	Shri Susanta Sengupta is having wide experience in Accounts & Finance matters.
Directorship of other companies (*)	3	2	1
Chairman/Membership in e Committees (**)	4	1	--
Shareholding in Equity Shares of the Company and % of holding	--	--	--

(*) Excludes directorships in private limited companies and organizations other than public limited companies.

(**) Audit Committee and Shareholder/Investor Grievance Committee are considered.

(iii) Directors' membership in board/committees of other companies:

In terms of the Listing Agreement, none of the Directors of your Company were Members in more than 10 (ten) committees nor acted as Chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

(iv) Number of Board meetings held, dates on which held:

As per the Listing Agreement, the Board of Directors must meet at least four times a year, with a maximum gap of four months between any two meetings.

During the financial year 2013-14, Board met seven (7) times on 24.04.2013, 2.05.2013, 29.05.2013, 14.08.2013, 19.08.2013, 13.11.2013 and 13.02.2014. The gap between any two Board Meetings did not exceed four months.

Para 3. AUDIT COMMITTEE

(i) Brief description of the terms of reference:

The terms of reference of the Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to:

- the appointment of statutory auditors of the Company,
- provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
- it acts as a link between the management, statutory auditors and the Board of Directors,
- Company's compliance with the statutory requirements.

(ii) Composition and name of members:

The Audit Committee, presently, consists of Three Independent Members. The following directors are the present Members of the Committee:

Name of the Members	Designation	Nature of Membership
Shri Arun Nath	Chairman	Independent & Non Executive
Shri Manoj Saraogi	Member	Independent & Non Executive
Shri Susanta Sengupta	Member	Independent & Non Executive

(iii) Meetings held and attendance during the year:

During the financial year 2013-14, the Audit Committee met (5) five times on 23.04.2013, 28.05.2013, 13.08.2013, 12.11.2013 and 12/02/2014.

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Arun Nath	5	5
2	Shri Manoj Saraogi	5	5
3	Shri Susanta Sengupta	5	5

Para 4. REMUNERATION COMMITTEE**Details of sitting fees, remuneration etc. paid to Directors:**

No remuneration/sitting fees have been paid to any Directors during the year.

Para 5. STAKEHOLDERS RELATIONSHIP COMMITTEE**Brief description of the terms of reference:**

The Board has constituted Stakeholders Relationship Committee in accordance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of Shareholders'/ Investors' Grievance Committee was conferred on the Stakeholders Relationship Committee and consequently the Shareholders'/ Investors' Grievance Committee was dissolved. The board of Directors of the Company has delegated the authority to approve transfer of shares to Stakeholders Relationship Committee of the Company. The committee deals with the various matters relating to:

- Transfer of shares
- Transmission of shares
- Issuance of duplicate share certificates as and when required
- Shareholders' queries/complaints and its redressal as and when received
- Dematerialisation/Rematerialisation of shares
- Split/consolidation of shares
- Such other matters resulting from statutory amendments/modifications from time to time.

(i) Composition and name of the Chairman:

The Committee, presently, consists of (2) two Independent Members. The following directors are the present Members of the Committee:

Name of the Members	Designation	Nature of Membership
Shri Arun Nath	Chairman	Independent & Non Executive
Shri Surendra Kumar Jain	Member	Executive
Shri Manoj Saraogi	Member	Independent & Non Executive

During the financial year 2013-14, Share Transfer and Investors Grievance Committee met one (1) time on 28.11.2013.

Sr. No.	Members of Share Transfer and Investors Grievance Committee	No. of meetings held	No. of meetings attended
1	Shri Arun Nath	1	1
2	Shri Surendra Kumar Jain	1	1
3	Shri Manoj Saraogi	1	1

(ii) Name and designation of compliance officer:

As per the requirements of the Listing Agreement, Shri Ajay Kumar Lahoti, Company Secretary acts as the Compliance Officer.

(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2013-14:

No. of complaints received	No. of complaints resolved	Pending
Nil	Nil	Nil

There have been no material grievances raised and all items referred have been dealt with. All the complaints were resolved to the satisfaction of shareholders.

As on 31st March 2014, there were no pending complaints and no pending share transfers.

Para 6. GENERAL BODY MEETINGS

(i) Location and Time of last three Annual General Meeting (AGM):

The location and time of the last three AGMs are as follows:

Year	Date	Location	Time
2012-13	26.09.2013	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001.	11.00 A.M.
2011-12	25.09.2012	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001.	10.00 A.M.
2010-11	23.09.2011	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001.	12.00 Noon

(ii-a) Details of special resolutions passed in the previous three AGMs:

No special resolution has been passed in the previous three AGMs.

(ii-b) Details of special resolutions passed in the previous three EGMs:

No special resolution has been passed in the previous three EGMs.

(iii) to (iv) Special resolution passed during the financial year 2013-14 through the Postal ballot:

No special resolution was passed through postal ballot during the financial year 2013-14.

(v) to (vi) Postal ballot during the current year:

For the financial year 2013-14, if resolutions are to be conducted through the Postal Ballot procedure, those will be taken up at the appropriate time.

Para 7. DISCLOSURES**(i) Disclosure of materially significant related party transactions:**

During the financial year 2013-14, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on Accounts.

(ii) Details of non-compliance by the company:

The Company has complied with all the requirements of the Listing Agreement with Stock Exchange as well as the Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI).

(iii) Whistle Blower Policy :

The Company has not established whistle blower policy.

(iv) Details of compliance with the mandatory requirements :

Your Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report.

Para 8. MEANS OF COMMUNICATION**(i) Quarterly results:**

The Quarterly and Annual Results of the Company are communicated immediately to the stock exchanges upon conclusion of the Board Meeting convened to consider the same.

(ii) Newspapers wherein results are normally published:

The Financial Results of the Company are published in “Business Standard” and in “Dainik Lipi”.

(iii) to (v) Any website, where displayed:

The Results are displayed on the Company’s web-site at www.heraldcommerce.com.

Full Annual Reports for the financial year 2013-14, Financial results, Shareholding pattern and other relevant information are also available on the website of the company in a user-friendly and downloadable form.

Para 9. GENERAL SHAREHOLDER INFORMATION**(i) AGM: Date, time and venue:**

The forthcoming Annual General Meeting of the Company will be held as given below:

Date & Time	26 th September 2014 at 10.30 A.M.
Venue	“Somani Conference Hall”, Merchants’ Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001.

(ii) Financial year:

Financial Year is 1st April 2014 to 31st March, 2015 and the quarterly results will be declared as per the following schedule.

Tentative schedule	
Financial Results for the quarter ending June 30, 2014	End of July 2014
Financial Results for the quarter ending September 30, 2014	End of October 2014
Financial Results for the quarter ending December 31, 2014	End of January 2015
Financial Results for the year ending March 31, 2015	End of May 2015
AGM for the year ending March 31, 2015	Mid of September 2015

(iii) Date of Book closure:

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 19th September 2014 to Friday, 26th September 2014 (both days inclusive).

(iv) Dividend Payment Date:

The Board has recommended no dividend for the year under review.

(v) Listing on Stock Exchanges:

Your Company's shares are listed on the following stock exchanges as on 31st March, 2014.

The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata -700 001.

