

trust technology innovation
health freedom quality
efficient easy modern

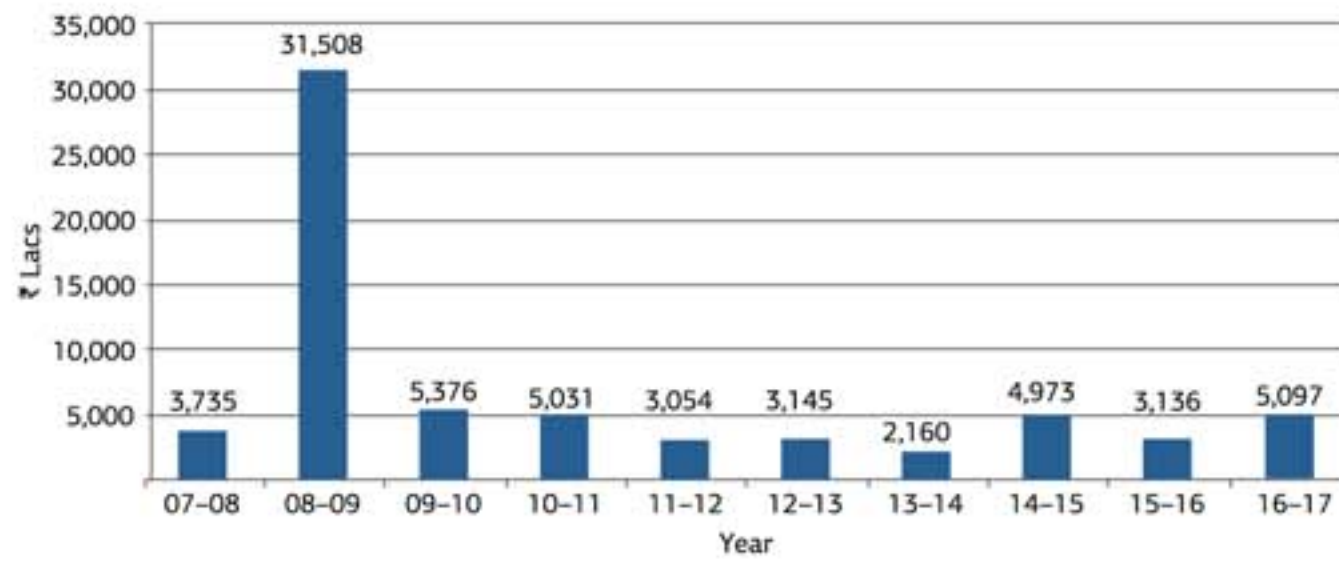


Annual Report
2016–2017

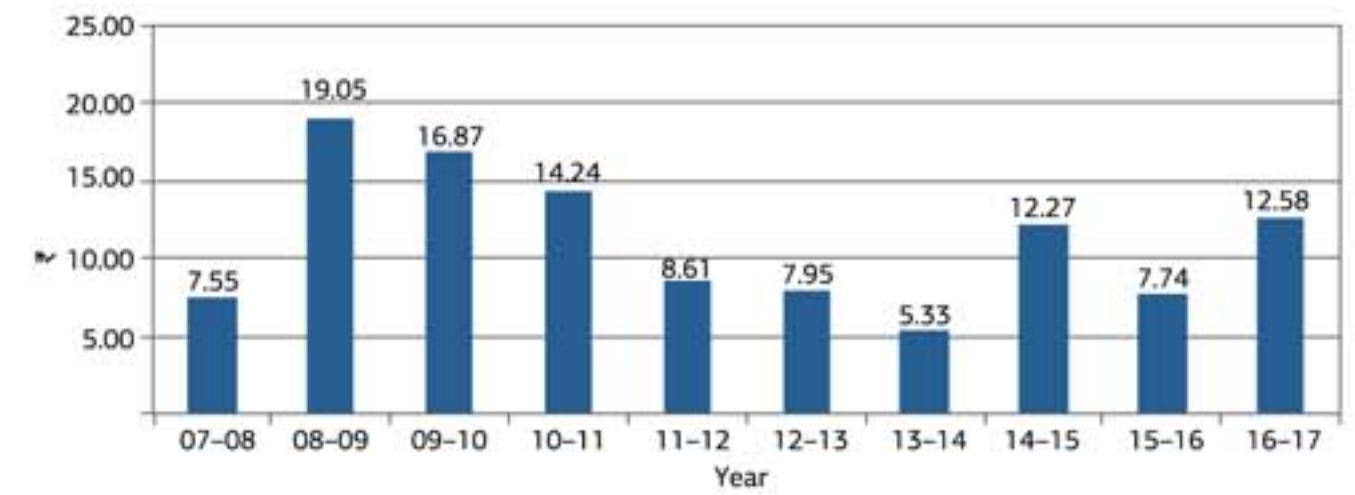