(vi) Stock Code:

Name of the Exchange	Code
The Calcutta Stock Exchange Association Limited	18105
International Securities Identification Number (ISIN)	INE 914A01014

(vii) to (viii) Market Price Data: High, Low during each month in the last financial year:

There has been no trading in Stock Exchanges during the financial year 2013-14

(ix) Registrar and Transfer Agents:

The Board has delegated the work of processing of share transfers to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents. Their complete address is as follows:

Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001.

Tel No : (033) 2243-5029 / 5809

Fax No : (033) 2248-4787

(x) Share Transfer System:

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited within the statutory time period. In case where shares are held in electronic form, the transfers are processed by NSDL/CDSL through the Depository Participants and Registrars.

(xi) Distribution of Shareholding:

The distribution of shareholding as on 31st March 2014, pursuant to Clause 35 of the Listing Agreement is as under :

A. Shareholding Pattern of Equity Shares as on 31st March 2014.

	Categories	No. of Shares held	% of Shareholding
A	PROMOTERS' HOLDING		
1.	Promoters :		
	a) Indian Individuals/HUF	220	.0011
	b) Indian Bodies Corporate	3229790	15.4557
2.	Persons Acting in concert		
	Sub-total(A)	3230010	15.4568
B	NON PROMOTERS' HOLDING		
3.	Non Institutions :		
	a) Bodies Corporate	14457039	69.1822
	b) Individual Holding	3209991	15.361
	c) Others	0	0.0000
	Sub-total(B)	17667030	84.5432
	GRAND TOTAL	20897040	100.0000

Note: Total Foreign Shareholding is Nil.

B. Distribution of Equity Shareholding as on 31st March, 2014.

No of Equity Shares Held	No. of Shareholders holding shares in			No. of Shares held			% age of Equity Capital held in		
	Physical	N S D L	C D S L	Physical	N S D L	C D S L	Physical	N S D L	C D S L
1 To 500	101	57	30	30521	20043	9704	.1461	.0959	.0464
501 To 1000	24	130	32	21700	109830	28850	.1038	.5256	.1381
1001 To 2000	42	142	42	75350	231700	67150	.3606	1.1088	.3213
2001 To 3000	26	74	10	72551	196850	26200	.3472	.9420	.1254
3001 To 4000	39	38	10	148250	139900	39300	.7094	.6695	.1881
4001 To 5000	32	23	6	152500	111600	29500	.7298	.5340	.1412
5001 To 10000	52	39	8	411600	320593	67900	1.9697	1.5342	1.5342
10001 To above	47	60	7	5151851	11912447	1521150	24.6535	57.0054	7.2793
Total :	363	563	145	6064323	13042963	1789754	29.0201	62.4154	8.5647

(xii) Dematerialisation of shares and liquidity:

As on 31st March, 2014, 70.99 % of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

(xiii) Outstanding GDRs /ADRs /Warrants or any Convertible instruments:

As of 31st March 2014, there are no outstanding GDRs / ADRs / Warrants or convertible instruments which are likely to have an impact on the Equity Shares.

(xiv) Plant Locations:

The Company does not have any plant.

(xv) Address for correspondence:

Investors' correspondence may be addressed to:-

1. The Company Secretary
Herald Commerce Limited
10, Princep Street,
2nd Floor, Kolkata 700 072.
Ph:- 033-4002-2880, Fax no- (033) 2237-9053
E-mail: info@heraldcommerce.com
Website: www.heraldcommerce.com
2. Registrar and Transfer Agent
Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001.
Tel No: (033) 2243-5029 / 5809
Fax No: (033) 2248-4787
Email: mdpl@cal.vsnl.net.in

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

The Management's Discussion and Analysis Report is attached hereto and forms part of the Director's Report.

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel. The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2013-14. A declaration to this effect is given elsewhere in this Annual Report. A declaration to this effect is given elsewhere in this Annual Report.

A declaration to this effect is given elsewhere in this Annual Report.

RISK MANAGEMENT POLICY:

The Company has formulated a comprehensive Risk Management Policy to reduce the inherent risk associated with the business activities of the Company.

ANNUAL DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT PURSUANT TO CLAUSE 49(I)(D) OF THE LISTING AGREEMENT

I, Surendra Kumar Jain (DIN No. 00166852), Managing Director of **HERALD COMMERCE LIMITED** having its registered office at 10, Princep Street, 2nd Floor, Kolkata – 700 072 hereby declare that the Company has formulated a Code of Conduct for its Directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed the compliance of the code for the financial year 2013-14.

Place: Kolkata

Dated : 28.05.2014

Surendra Kumar Jain

Managing Director

DIN NO. 00166852

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of Herald Commerce Limited**

We have examined the compliance of conditions of Corporate Governance by Herald Commerce Limited ('the Company') for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 stipulated in the above-mentioned Listing Agreement.

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

For **Deeki Bijay & Co.**

Chartered Accountants

D.N. Agarwal

Partner

Membership No: 51157

Place : Kolkata

Dated : 28.05.2014

**CERTIFICATION BY
MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

We hereby certify that for the financial year, ending 31st March 2014, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

- a. We have reviewed financial statements and the cash flow statement for the year 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. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2014 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 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 they have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the auditor and audit committee.
 - i. There has not been any significant changes in internal control over financial reporting during the year under reference
 - ii. There has not been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Surendra Kumar Jain

(Managing Director)

DIN No. 00166852

Place : Kolkata

Date : 28-05-2014

Tara Shankar Chatterjee

(Chief Financial Officer)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview:

Indian's economy is diverse, encompassing agriculture, handicrafts, textile, manufacturing and a multitude of services. The advent of the digital age has gradually transformed India as an important "back office" destination for global outsourcing of customer service and technical support. The BSE Sensex barely moved despite the Prime Minister's economic advisory council forecasting a GDP growth of 5.5% in 2014-15, marginally better than the 4.7% pace at which India grew in 2013-14.

Industry Structure and Development – Overview:

NBFC's play a vital role in the context of Indian economy. They are indispensable part in the Indian financial system because they supplement the activities of banks in terms of deposit mobilization and lending. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate sector, delivering the credit to the unorganized sector and to the small local borrowers. NBFC's has flexible structure than banks. Their flexible structure helps in broadening the market by providing the saver and investor a bundle of services on competitive basis.

With virtually all finance company business lines coming under greater competitive pressure, defining strategic initiatives and backing each with the necessary resources has become imperative for success. On the consumer side of the business, the ability to compete in various product offerings often is dictated by operational efficiencies and economies of scale. In this respect NBFC's face problems of high cost of funds because they lack the nation wide branch network and have a comparatively lower Tier-I and Tier- II capital base.

We witness that NBFC sector, in India are facing stiff competition from different banks and financial institutions. The cost of funds of banks is lower as compared to NBFC's. Not only this, they have a very wide network and huge capital base which makes them more attractive than NBFC'. However as the market is volatile in nature, the long term growth of capital market calls for a matter of concern.

Opportunities, threats, risks and concerns:

Your Company has operations in finance and equity investments. The independent finance industry issues debt and lends the proceeds to individuals (consumer finance companies) and corporations (commercial finance companies) on both a secured and unsecured basis. Unlike the commercial banks, whose deposit taking ability adds significantly to funding availability, finance companies rely almost exclusively on institutional borrowings and access to the public debt markets for funding. Consequently, the ability to access the short, medium and long-term markets at competitive rates is critical to their ongoing viability. Your company faces tough competition from Nationalized, Foreign and Private Sector Banks due to their inability to grant loan at a considerably low rate of interest.

Your Company is exposed to external and internal risks associated with the business. It is exposed to strong competitive pressures and financial risks from changes in interest rate, economic cycles etc.

There is a major threat coming from Banks. Banks have reduced the rate of interest, this has reduced the spread, thereby reducing the margin. The volatile nature of market also poses another threat. Your Company also faces stiff competition from Nationalized, Foreign and Private Sector Banks as they provide loans at a very low rate of interest.

Risk Management:

The nature of your Company business exposes it to a wide variety of risks and if not managed properly it can affect the workings of the Company.

Economic risk is there because any slow down or recession in the economy has direct impact on the turnover and performance.

To manage Interest Rate Risk of the Company is very well within the overall unit of Debt Equity Ratio and cost of borrowing is also very low. Company is also not using short term borrowings to fund long term assets.

To manage default risk, most of the customers are repeat customers or referred by existing customers with a good track record who stands as a guarantor mitigating the default risk.

Given the sensitive nature of the sector, funding is closely linked to the overall image of the sector as well as the regulatory environment. Any change in these factors could affect the overall liquidity risk for the Company. Moreover existing banks are moving into retail sector and regional banks like Assamese banks are coming into play, which poses major concern for your Company. The volatility in the market is a matter of concern. However economic parameters being strong will upsurge the economy. Your Company has a well defined and prudent business practice and a comprehensive Risk Management Policy to manage this risk.

Your Company sees opportunities in the market with existing and new customers. Your Company has dedicated accounts team to focus on each customer. Rising input costs and volatility in material, energy are some of the key challenges that your Company is addressing by specific initiatives for each.

Future Outlook:

Your Company intends to invest in businesses related to infrastructure, telecommunication, soft ware etc. in the coming years since it sees good prospect in these areas. It would definitely try to establish itself and remain as a strong player in the finance industry. With the Capital market expected to be in a better mode than the previous few years and with our efforts we can look forward to a prosperous year for the company.

Again, the need for micro credit by a significant part of the society continues to remain underserved by the banks. The scope for Micro Finance Companies to supplement the banking channel remains high.

However this segment also remains a sensitive segment given the profile of the clients, typically from the low-income groups. Hence it is of utmost importance that the NBFC sector deals with clients in a very fair and transparent manner. The recent RBI Regulations in this regard would go a long way in ensuring fair play by NBFCs.

Internal Control Systems and their adequacy:

The Processes are internal control system plays a critical role in the health of the Company. The Company has well defined documented policy guidelines and has an adequate internal control system commensurate with its size and nature of business and suitable internal control procedures that ensures efficiency of operations and safe guard of its assets.

These procedures are designed to ensure:

- That all assets and resources are used efficiently and are adequately protected;
- That all internal policies and statutory guidelines are complied within letter & spirit;
- The accuracy and timing of financial reports and management information.

Material Development in Human Resources/industrial relations front number of people employed:

The Company believes that people are the primary asset and key to the success and growth. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The relations remain cordial throughout the year between employees and the management. Here people work in synergy to contribute towards the achievement of the business objectives. The importance of providing training and development opportunities to our employees is recognized by our Company to enhance their skills and experience, which in turn enables the Company to achieve its business objectives.

Financial and Operational Performance:

The performance of the company during the current year has not improved in comparison to previous year.

Cautionary Statement:

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Herald Commerce Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Herald Commerce Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

I. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (“the Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

II. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

III. Basis for Qualified Opinion

Attention is drawn to Note No. 1 (4) related to Significant accounting policies of Current Investments of shares which are carried in the Balance Sheet at cost. This is contrary to Accounting Standard (AS) 13 on “Accounting for Investments” issued by Institute of Chartered Accountants of India which requires valuation of Current Investment to be made at lower of cost or fair market value.

(i) Had the valuation of quoted investment done as per (AS) 13, the valuation would have been Rs.2,94,54,259.01 instead of Rs.5,90,96,376.31 as disclosed in accounts. As such the investments of quoted shares are overstated by Rs.2,96,42,117.30, profit for the year overstated by Rs. 2,96,42,117.30 and Reserves and Surplus overstated by Rs.2,96,42,117.30

(ii) Adequate information is not available for determining the fair market value of current investments of unquoted shares and as such impact thereof on financial statements is not ascertainable

The net impact of Para (i) is Overstatement of Profit by Rs. 2,96,42,117.30, Overstatement of Reserves and Surplus by 2,96,42,117.30 and overstatement of Current investment by Rs. 2,96,42,117.30. The impact of Para (ii) is not ascertainable for the reasons stated therein.

IV .Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

V. Emphasis of Matter

Without qualifying our report :

- I. Balances in relation to Sundry Debtors of Rs. 58,10,701.25, Loans given to body corporate of Rs. 55,00,000 and advances of Rs. 24,80,904 are subject to confirmation and consequential adjustment thereof.
- II. Attention is drawn to Note No. 22 related to non provision of 0.25% as per RBI Guidelines.
- III. Attention is drawn to Note No. 23 related to advances of Rs. 22,18,47,600 given by the company which are outstanding for more than 10 years and the management is of the opinion that the amount is fully recoverable and no provision is required.
- IV. Attention is drawn to Note No. 26 related to non provision of Deferred Tax Liabilities of Rs. 42740/-

VI. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified paragraphs 4 and 5 of the Order.

2. As required by section 227 (3) of the Act, we report that;

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet and Statement of Profit and loss, Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs in respect section 133 of the Companies Act, 2013 except Accounting Standard (AS) 13 on "Accounting for Investments" as stated in paragraph "Basis for qualified opinion"
- e. On the basis of written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For DEOKI BIJAY & CO.

Chartered Accountants

Firm.Regn. No: 313105

(CA.D.N Agrawal)

Partner

Membership no. 051157

Place : Kolkata

Date: the 28th day of May, 2014

[Referred to in paragraph VI of the Independent Auditors' Report of even date to the members of Herald Commerce Limited , on the financial statements as of and for the year ended 31st March, 2014.]

- (i) (a) The Company is maintaining proper records showing full particulars , including Quantitative details and situation of fixed assets. However, it has not been updated during the year.
- (b) Fixed assets are physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any of its Fixed Assets during the year.
- (ii) (a) The inventories have been physically verified by the management during the year.
- (b) In our opinion , the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of its inventories and no discrepancies noticed on physical verification.
- (iii) The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956. Therefore, the provision of sub clause (b),(c),(d),(f) and (g) of clause 3 of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of business, for the purchase/sales of investments and trading in Shares & securities.Further on the basis of our examination of the books and records of the Company ,and according to the information and explanations given to us, we have neither come across , nor have been informed of, any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us, we are of the opinion that there are no contracts and arrangements , referred to in section 301 of the Act , that need to be entered in the register required to be maintained under that section.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public during the year and as such the provisions of Section 58 A and 58 AA of the Companies Act 1956, and rules made there under are not applicable.
- (vii) The Company has no internal audit system. As informed to us the management directly controls all activities considering the size and nature of its business.
- (viii) The provisions of clause 4(viii) of the order regarding maintenance of cost record under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) As per the information and explanation provided to us, the statutory dues in respect of Investor Education and Protection Fund, Provident Fund Employees' State Insurance, Sales Tax ,wealth tax, Service Tax, Customs Duty, Excise Duty and Cess are not applicable to the Company. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of Income Tax and any other statutory dues as applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable .
- (c) According to the information and explanation given to us, no statutory dues remain outstanding on account of any dispute.
- (x) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred cash losses in the current financial year and also in immediately preceding financial year.