IFB Industries Limited

10 YEAR HIGHLIGHTS

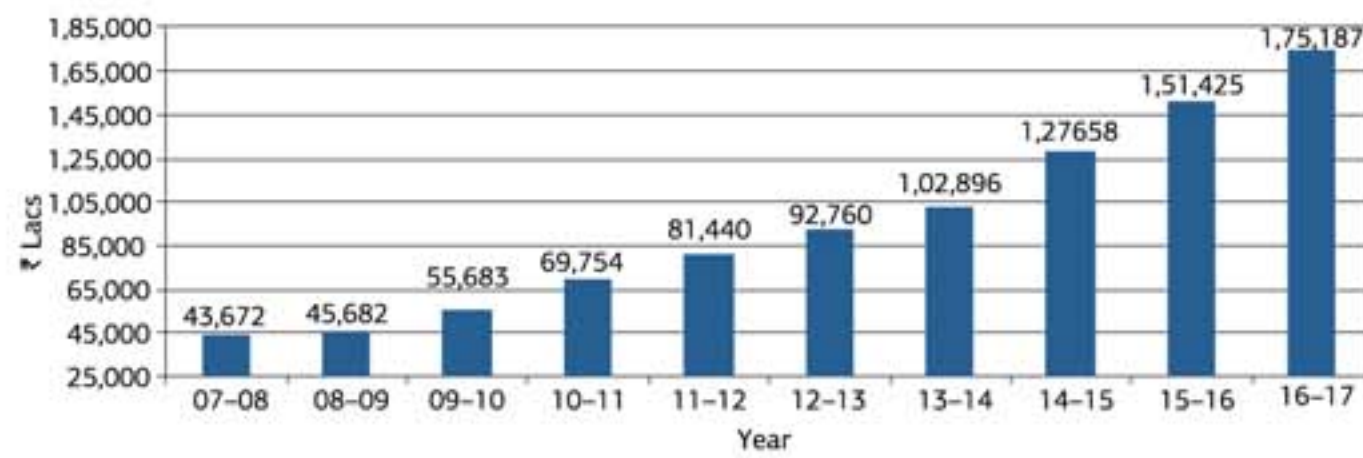
Profit after tax
(₹ in Lacs)



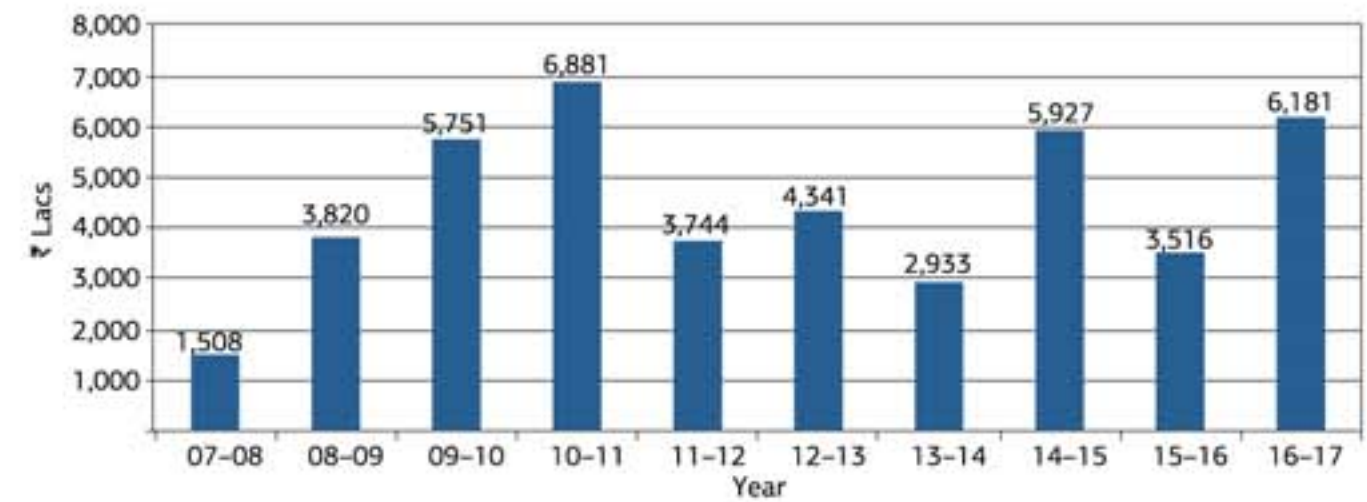
Basic EPS before
extraordinary items (₹)