- (xi) Based on our audit procedures and as per the information and explanations given by the management , we are of the opinion that the company has not defaulted in repayment of dues to bank, financial institutions or debenture holders during the year..
- (xii) According to the information and explanations given to us and based on our examination of the documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not obtained any term loans during the year. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us the Company did not raised funds on short-term basis which have been used for long – term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year under report.
- (xix) The Company has not issued any debentures during the year under report.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore the provisions of clause 4 (xx) of the order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we have neither come across any instance of fraud on or by the company, noticed or reported during the year , nor have we been informed of such case by the management.

Place: Kolkata
Date: the 28th day of May, 2014

For DEOKI BIJAY & CO.
Chartered Accountants
Firm. Regn. No. 313105E
CA. D.N Agrawal
Partner
Membership No. 51157

BALANCE SHEET AS AT 31st MARCH, 2014

<u>Particulars</u>	<u>Notes No.</u>	As at	As at
		<u>31-03-2014</u>	<u>31-03-2013</u>
		(Amount in Rs)	(Amount in Rs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	208,970,400.00	208,970,400.00
(b) Reserves and Surplus	3	(27,526,591.28)	(27,718,242.44)
		181,443,808.72	181,252,157.56
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,820,500.17	3,604,935.47
(b) Long Term Provision	5	-	2,242,650.00
		1,820,500.17	5,847,585.47
(3) Current Liabilities			
(a) Trade Payables	6	182,590.64	320,803.54
(b) Other Current Liabilities	7	689,147,981.70	689,686,584.00
		689,330,572.34	690,007,387.54
Total		872,594,881.23	877,107,130.57
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(1) Tangible Assets	8	4,847,483.00	5,420,343.00
		4,847,483.00	5,420,343.00
(2) Current Assets			
(a) Current Investment	9	456,899,664.31	483,291,301.58
(b) Inventories	10	82,984,320.68	40,330,410.65
(c) Trade Receivables	11	3,990,701.25	10,943,083.49
(d) Cash and cash equivalents	12	6,508,539.99	1,420,377.60
(e) Short Term Loans and Advances	13	305,710,504.00	323,296,277.25
(f) Other Current Assets	14	11,653,668.00	12,405,337.00
		867,747,398.23	871,686,787.57
Total		872,594,881.23	877,107,130.57
Significant Accounting Policies	1		
Notes on Financial Statements	2 -28		

As Per our Report of even date
For **DEOKI BIJAY & CO.**
Chartered Accountants
FRN - 313105E
(CA.D.N AGRAWAL)

Partner
Membership No. 51157

For & on behalf of the board
Surendra Kumar Jain
Managing Director
DIN NO- 00166852

Susanta Sengupta
Director
DIN NO-00194498

Place : Kolkata
Date : 28/05/2014

Ajay Kumar Lahoti
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2014

<u>Particulars</u>	<u>Notes No.</u>	<u>Year ended March 31,2014 (Amount in Rs)</u>	<u>Year ended March 31,2013 (Amount in Rs)</u>
Income:			
(a)Revenue from operations	15	74,631,594.09	53,655,467.01
(b)Other Income	16	8,798,726.67	15,248,862.42
Total Revenue		83,430,320.76	68,904,329.43
Expenses:			
(a)Cost of Shares Purchase	17	123,796,688.40	107,048,095.68
(b)Change in Inventories Shares	18	(42,653,910.03)	(40,330,410.65)
(c)Employee Benefit Expense	19	192,000.00	192,000.00
(d) Depreciation		572,860.00	572,860.00
(e)Other Expenses	20	1,207,530.55	1,842,909.20
Total Expenses		83,115,168.92	69,325,454.23
Profit before tax and exceptional items		315,151.84	(421,124.80)
Less: Exceptional Items			
i) Sundry balances Written off		435,773.25	330,995.58
ii) Prior Period adjustment		158,864.43	-
Profit before Tax		(279,485.84)	(752,120.38)
Tax expense:			
Current Tax		-	-
Tax relating to previous year		471,137.00	-
Profit(Loss) after tax		191,651.16	(752,120.38)
Earning per equity share: (of Rs. 10/- each)			
(1) Basic EPS (in Rs)	21	0.009	(0.036)
Significant Accounting Policies	1		
Notes on Financial Statements	2 -28		

As Per our Report of even date
For **DEOKI BIJAY & CO.**
Chartered Accountants
FRN - 313105E
(CA.D.N AGRAWAL)

Place : Kolkata
Date : 28/05/2014

Partner
Membership No. 51157

For & on behalf of the board
Surendra Kumar Jain
Managing Director
DIN NO- 00166852

Ajay Kumar Lahoti
Company Secretary

Susanta Sengupta
Director
DIN NO-00194498

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH,2014**

<u>DESCRIPTION</u>	<u>Year ended 31st March, 2014</u>	<u>Year ended 31st March, 2013</u>
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax & Extraordinary Items	(279,485.84)	(752,120.38)
Provision for Taxation	-	-
Operating Profit/(Loss) before Working Capital Changes	<u>(279,485.84)</u>	<u>(752,120.38)</u>
Changes in Working Capital:		
Inventories	(42,653,910.03)	(40,330,410.65)
Trade Receivables	6,952,382.24	(10,943,083.49)
Short Term Loan and Advances	17,585,773.25	(323,296,277.25)
Long Term Loan and Advances	-	379,923,427.83
Other Current Assets	751,669.00	(12,405,337.00)
Other Non Current Assets	-	7,461,668.00
Trade Payables	(138,212.90)	(2,924,298.62)
Other Current Liabilities	(538,602.30)	(180,950,607.00)
Other Long Term Liabilities	-	124,630,486.04
Short Term Provisions	-	(2,242,650.00)
Long term Provisions	(2,242,650.00)	2,242,650.00
Borrowings	(1,784,435.30)	3,544,135.47
Income Taxes Paid	471,137.00	-
Net Cash from Operating Activities (A)	<u>(21,876,334.88)</u>	<u>(56,042,417.05)</u>
B. Cash Flow from Investing Activities		
Fixed Asstes	572,860.00	572,860.00
Investment in Shares	26,391,637.27	52,760,300.56
Net Cash Flow from Investing Activities (B)	<u>26,964,497.27</u>	<u>53,333,160.56</u>
C. Cash Flow from Financing Activities		
Inter Corporate Deposit	-	-
Net Increase in Cash and Cash Equivalent (A+B+C)	<u>5,088,162.39</u>	<u>(2,709,256.49)</u>
Cash and Cash Equivalent (Opening Balance)	<u>1,420,377.60</u>	<u>4,129,634.09</u>
Cash and Cash Equivalent (Closing Balance)	<u>6,508,539.99</u>	<u>1,420,377.60</u>

As Per our Report of even date
For **DEOKI BIJAY & CO.**
Chartered Accountants
FRN - 313105E
(CA.D.N AGRAWAL)

Partner
Membership No. 51157

For & on behalf of the board
Surendra Kumar Jain
Managing Director
DIN NO- 00166852

Susanta Sengupta
Director
DIN NO-00194498

Place : Kolkata
Date : 28/05/2014

Ajay Kumar Lahoti
Company Secretary

Significant Accounting Policies for the year ended 31st March, 2014**Note 1 : SIGNIFICANT ACCOUNTING POLICIES****1. COMPANY INFORMATION:**

Herald Commerce Limited is a public company, incorporated in India and regulated by the Reserve Bank of India as an Infrastructure Finance Company-Non Banking Finance Company (IFC-NBFC). The Company is engaged in financing by way of loans, asset management and investment Banking.

2. BASIS OF ACCOUNTING:

a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 8/2014 dated 4th April, 2014 of the Ministry of Corporate Affairs and the applicable guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non banking Finance Company ('NBFC'). The financial statements have been prepared on the accrual basis under the historical cost Companies (Accounting Standards) Rules, 2006, (as amended), the relevant provisions of the Companies Act, 1956 and the convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Items of Profit and loss account are accounted for on accrual basis except Dividend which is accounted for on cash basis.

3. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

4. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Revenue from operations includes sale of shares, Interest Income, Profit on sale of Investment, and Dividend.

Interest Income is recognized on a time proportion basis, taking into account the amount outstanding and the interest rate applicable.

Income in respect of Non Performing assets is recognized as and when received as per the guidelines given in the Non-banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

The Profit /Loss on trading of Investment is recognized at the time of actual sale of Investments.

All the Income & expenditures are accounted for on accrual basis except Dividend which are accounted in cash basis.

5. INVESTMENT :

Current Investment of Quoted and Unquoted Shares are carried at cost .

6. INVENTORIES :

Incase of quoted Shares, Inventories are valued at lower of cost or net realizable value . Unquoted share have been valued at cost.

7. TAXATION :

Income Tax Expenses comprises of current tax and deferred tax charges or credit. Provision for current tax is made on the basis of assessable income at the tax rate applicable in the relevant year. The deferred tax charge or credit is recognised using current tax rates. Whenthere is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised

only if there is virtual certainty of realisation of such assets. Others deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on development during the year to reassess realisation/liabilities.

8. RETIREMENT BENEFITS

Provision for retirement benefits has not been made as no employee has put in the qualifying period of service for entitlement of the benefits.

9. FIXED ASSETS

Fixed Assets are stated at cost less Depreciation. Depreciation is provided on SLM at the rate as per schedule 14 to the Company Act, 1956

10 . CASH FLOW STATEMENT

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Group are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

11. LOANS

In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

12 . PROVISIONS AND CONTINGENCIES

Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes

13. EARNING PER SHARE

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes to Financial Statement For The Year Ended 31st March, 2014

Particulars	31-03-2014 (Amount in Rs)	31-03-2013 (Amount in Rs)
Note :2 Share Capital		
AUTHORIZED		
21000000 Equity Shares of Rs. 10/- each.	210,000,000.00	210,000,000.00
	<u>210,000,000.00</u>	<u>210,000,000.00</u>
ISSUED , SUBSCRIBED & PAID UP		
20897040 Equity Shares of Rs. 10/- each.	208,970,400.00	208,970,400.00
Total	<u>208,970,400.00</u>	<u>208,970,400.00</u>

Note : 2a Details of shareholders holding more than 5% shares in the company

	<u>31-03-2014</u>		<u>31-03-2013</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Ricon Infrastructures Limited	4,405,714	21.08	4,405,714	21.08
Turnkey Infrastructures Limited	3,034,000	14.52	3,034,000	14.52
Bahubali Properties Limited	1,415,322	6.77	1,415,322	6.77
Arissan Energy Limited.	1,169,350	5.59	1,169,350	5.59
Silicon Valley Infotech Ltd.	3,012,740	14.41	3,012,740	14.41

Note : 2b Reconciliation of number of shares outstanding at the beginning and at the end of the year.

	<u>As at 31st March 2014</u>		<u>As at 31st March 2013</u>	
	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
Equity Shares				
Number of Shares at the beginning of the year	20,897,040	208,970,400	20,897,040	208,970,400
Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	<u>20,897,040</u>	<u>208,970,400</u>	<u>20,897,040</u>	<u>208,970,400</u>

Note : 2C Terms of Issue

The company has only one class of equity shares having a par value of Rs.10/- per share to one vote per share. The company declares and pays dividend in Indian rupees. In the event of liquidation of the company, Each Shareholder is entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
	(Amount in Rs)	(Amount in Rs)
Note : 3 Reserves & Surplus		
Amalgamation Reserve	26,029,233.70	26,029,233.70
Reserve Fund:		
Opening Balance	734,631.00	734,631.00
Add : Transferred from Surplus in Statement of Profit and Loss	-	-
	734,631.00	734,631.00
Surplus / (Deficit) in statement of Profit & Loss:		
Opening Balance	(54,482,107.14)	(53,729,986.76)
Add: Profit / (Loss) for the period	191,651.16	(752,120.38)
Less : Transferred to Reserve Fund	-	-
	<u>(54,290,455.98)</u>	<u>(54,482,107.14)</u>
Total [1+2+3]	<u>(27,526,591.28)</u>	<u>(27,718,242.44)</u>
Note: 4 Long Term Borrowings		
Secured (Refer note below)	1,820,500.17	3,538,735.47
Unsecured	-	66,200.00
Total	<u>1,820,500.17</u>	<u>3,604,935.47</u>
The Secured long term borrowing includes current maturities of Rs. 17,01,355.91 as on 31.03.2014 and Rs.17,17,533.56 as on 31.03.2013		
Note: 5 Long Term Provision		
Provision for Tax (Refer Note Below)	-	2,242,650.00
Total	<u>-</u>	<u>2,242,650.00</u>
The Long term provision of Rs. 2,242,650.00 is related to short term provision		
Note:6 Trades Payable		
Trade Payables	182,590.64	320,803.54
Total	<u>182,590.64</u>	<u>320,803.54</u>
Note: 7 Other Current Liabilities		
TDS Payable	1,292.00	1,292.00
Other Current Liabilities	689,146,689.70	689,685,292.00
Total	<u>689,147,981.70</u>	<u>689,686,584.00</u>

The secured current liabilities of Rs. 17,01,355.91 as on 31.03.2014 and Rs. 17,17,533.56 as on 31.03.2013 is included in long term borrowing in note 4