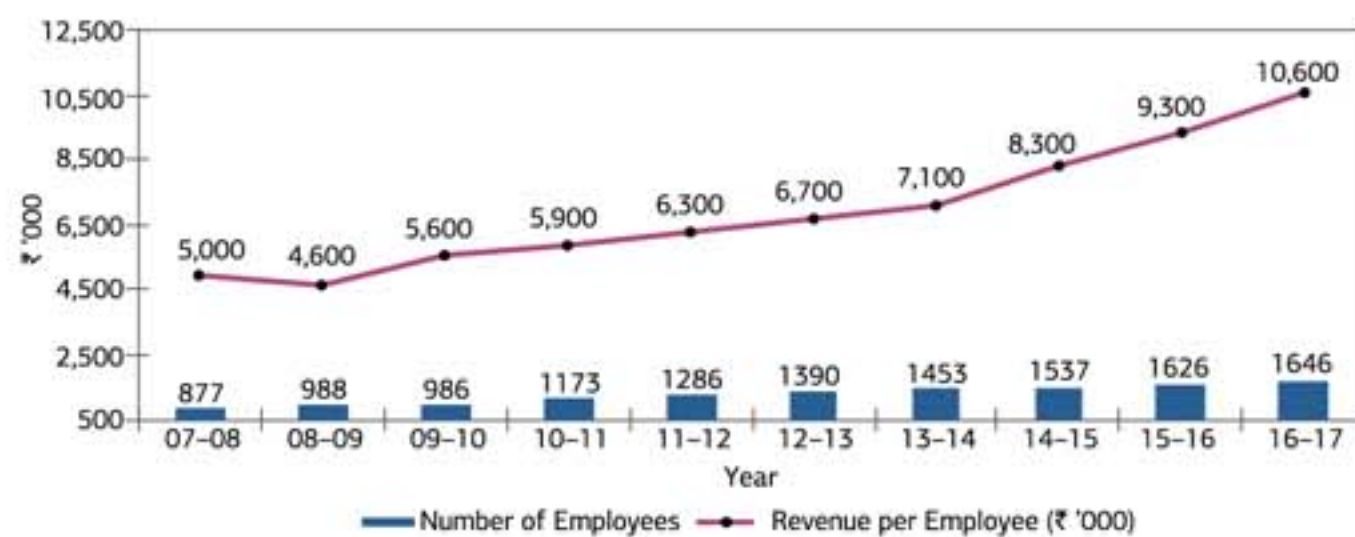
Total revenue
(₹ in Lacs)



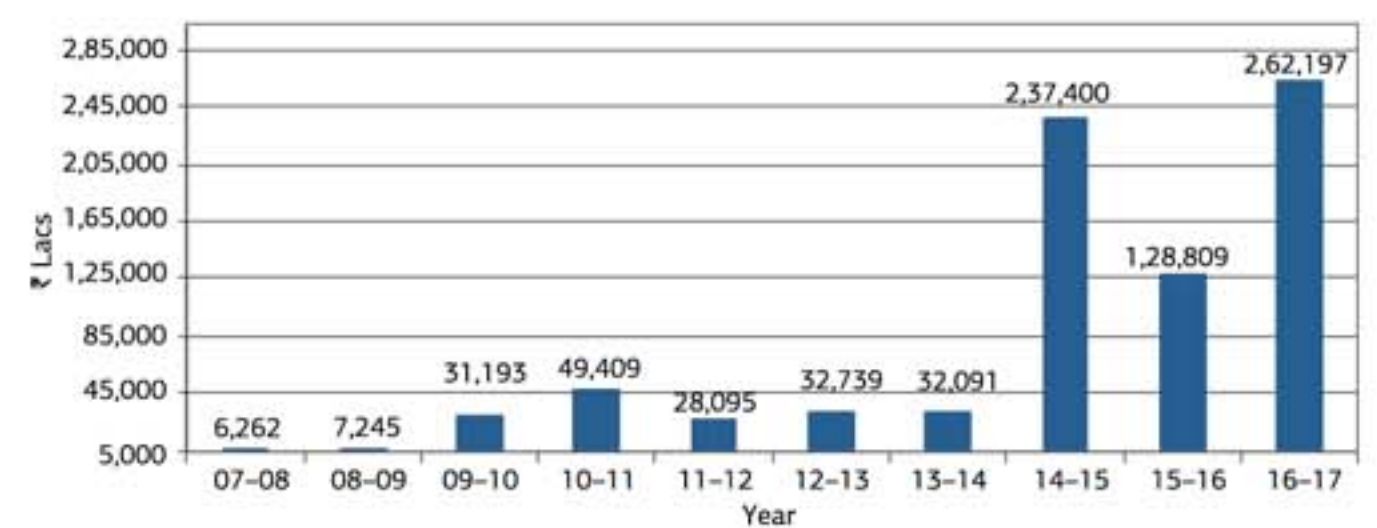
Profit before tax, extraordinary
and prior period items (₹ in Lacs)



Employees and productivity



Market capitalisation
(₹ in Lacs)



BOARD OF DIRECTORS

Executive Chairman

Mr. Bijon Nag

Joint Executive Chairman & Managing Director

Mr. Bikram Nag

Deputy Managing Director

Mr. Sudam Maitra

Director and CFO

Mr. Prabir Chatterjee

Independent Directors

Dr. Rathindra Nath Mitra

Mr. R. Muralidhar

Ms. Sangeeta Shankaran Sumesh

Non-Executive Director

Mr. Sudip Banerjee

AUDIT COMMITTEE

Chairman

Dr. Rathindra Nath Mitra

Members

Ms. Sangeeta Shankaran Sumesh

Mr. Prabir Chatterjee

COMPANY SECRETARY

Mr. G. Ray Chowdhury

AUDITORS

Deloitte Haskins & Sells

Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

CB Management Services (P) Ltd.

P 22, Bondel Road, Kolkata - 700 019

Tel : (091) (33) 2280 6692/93/94, 4011 6700

Fax : (091) (33) 2287 0263

E-mail : rta@cbmsl.com

REGISTERED OFFICE

14, Taratala Road

Kolkata - 700 088, India

Tel : (091) (33) 3048 9219

Fax : (091) (33) 3048 9230

CIN : L51109WB1974PLC029637

E-mail : investors@ifbglobal.com

Website : www.ifbindustries.com

CORPORATE OFFICE

Plot No. IND-5, Sector – I

East Kolkata Township

Kolkata - 700 107

Tel : (091) (33) 3984 9524

Fax : (091) (33) 2442 1003

E-mail : investors@ifbglobal.com

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IFB INDUSTRIES LTD.