Notes to Financial Statement For The Year Ended 31st March, 2014

Note 8- Fixed Assets

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2013	Additions	Sales/ Adj.	Balance as at 31st March, 2014	Upto 1st April, 2013	For the year	Sales/ Adj.	Upto 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
Car (Jaguar Xf 3.0 L Premium Luxury Car)	5,385,446.00	-	-	5385446.00	511,616.00	511,616.00	-	1,023,232.00	4,362,214.00	4,873,830.00
	(5,385,446.00)	(-)	(-)	(5,385,446.00)	(-)	(511,616.00)	(-)	(511,616.00)	(4,873,830.00)	(5,385,446.00)
Car (Maruti Swift Dzire Vdi)	644,671.00	-	-	644,671.00	98,158.00	61,244.00	-	159,402.00	485,269.00	546,513.00
	(644,671.00)	(-)	(-)	(644,671.00)	(36,914.00)	(61,244.00)	(-)	(98,158.00)	(546,513.00)	(607,757.00)
Total	6,030,117.00			6,030,117.00	609,774	572,860.00	-	1,182,634.00	4,847,483.00	5,420,343.00
Previous Year	(6,030,117.00)	-	-	(6,030,117.00)	(36,914.00)	(572,860.00)	-	(609,774.00)	(5,420,343.00)	(5,993,203.00)

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
	(Amount in Rs)	(Amount in Rs)
<i>Note: 9 Current Investment</i>		
Investment in Quoted shares		
5785 (5785)21st Centurey (India) Ltd.	12,482.00	12,482.00
105643 (105643)Aastha Broadcasting	219,737.00	219,737.00
23200 (23200)Acme Resources ltd	46,400.00	46,400.00
2000 (2000)Alps Industries Ltd.	18,000.00	18,000.00
9000 (9000)Amit Commercial Co Ltd	60,300.00	60,300.00
20550 (20550)Amluckie Investment Co Ltd.	203,250.00	203,250.00
1500 (1500) ARSS Infrastructure projects ltd.	195,845.00	195,845.00
559800 (559800)Arihant Ltd	7,449,271.00	7,449,271.00
1012740 (1012740)ATN International Ltd	1,806,765.00	1,806,765.00
79500 (79500)Avon Mercantile Ltd	159,000.00	159,000.00
2328 (2328)B G R Energy System Ltd.	927,055.50	927,055.50
177625 (214625)Bansali Engineers Ploymers Ltd. (BEPL)	7,474,686.28	9,031,693.43
325 (325)Blue Bird India Ltd.	4,596.31	4,598.31
1886776 (1886776)Blue Chip India Ltd.	1,978,853.00	1,978,853.00
19765 (19765)CANTABIL RETAIL INDIA LTD	1,494,632.00	1,494,632.00
225 (225)C & C Construction Ltd.	50,265.00	50,265.00
3200 (3200)Central Bank of India	521,222.50	521,222.50
203795 (203795)CMS Infotech Ltd	593,668.00	593,668.00
97420 (97420)Concourse Infot.International Ltd	766,200.00	766,200.00
240 (240)Consolidated Construction Consrot	20,384.00	20,384.00
224(224)Dhanus Technologies Ltd.	1,157.20	1,157.20
800 (800)DSQ Software Ltd.	5,880.00	5,880.00
70000 (70000)Ellora International Ltd	700,000.00	700,000.00
2270 (2270)Gayatri Projects Ltd.	398,535.60	398,535.60
67694 (67694)GHCL	3,080,106.00	3,080,106.00
3000 (3000)GMR Infrastructure Ltd	134,190.00	134,190.00
3000 (3000)GTL Inforastructure Ltd.	130,380.00	130,380.00
24000 (24000)Harakchand Investment Ltd	48,960.00	48,960.00
3120 (3120)HFCL	34,608.00	34,608.00
135000 (135000)Hifunda.Com. Ltd	2,025,000.00	2,025,000.00
560 (560)Hindusthan Media Ventures Ltd.	103,880.00	103,880.00
(319)Hinduja Global Solutions Ltd.	-	134,985.00

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
	(Amount in Rs)	(Amount in Rs)
2000 (2000) Hotel Leela Venture Ltd	70,480.00	70,480.00
(1000) IRB Ltd.	-	28,635.00
6850 (6850)India Nivesh Ltd.	264,763.00	264,763.00
3700 (4200)Indiabulls Power Ltd.	96,167.67	96,167.67
1000 IVRCL Infra Ltd	28,635.00	-
142355 (144355) Jayaswal Neco Industries Ltd.	5,376,534.75	5,376,534.75
1500(4000) JP Associates	-	131,437.18
13925 (13925)Kanika Infra & Powers Ltd.	6,684.00	6,684.00
2000 (2000) Lanco Infratech Ltd(LITL)	86,204.00	86,204.00
129855 (129855) LCC Infotech Ltd.	19,899.00	19,899.00
2760 (2760) Mangalam India Ltd.	15,440.00	15,440.00
24585 (24585)Marsons Ltd.	324,522.00	324,522.00
13440(13440) Microsec Financial Services Ltd.	802,345.00	802,345.00
200(200) Moil Ltd.	72,596.35	72,596.35
3000 (3000) Moser baer India Ltd.	188,542.50	188,542.50
150(150) Mudra Port & special Economy.	12,545.00	12,545.00
200000 (200000) Niharika India Ltd	2,000,000.00	2,000,000.00
1426 (1426) NHPC Ltd.	30,395.30	30,395.30
200 (200) NMDC Ltd.	26,950.33	26,950.33
768 (768) Parsvnath Developers Ltd	44,347.00	44,347.00
2100 (2100) PBA Infrastructure Ltd.	103,857.30	103,857.30
9879 (10000) PCS Technologies Ltd	223,265.40	223,265.40
6000 (6000) Prudential Capital Market Ltd	31,200.00	31,200.00
7500 (7500) Purvanchal Leasing Ltd	15,000.00	15,000.00
13000 (13000) Punjab & Sind Bank	1,544,302.74	1,544,302.74
1075 (1075) Punj Lloyd	63,490.00	63,490.00
319 (319) Prithvi Information Solutions Ltd.	16,604.00	16,604.00
62 (62) Pyramid Saimira Theatre Ltd.	53,010.00	53,010.00
4178 (4178) Ramky Infrastructure Ltd	1,187,601.66	1,187,601.66
8000 (8000) Ramsarup Industries Ltd.	231,890.00	231,890.00
50 (100) Reliance Industrial Infrastructure Ltd	35,449.90	70,899.80

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
	(Amount in Rs)	(Amount in Rs)
77 (77) Reliance Power Ltd.	11,970.00	11,970.00
(3500) Reliance Communications ltd (RCOM)	-	351,560.00
40 (40) Royal Orchid Hotels Ltd.	3,220.00	3,220.00
2 (2) Reliance Media works Ltd.	171.43	171.43
774763 (774763) Shiva Cement ltd	6,759,028.76	6,759,028.76
1000 (1000) Shree Jagadmba Paper Mills Ltd.	35,000.00	35,000.00
4000 (4000) Shree Renuka Sugars Ltd	201,568.00	201,568.00
64 (64) Shree Synthetics Ltd.	61.00	61.00
1653780 (1653780) Silicon Valley Infotech Ltd	917,839.00	917,839.00
2536(2536) SJVN Ltd.	60,610.00	60,610.00
1000 (1000) Spice Mobile	85,915.00	85,915.00
23934 (23934) SPMLNFRA	4,562,397.50	4,562,397.50
3600 (3600) SRM Energy Ltd	111,758.00	11,758.00
500 (500) Steel Authority India Ltd	4,075.00	4,075.00
1000 (2500) Ster	207,801.19	311,701.79
110 (110) Sobha Devlopers Ltd	37,158.00	37,158.00
8217 (8217) Sunil Hitech Engg. Ltd.	1,065,977.15	1,065,975.15
2576 (2576) Talbros Automation Ltd.	172,020.00	172,020.00
70 (70) Tanla Soluotions Ltd.	2,174.00	2,174.00
41 (41) Technofab Engineering Ltd	9,959.00	9,959.00
1180 (1063) Transformers And Rectifiers (India) Ltd	247,096.99	247,096.99
3735880 (3735880)Universal Mediawork Ltd.	933,970.00	933,970.00
4756 (4756) VCK Capital Marketing Ser. Ltd.	19,928.00	19,928.00
4457 (4457) Waner Multimedia Ltd.	8,647.00	8,647.00
	<u>59,096,376.31</u>	<u>61,410,713.14</u>
Investment in Unquoted shares		
(500) Aae Pee Jay Properties Pvt Ltd	-	5,000.00
908 (908) ABE Infocom Pvt Ltd	45,400.00	45,400.00
12119400 (12119400)Accord Tricon Ltd.	115,794,000.00	115,794,000.00
1039(3564) Adhir Barter Pvt Ltd.	1,039,000.00	3,564,000.00
350 (5000) Amber Comotrade Pvt Ltd.	35,000.00	500,000.00
2790 (3500) Amber Tradecom pvt ltd	279,000.00	350,000.00
12000 (12000) Artlink Vintrade Pvt Ltd	120,000.00	120,000.00

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
	(Amount in Rs)	(Amount in Rs)
95 (1500) BNP Vinajya	19,000.00	300,000.00
26 (26) Bravemen Traders Pvt Ltd.	13,000.00	13,000.00
2500 (2500)Destiny Infotech Ltd	25,000.00	25,000.00
10000 (10000) Dhansafal Vyapar Ltd	590,909.00	590,909.00
(600) Divya Vinimay Pvt Ltd	-	300,000.00
50 (50) ENET Services Pvt Ltd	5,000.00	5,000.00
1500 (1500) Gawarja merchants Pvt Ltd	150,000.00	150,000.00
(8535) Intime Reality Pvt Ltd	-	6,998,700.00
(9500) Jaiambe Cassettes Pvt Ltd	-	950,000.00
700 (700) JLD Cement Ltd	70,000.00	70,000.00
5000 (5000) Liberson Vanijaya Pvt Ltd	1,000,000.00	1,000,000.00
1220 (1220)Marina Suppliers Pvt Ltd	610,000.00	610,000.00
350 (850) Muktamani Commercial Pvt Ltd.	175,000.00	425,000.00
400 (2750) Noble Power Pvt Ltd	40,000.00	275,000.00
510 (510) Parichay Power Ltd	51,000.00	51,000.00
(50000) Paridhi Finvest Pvt Ltd	-	10,100,000.00
(19000) Prashant Impex Pvt Ltd	-	190,000.00
50 (50) Radico Trading Ltd	500.00	500.00
10072800 (10072800) Rangbarshi Projects Ltd	100,919,000.00	100,919,000.00
9070700 (9070700) Ricon Infrastructures Ltd.	90,675,079.00	90,675,079.00
8533800 (8533800) Saltlake Energy Ltd	84,548,000.00	84,548,000.00
340 (340) Sanskar Vincom Pvt Ltd.	170,000.00	170,000.00
34 (100) Snapshot Media Ltd	3,400.00	10,000.00
200 (200) Sulabh Plastic Pvt Ltd	2,000.00	2,000.00
11240 (31240) Suryasakti Advisory Pvt Ltd	1,124,000.00	3,124,000.00
600 Saraswati Conclave Pvt Ltd.	300,000.00	-
	<u>397,803,288.00</u>	<u>421,880,588.00</u>
Total	<u>456,899,664.31</u>	<u>483,291,301.14</u>
Aggregate Market Value of Quoted Investments.	<u>35,779,118.43</u>	<u>36,471,913.60</u>
Note:10 Inventories		
Quoted Shares	44,489,320.68	7,920,339.40
Unquoted Shares	38,495,000.00	32,410,071.25
Total	<u>82,984,320.68</u>	<u>40,330,410.65</u>
Note:11 Trade Receivable		
Unsecured,considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment.	1,810,701.25	-
Others	2,180,000.00	10,943,083.49
Total	<u>3,990,701.25</u>	<u>10,943,083.49</u>

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	31-03-2014 (Amount in Rs)	31-03-2013 (Amount in Rs)
<i>Note:12 Cash and Bank Balances</i>		
Cash-in-Hand:		
Cash on Hand	627,770.00	90,214.50
Sub Total (A)	627,770.00	90,214.50
Balance with Banks in Current Accounts:		
Canara Bank	5,733,387.51	1,212,941.19
HDFC Bank	147,963.00	101,000.00
Indusind Bank New Delhi	(27,303.58)	(15,543.15)
Oriental Bank Of Commerce	12,280.00	12,280.00
Bank of Baroda	14,443.06	19,485.06
Sub Total (B)	5,880,769.99	1,330,163.10
Total [A + B]	6,508,539.99	1,420,377.60
<i>Note: 13 Short Term Loan & Advances</i>		
Loans To Body Corporate	76,500,000.00	93,000,000.00
Loans to Others	4,500,000.00	4,500,000.00
Lons Considered Doubtful	-	435,773.25
Advances	224,710,504.00	225,264,504.00
Others	-	96,000.00
Total	305,710,504.00	323,296,277.25
<i>Note:14 Other Current Assets</i>		
Income Tax Refundable	23,662.00	23,662.00
Share Application Money	2,450,000.00	2,450,000.00
Accrued Interest Receivable	7,186,420.00	6,401,436.00
Prepaid expenses	90,019.00	-
Tax Deducted at source	1,903,567.00	3,530,239.00
Total	11,653,668.00	12,405,337.00
<i>Note:15 Revenue From Operations</i>		
Sales of Quoted & Unquoted Shares	74,631,594.09	53,655,467.01
Total	74,631,594.09	53,655,467.01
<i>Note:16 Other Income</i>		
Dividend	350,994.71	336,374.14
Interest (net of payment) refer below	7,642,557.30	14,912,488.28
Interest on Income tax refund	19,410.00	-
Profit on Sale of investment	785,764.66	-
Total	8,798,726.67	15,248,862.42
Interest Received	7,814,299.00	15,171,560.28
Less: Interest paid	171,741.70	259,072.00
Total	7,642,557.30	14,912,488.28