CIN : I51109WB1974PLC029637

Registered Office : 14 Taratala Road, Kolkata -700 088

Tel : 91 33 30489219 Fax : 91 33 30489230 E-mail : investors@ifbglobal.com

Website : www.ifbindustries.com

NOTICE TO MEMBERS

Notice is hereby given that the forty first Annual General Meeting of the members of IFB Industries Limited will be held on Friday the 28th day of July, 2017 at 9.30 A.M. at Club Ecovista, Ecospace Business Park, Premises no 2F/11, Action Area II, Rajarhat, New Town, Kolkata- 700 156, to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Standalone financial statements of the Company for the year ended March 31, 2017, including the audited Balance Sheet as at March 31, 2017, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- 2) To receive, consider and adopt Audited Consolidated Financial Statements for the year ended 31st March 2017 and the Report of the Auditors thereon.
- 3) To appoint a director in place of Mr. Sudip Banerjee (DIN : 05245757) who retires by rotation and being eligible, seeks reappointment.
- 4) **To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution :**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made there under, pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed by the members at the AGM held on July 30, 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Regn No : 302009E) as the auditors of the Company to hold office till the conclusion of 43rd AGM be and is hereby ratified with an authorization to the Board of Directors to fix such remuneration for the financial year 2017-18 as may be determined by the Audit Committee in consultation with the auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of accounts of the Company.”

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 (“The Act”) read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014, consent of the Company be and is hereby accorded to the reappointment of Mr. Bikram Nag (DIN : 00827155), designated as Joint Executive Chairman & Managing Director for a term of 3 (three) years with effect from 1st November 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting.

FURTHER RESOLVED THAT the Board (the term “Board” includes Board of Directors of Company and the Nomination and Remuneration committee) be and is hereby authorized to vary and/or modify the terms and conditions including remuneration, benefits and perquisites payable/made available to the appointee in such manner as may be agreed upon between the board and the appointee.

FURTHER RESOLVED THAT the board be and is hereby authorised to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any committee of directors or to any director or to any employee of the Company to give effect to the aforesaid resolutions.

FURTHER RESOLVED THAT in the event of loss or inadequate profit of the Company in any financial year during the term of the office of the appointee, the remuneration shall be subject to Schedule V of the Companies Act, 2013, as mentioned in the Explanatory Statement.

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

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, or any amendment or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Rahul Choudhuri (DIN : 06817748) be and is hereby appointed as an Independent Director of the Company for a term of three years with effect from 28th July 2017, not liable to retire by rotation.”

7) 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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (“ The Act”) read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable during the year 2017-18 to M/s. MANI & CO, Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2017-18, amounting to Rs.5,00,000/- (Rupees Five lacs Only) plus service tax as applicable and reimbursement of conveyance on actual basis as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

Registered. Office :
14, Taratolla Road
Kolkata - 700 088
Date : 26 May 2017

By Order of the Board

G Ray Chowdhury
Company Secretary

NOTES :

i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “ MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

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

- ii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- iii) Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing obligation & Disclosure Requirements Regulation, 2015 are provided in explanatory statement and the Corporate Governance Report forming part of the Annual Report.
- iv) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

- v) Members/Proxies/Authorised Representative are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
- vi) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- vii) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Corporate Office of the Company on all working days, except Saturdays, during business hours up to the date of the meeting.
- viii) The company has notified closure of Register of Members and share transfer books from July 22, 2017 to July 28, 2017 (both days inclusive) for the purpose of AGM.
- ix) Instruction for e-voting, along with the Attendance Slip and Proxy Form, is annexed to this Notice of 41st Annual General Meeting for the convenience of shareholders.
- x) Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the company/CB Management Services (P) Ltd.
- xi) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/CB Management Services (P) Ltd.
- xii) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form can be obtained from the company/CB Management Services (P) Ltd.
- xiii) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send share certificates to CB Management Services (P) Ltd., for consolidation into a single folio.
- xiv) Non resident Indian Members are requested to inform CB Management Services (P) Ltd. immediately of :
 - a) Change in their residential status on return to India for permanent
 - b) Notify immediately any change in their address to the Company.
 - c) Write to the Company's Registrar & Share Transfer Agents, M/s. CB Management Services (P) Ltd enclosing their share certificates for consolidation into one folio for better investor service, if they have more than one folio in identical order of name(s).
- xv) In compliance with section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, substituted by Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of SEBI Listing Obligations & Disclosure Requirements Regulation, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instructions for e-voting are annexed to the Notice.
- xvi) The Annual Report 2016-17 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by permitted mode.
- xvii) The notice of the 41st AGM and instructions for e-voting along with the Attendance slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s),

unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

- xviii) Members may also note that the Notice of the 41st AGM and the IFB Industries Ltd Annual Report 2016-17 will be available on the Company's website, www.ifbindustries.com. The physical copies of the documents will also be available at the Company's corporate office for inspection during normal business hours on working days except Saturdays. Members who require communication in physical form in addition to e-communication or have any other queries, may write to us at: investors@ifbglobal.com.
- xix) Additional information, pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, in respect of the directors seeking appointment/re-appointment at the AGM is furnished as annexure to the Notice. The directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
- xx) The Register of directors and Key Management Personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- xxi) The Register for Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- xxii) Members are requested to address all correspondence, to the Registrar and Share Transfer Agents, C.B. Management Services Private Limited at P22, Bondel Road, Kolkata-700 019.
- xxiii) With a view to using natural resources responsibly, we request shareholders to update their email address, with the Depository Participants to enable the Company to send communications electronically.
- xxiv) Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

Statement Pursuant to Section 102(1) of the Companies Act, 2013

Resolution no. 3

Details of Directors seeking appointment/re-appointment in Annual General Meeting (in pursuance of Clause 36(3) of the SEBI LODR) Resolutions, 2015

Name of Director	Mr. Sudip Banerjee
Date of birth	01.02.1960
Nationality	Indian
Date of appointment on the board	04.04.2012
Qualification	Grauate in Economics (H), Diploma in Management (AIMA)
Experience in functional area	Business Executive
Shareholding in the Company	Nil
List of directorship held in other companies	Two
Committee membership	Two

Resolution no. 5

Mr. Bikram Nag (DIN : 00827155) is a BBA from Richmond College, U.K. He has more than twenty years of experience in the field of business management. Mr. Nag is also Joint Executive Chairman of IFB Agro Industries Ltd and Director of IFB Automotive Pvt. Ltd., Travel Systems Ltd. and Thai Automotive and Appliances Ltd.

His directorships and/or memberships in other companies/committees are provided in Corporate Governance Report which forms part of the Annual Report.

Mr. Nag holds 3,000 equity shares in the company.

At the recommendation of Nomination & Remuneration Committee, the board of Directors at their meeting held on 26th October 2016, subject to the approval of the Company, reappointed Mr. Bikram Nag as Joint Executive Chairman and Managing Director of the company for a term of three years with effect from 1st November 2016. Since Mr. Nag has declined to take any remuneration, no provision is being made for his remuneration except reimbursement of all expenses incurred in connection with the business of the company.

The appointee shall not be entitled to any sitting fees for Board/Committee meetings.

The terms and conditions of the said appointment and/or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

The agreement may be terminated by either party giving the other six months' notice.

Mr. Bikram Nag shall perform such duties and exercise such powers as are entrusted to him by the Board.

No director, Key managerial personnel or their relatives, except Mr. Bikram Nag and Mr. Bijon Nag are concerned or interested in the proposed resolution.

The board recommends the resolution set forth in item no. 5 for the approval of the Company

Resolution no. 6

The Board at its meeting held on 26 May 2017, on the recommendation of the Nomination & Remuneration Committee has recommended for the approval of members, the appointment of Mr. Rahul Choudhuri as Independent Director of Company for a term of three years with effect from 28 July 2017 in terms of Section 149 and other applicable provisions read with Schedule IV of the Companies Act, 2013, or any amendment thereto or modification thereof ("the Act"), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Notice under Section 160 of the Act proposing the appointment of Mr. Choudhuri has been received. Requisite consent pursuant to Section 152 of the Act, has been filed by Mr. Choudhuri.

Mr. Choudhuri (60) is a BA (Honours) from Presidency College, Kolkata, Certificated Associate of Indian Institute of Bankers, Mumbai and also obtained certificate in foreign exchange and money market trading from New York University. Mr. Choudhuri worked as Head, Forex Treasury at ITC Ltd for last 17 years. He also worked in very senior position in Axis Bank, American Express Bank, State Bank of India etc. He got wide experience in management of forex risk, treasury management, working capital management, investments etc. At present he is a Director of Calcutta South Club Limited.

In the view of your Board, the association of Mr. Choudhuri and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr. Choudhuri that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mr. Choudhuri fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director and he is independent of the management of the Company.

Mr. Choudhuri does not hold any share in the company in his individual capacity or on a beneficial basis for any other person.

Mr. Choudhuri and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution. Mr. Choudhuri is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board recommends the resolution set forth in item no. 6 for the approval of the Company.

Resolution no. 7

The board on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year ending March 31, 2018 at a fee of Rs 5,00,000.

In accordance with the provisions of Section 148 of the Companies Act read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to Cost Auditors require ratification by the shareholders of the company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 7 of the notice for ratification of the remuneration payable to the cost Auditors for the financial year ending 31 March 2018

None of the directors/ Key Managerial Personnel of the company/their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at item no. 7 of the notice.

The board recommends the resolution set forth in item no. 7 for the approval of the Company.