Notes to Financial Statement For The Year Ended 31st March, 2014

<u>Particulars</u>	<u>31-03-2014</u> (Amount in Rs)	<u>31-03-2013</u> (Amount in Rs)
Notes : 17 Cost of shares Purchased		
Quoted & Unquoted Shares	123,796,688.40	107,048,095.68
Total	123,796,688.40	107,048,095.68
Notes : 18 Change in Inventories		
Opening Stock	40,330,410.65	-
Closing Stock	82,984,320.68	40,330,410.65
Total	(42,653,910.03)	(40,330,410.65)
Note: 19 Employee Benefit Expense		
Salaries	192,000.00	192,000.00
	-	-
Total	192,000.00	192,000.00
Note:20 Other Expenses		
Advertisement	20,250.00	24,575.00
Payment to auditors(refer note below)	25,281.00	25,281.00
Bank Charges	13,316.00	6,598.94
Custodian Charges	59,865.16	61,231.46
Delay Paying Charges	36,682.59	40,599.54
Filling Fees	2,500.00	1,000.00
Listing Fees	-	58,989.00
Travelling Expenses	22,181.00	85,385.00
Computer Maintenance Charges	3,600.00	47,016.00
Miscellaneous Expenses	22,009.00	10,065.00
Postage & Telegram	20,593.00	9,434.00
Printing & Stationery	19,585.00	33,346.00
Professional charges	13,636.00	25,898.00
Rates & Taxes	1,850.00	1,850.00
Registrar & Depository Fees	40,450.00	40,450.00
Security Transaction Tax	97,478.00	88,745.20
Share Transfer Charges	27,537.57	28,500.58
Loss on Share Investment	1,763.91	1,086,289.48
Donation	615,000.00	15,000.00
Car Insurance	105,981.00	150,155.00
Repair & maintenance	33,437.00	
Professional Tax	2,500.00	2,500.00
Telephone charges	21,472.52	
Demat charges	561.80	-
Total	1,207,530.55	1,842,909.20
Payment to Auditors		
-Statutory Audit Fees	16,854.00	16,854.00
- Tax Audit fees	8,427.00	8,427.00
Total	25,281.00	25,281.00

Notes to Financial Statement For The Year Ended 31st March, 2014**21. Earning Per Share:-**

The Company reports basic and diluted earning per equity share in accordance with Accounting Standard - 20 'Earnings per Share' issued by the Institute of Chartered Accountants of India.

	<u>Current Year</u>	<u>Previous Year</u>
Profit / (Loss) for the Year	191651.16	-752120.38
No. of Shares of Rs. 10/- each.	2,08,97,040	2,08,97,040
EPS	0.009	-0.036

22. The amount being very small the company has not made provision of Rs.561,776/- on standard assets @ 0.25% as per RBI guidelines.

23. The Company has given advances of Rs. 22,18,47,600 shown under Loans & Advances and the company is of the opinion that the amount will be fully recovered and hence no provision is required.

24. In accordance with the requirements of Accounting Standard - 18, " Related Party Disclosure", issued by the Institute of Chartered : Accountants of India the name of the related party as identified and certified by the management is given below:

(a) List of Related Parties with whom transaction have taken place and Relationships :

Key Management Personnel & Relatives

Mr. Surendra Kumar Jain - Managing Director

Mr. Susanta Sengupta- Director

Mr. Manoj Saraogi - Director

Mr. Arun Nath - Director

b) Enterprises over which above person has significant influence : **NIL** **(NIL)**

c) The transaction with the party mentioned in 'a' above : **NIL** **(NIL)**

25. Due to insignificant Profit Provision for Deferred Tax Liabilities is not made in the accounts.

26. Information pursuant to paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2007 are given in Annexure - I.

27. Figures in brackets represents previous year figures.

28. Previous Year figures have been regrouped, rearranged and recasted wherever considered necessary.

As Per our Report of even date
For **DEOKI BIJAY & CO.**
Chartered Accountants
FRN - 313105E
(CA.D.N AGRAWAL)

For & on behalf of the board
Surendra Kumar Jain
Managing Director
DIN NO- 00166852

Place : Kolkata
Date : 28/05/2014

Partner
Membership No. 51157

Ajay Kumar Lahoti
Company Secretary

Susanta Sengupta
Director
DIN NO-00194498

Annexure-I
HERALD COMMERCE LIMITED

Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company
(as required in terms of paragraph 13 on Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2007)

Particulars	<i>(Rs. In Lakhs)</i>	
Liabilities side :		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures : Secured	NIL	NIL
: Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	18.20	NIL
(d) Inter-corporate loans and borrowings	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
* Please see Note 1 below		
Assets side :		
	Amount outstanding (Rs)	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		NIL
(b) Unsecured		3057.10
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	Amount (Rs)	
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Other loans counted towards AFC activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL

Particulars	Amount Outstanding
(4) Break-up of Investments :	
1. Quoted :	
(i) Shares : (a) Equity	590.96
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted :	
(i) Shares : (a) Equity	3978.03
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Amount (net of provisions) (Rs)		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	
2. Other than related parties	NIL	3057.10	3057.10
Total	NIL	3057.10	3057.10

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **	NIL	NIL
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related Parties	NIL	NIL
2. Other than related parties	4356.74	NIL
Total	4356.74	

** As per Accounting Standard by ICAI (Please see Note 3)

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(iii) Assets acquired in satisfaction of debt	

Notes :

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directors, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable, including, for valuation of investments and other assets, assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

HERALD COMMERCE LIMITED

**Registered Office: 10, Princep Street, 2nd Floor, Kolkata - 700 072 Email Id: info@heraldcommerce.com,
Website: Website: www.heraldcommerce.com, Phone: 033-40022880, Fax: 91-33-2237 9053
CIN: L51909WB1982PLC035364**

PROXY FORM

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

Name of the Member(s):Registered Address:.....
Email id: Folio No./DP ID-Client ID No. :

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 at 32nd Annual general meeting of the company, to be held on the Friday of September 26, 2014 at 10.30 a.m. at “Somani Conference Hall”, Merchants” Chamber of Commerce, at 15B, Hemantu Basu Sarani, Kolkata - 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution proposed	Optional	
		For	Against
	Ordinary Business		
1	Adoption of Financial Statements, Reports of the Board of Directors’ and Auditors’		
2	Re-appointment of Director		
3	Re-appointment of Auditors		
	Special Business		
4	Appointment of Shri Arun Nath as an Independent Director		
5	Appointment of Shri Manoj Saraogi as an Independent Director		
6	Appointment of Shri Susanta Sengupta as an Independent Director		

Signed this.....day of.....2014.

Signature of shareholder..... Signature of Proxy holder(s)



Note: 1. 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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Thirty-second Annual General Meeting.

HERALD COMMERCE LIMITED

**Registered Office: 10, Princep Street, 2nd Floor, Kolkata - 700 072 Email Id: info@heraldcommerce.com,
Website: Website: www.heraldcommerce.com, Phone: 033-40022880, Fax: 91-33-2237 9053
CIN: L51909WB1982PLC035364**

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Registered Folio No. : DP ID No.

No. of Shares: Client ID No. :

I hereby record my presence at 32nd ANNUAL GENERAL MEETING of the Company held at the “Somani Conference Hall”, Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Friday, 26th September, 2014 at 10.30 a.m

Member’s/Proxy’s Name in Block Letters

Member’s /Proxy’s Signature

Notes: Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall. Please also bring your copy of the Annual Report.

ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	PASSWORD
140816029	Please refer to Note No. 11. I. in the Notice	