Registered. Office :
14, Taratolla Road
Kolkata - 700 088
Date : 26 May 2017

By Order of the Board

G Ray Chowdhury
Company Secretary

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 25th July, 2017 (9:00 am) and ends on 27th July, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :**
 - (i) Open PDF file viz; IFB Ind.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Enter your user ID and password as initial password/PIN noted in step (i). Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "IFB Industries Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizerifbind@gmail.com with a copy **marked to evoting@nsdl.co.in**

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided at the bottom of the Attendance Slip for the Annual General Meeting:
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st July 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st July 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the Companies in which you are the shareholder.
- XII. Login to e-voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through "Forget Password" option available on the website to reset the same.
- XIII. In case of joint holders, only one of the joint holder may cast his vote.
- XIV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XV. Mr. Jitendra Patnaik, Practicing Company Secretary(Membership No FCS 5045) proprietor of M/S J Patnaik & Associates, Company Secretary has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XVI. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of " ballot papers" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- XVII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVIII. The results declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company www.ifbindustries.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately communicated to the Stock Exchanges.

DIRECTORS' REPORT to the Members

Dear Shareholders,

The Directors have pleasure in presenting before you the forty first Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31 March 2017.

FINANCIAL RESULTS

The performance during the period ended 31 March 2017 has been as under:

Particulars	Rs. in lacs		Consolidated 2016-17
	Standalone 2016-17	2015-16	
Total revenue	175,187	151,425	177,006
Profit before depreciation/amortisation, finance costs and tax	10,861	8,275	10,636
Finance costs	317	222	401
Depreciation and amortisation	4,363	4,537	4,410
Profit before Tax	6,181	3,516	5,825
Current tax	780	385	780
Deferred tax (net)	304	(5)	311
Profit after tax	5,097	3,136	4,734
Surplus – opening balance	9,488	6,352	9,488
Surplus – closing balance	14,585	9,488	14,397

Consolidated figure includes standalone figure and figure of Trishan Metals Private Ltd., a subsidiary of the company acquired on July 11, 2016 and accordingly comparable figure for 2015-16 is not applicable.

OPERATIONS

OPERATIONS- Standalone

Your company completed another year of stable performance with decent top & bottom line growth. All business segments posted sound growth in revenues and enhanced their market standing. Gross sale of products for the year grew by 17.5% to Rs 225,149 lacs. Net revenue from operations grew by 16.0% at Rs 174,065 lacs. Appliance business grew by 17.6% and Engineering business grew by 8.5%. Earning per share for the year

stands at Rs 12.58. PBDIT on standalone basis achieved Rs 10,861 lacs as against Rs 8275 lacs in previous year (2015-16) and achieved a growth rate of 31.31%.

OPERATIONS- Consolidated

Revenue from operations on consolidated basis has achieved a figure of RS 177,006 lacs. PBDIT on consolidated basis amounted to Rs 10,636 lacs. Since the subsidiary company was acquired only on July 11, 2016, comparable figure for 2015-16 is not applicable.

DIVIDEND

Your Directors have decided not to recommend any dividend for the financial year under review to conserve resources for working capital and capital expenditure projects.

TRANSFER TO RESERVE

The company does not propose to transfer any amount to Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Listing Obligations and Disclosure Requirements Regulations, 2015 (LODR) the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has always taken adequate steps to adhere to all the stipulations laid down in LODR Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s. Deloitte Haskins & Sells, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Listing Obligations & Disclosure Requirements, Regulations, 2015 (LODR) is included as a part of this report.

LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to NSE, BSE & CSE where the Company's Shares are listed. The company applied for delisting from CSE & DSE which are pending. DSE has been deregistered by SEBI.

DEMATERIALISATION OF SHARES

97.67% of the company's paid up Equity Share Capital is in dematerialized form as on 31 March, 2017 and balance 2.33% is in physical form. The Company's Registrar and Share Transfer Agent is M/s C.B. Management Services Pvt. Ltd., having their registered office at P-22, Bondel Road, Kolkata-700 019.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met seven times during the financial year from 01 April 2016 to 31 March 2017. The dates on which the meetings were held are as follows :

20 April 2016, 18 May 2016, 01 July 2016, 27 July 2016, 30 October 2016, 31 January 2017 and 25 March 2017.

DIRECTORS

Confirmation of Appointment :

The three year term as Joint Executive Chairman and Managing Director of Mr.Bikram Nag has expired on 31 October 2016. He was reappointed by the board for a further term of three years from 1 November 2016, subject to the approval of members.

Mr. Sudip Banerjee retires by rotation and being eligible offers himself for reappointment.

Mr. Radharaman Bhattacharya, Independent Director expired on 26 March 2017. He was inducted on the board of IFB Industries Ltd on 21 June 2003 and the company immensely benefited for his contribution as a member of Audit Committee and Board.

Dr. Tridibesh Mukherjee, Independent Director was inducted on the board of IFB Industries Ltd on 29 July 2011. He resigned from the board of IFB Industries Ltd on 31 March 2017. The board sincerely appreciated his association with the company and the support he has extended during his tenure.

At the recommendation of Audit Committee, the Board proposes to appoint Mr. Rahul Choudhuri as Independent Director of the Company for a term of 3 years from this AGM.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31 March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year ended 31 March 2017;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

REMUNERATION POLICY

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and rules there to and Regulation 19 of the SEBI (LODR) Regulations, 2015 stating therein the Company's policy on Directors/Key Managerial Personnel/other employees appointment and remuneration by the Nomination and Remuneration Committee and approved by the Board of Directors. The said policy may be referred to company's website at www.ifbindustries.com/Legal/Policies. As part of the policy, the Company strives to ensure that:

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/KMPs of the quality required to run the company successfully;

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

This part is covered under Corporate Governance Report.

AUDITORS' REPORT

The notes on Financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further explanation.

Statutory Auditors :

At the Annual General Meeting held on 30 July 2014 Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 43rd Annual General Meeting. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the Auditor's shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

Secretarial Audit :

The provision of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company to be done from the financial year commencing on or after 1 April 2014 by a Company Secretary in practice. The board in its meeting held on 25 March 2017 appointed Mr. Jitendra Patanaik, Practising Company Secretary (Certificate of Practice no 3102) as the Secretarial Auditor for the financial year ended 31 March 2017.

According to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report in **Annexure-A**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-B** to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee. The Committee comprises of Independent Director, non-executive director and executive director. CSR Committee of the Board has developed a CSR Policy which is enclosed as part of this

report in **Annexure-C**. Additionally, the CSR Policy has been uploaded on the website of the Company at <http://ifbindustries.com/csrpolicy.php>. Your company has judiciously identified the activities and accordingly projects mainly relating to (a) Promoting education and (b) skill development programme were undertaken in line with the CSR policy. The necessary budget outlay were assigned to aforesaid projects. However, due to multi year project and certain delay at implementation level at different schools, the company could not spend the allotted budget outlays. The company made an expenditure of Rs 28.24 lacs only against the Budgeted amount of Rs 78.76 lacs.

VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.ifbindustries.com](http://www.ifbindustries.com/legal/investorsrelation/policydocuments/Vigil%20Mechanism%20Policy%20link) under **legal/ investors relation/policydocuments/Vigil Mechanism Policy link**.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company or materiality of related party transaction. The policy on materiality of related party transaction and dealing with related party transaction as approved by the board may be accessed on company's website at the link [www.ifbindustries.com](http://www.ifbindustries.com/legal/investorsrelation/policydocuments/relatedpartypolicy) under **legal/investorsrelation/policydocuments/relatedpartypolicy** link. Your directors draw attention of members to **note 35** to the Standalone Financial Statements which set out related party disclosures.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in **Form MGT-9** is annexed herewith as Annexure (**Annexure D**).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act,

2013 are given in the notes to the Financial Statements.

REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)/EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Anexure E** which forms part of this Report.

The number of permanent employees on the role of the company as on 31 March 2017 is 1646.

DEPOSITS

Your company has not accepted any deposit from the public/members u/s 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Risk management is the process of minimizing or mitigating the risk. It starts with the identification and evaluation of risk followed by optimal use of resources to monitor and minimize the same. The company is exposed to several risks. They can be categorized as operational risk and strategic risk. The company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate those risks.

Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique/relatively high risk profiles.

A strong and independent Internal Audit function at the corporate level carries out risk focused audits across all business, enabling identification of areas where risk management processes may need to be strengthened. The Audit Committee of the board reviews internal audit findings and provides strategic guidance on internal controls.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

To familiarize the Independent Directors with the strategy, operations and functions of our company, the executive directors/ senior managerial employees make presentation to the Independent Directors about the company's strategy, operations, product and service offerings, markets, finance, quality etc. Independent Directors are also visiting factories and branch offices to familiarise themselves with

the operations of the company and to offer their specialized knowledge for improvement of the performance of the company.

Further, at the time of appointment of an Independent director, the company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a director. The format of the letter of appointment is available at our website **www.ifbindustries.com** under **legal/investorsrelation/appointmentofindependent directors**.

SUBSIDIARY COMPANIES

During the year the company has invested in Trishan Metals Private Ltd and acquired 51.12% equity shares of Trishan Metals Pvt. Ltd. It will help to obtain timely supply of material for our fine blanking factories. We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the company, which form part of this Annual Report. Further, the report on the performance and financial position of the subsidiary in the prescribed form **AOC-1** is annexed as **Anexure F** to this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the company and audited accounts of the subsidiary **will be available on our website www.ifbindustries.com**. These documents will also be available for inspection during business hours (Monday to Friday) at the corporate office of company.

ACKNOWLEDGEMENT

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Customers and Shareholders for their continued support.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the employees of the Company at all levels.

For and on behalf of the Board of Directors

Registered Office : 14, Taratala Road Kolkata - 700 088 Dated : 26 May 2017	Bikram Nag <i>Joint Executive Chairman & Managing Director</i> Dr. Rathindra Nath Mitra <i>Director</i>
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MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns:

Increasing awareness, easier access to goods through developing retail channels, increasing availability of consumer finance and changing lifestyles have been the key growth drivers for consumer durable market. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51 percent foreign direct investment (FDI) in multi brand and 100 percent in single brand retail are some of the major growth drivers for the consumer market.

With a fairly profitable year of 2016-17, the consumer durable industry is looking forward to maintaining the momentum. Long term growth drivers will also be aided by the implementation of the GST.

Progressive Government policies had a positive impact on the overall economy and have encouraged overall spending on durables. The estimated CAGR is 10-12 percent. The industry, which has almost 25-30 percent average growth in the first seven months of 2016-17, took a hit in the months of November and December, as a result of the move to demonetization some of the currency notes. This is a short term effect and the FY 17-18 is expected to be healthy and a year of normal growth for the industry.

Your Appliance Division has ended the year on a stronger note in revenue terms and also in EBITDA margins. During the year the Indian rupee depreciated and then strengthened in the last quarter. Our focus remains on a key agenda of localization for some of high cost imports as a key mechanism against future currency depreciation impacts on our business. The localization plan will also drive margin improvements. The Appliance Division continues to deliver a well-positioned and differentiated range of products in both domestic and industrial categories. The products include domestic washing machines, industrial washing systems (including dry cleaning and other finishing equipment like ironers etc.), microwave ovens, domestic and industrial dishwashers, clothes dryers, modular kitchens, kitchen appliances (hobs, chimneys and built-in ovens), air conditioners, a range of service products etc.

The updates on the products and the relative market position of our future plans are as given hereunder.

The Washing Category

Front Loaders (Domestic Segment)

New models of front loaders introduced over the last two years have done well and we will be continuing to strengthen the range through introduction of newer models on an ongoing basis. We remain extremely competitive in terms of customer interfaces, features and product performance. Our dominant market share continues and our range of models cover high-end designs and user interfaces, including controls based on smart mobile based technologies. Product developments, from a customer point are focused on energy efficiency, user convenience and the aesthetic impact of designs and interfaces. The company has achieved a sale of 338,557 numbers during 2016-17 and volume sale is up by 12.9% as compared to 2015-16. For exports, your company has commenced commercial supplies to a Japanese major under an OEM arrangement.

Top loaders (Domestic Segment)

The market share for the company continues to expand in this category. The product range has fully automatic top loaders in the 6.5 to 9.5 kg capacity segments with high-end "Deep Clean" technology and unique wash features. The top loaders continue to enjoy a niche position in the market with their aesthetics, features and wash performance. This category will continue to be a revenue growth and margin driver for the company along with the front loader category. The company has achieved a sale of 174,869 numbers during 2016-17 registering a growth of 47.3% as compared to 2015-16.

Clothes Dryers and Dishwashers (Domestic Segment)

Both of these are niche product segments of the company and we continue to have market shares of- 80% in clothes dryers and - 50 % in domestic dishwashers. Development work in these categories is focused on introduction of better aesthetics and cycle time reductions. In dishwashing technologies our model introductions are driving convenience for customers.

Industrial segment – Dish Washing and Laundry Equipment (Industrial Segment)

The IFB range covers the categories of glass washers, under counter dishwashers, hood type and rack conveyor type dishwashing equipment. The company has significant presence in varied customer segments including defence establishments, pubs and bars, large institutions, hotels and restaurants, ships etc. The Company operates in this segment with a leading market share of – 40% in value terms, in the Industrial Dishwashing segment.

IFB's range of industrial laundry equipment (with capacities upto 160 kg) is also well established. This includes a complete range of dryers, ironers, finishing equipment for clothing, including suits and special silk wear. Installations across the country include those in 5-star hotels. In the high-end laundry segments, IFB continues to be among the top two players by value share.

Kitchen Appliances

In this category, the range includes products like chimneys, hobs and built-in-ovens. These are products which are aspiration led – and with the modernizing of the Indian kitchens and the rising disposable incomes- your company expects significant growth from these products in the medium term of-3 years.

The IFB Points are a key vertical for driving growth in this segment and 45-50% of the company's sales in this category is generated from IFB Points.

Microwave Ovens

IFB continues to be the third largest player with a market share of around 18%. New models featuring our unique 'Oil Free Cooking' technology have been introduced into the market. We expect to further strengthen our market share as we move forward. IFB's microwave cooking class programme under the brand name 'Spice Secrets' teaches our customers how to optimize microwave oven usage post purchase and has been expanded. We are now at a level of 850 plus classes across the country every month, meeting 17000-18000 customers. With the new range, the Company has introduced new cooking programs in the microwave ovens to enable cooking with olive oil for healthy cooking option. Your company wishes to use the new range to drive 'health' as a platform for increasing customer connect.

Modular Kitchens

Pilot stores in Goa, Bangalore and Kolkata are now operational. The modular system use features such as food grade, termite-resistant and boiling water proof plywood. This is unique across the Indian market. We are strengthening the organizational structure for this category in areas such as product and retail design to expand this business going forward. Our intention is to present to customers a range of modular kitchens with appliances (stand alone and built-in) in line with global trends

Cooling category

Air conditioner

IFB is a new player in the market in this category and its products have been well accepted by the customers. The product performance has been of a high quality. The new product range, introduced early last year, enhanced this experience as the product was improved in the key areas of energy efficiency and performance at high ambient temperatures. The IFB range is uniquely placed in the market, with features such as 52 degree compliant compressors across all models, green gas and copper piping with features designed for high-end performance. IFB is also unique in terms of a complete green range as opposed to many established players who continue to operate with 'non-green' gases even today.

The appliance division operates via five key channel segments through which it reaches its customers base -

1. Multi brand stores -
 - a. These are the large format chain stores that operate on a pan-India basis.
 - b. The regional/town level single stores inclusive of regional and geography specific chain stores.

The above channels contribute 60% by volume of IFB's sales.
2. IFB exclusive stores (IFB Points and the IFB website) - These stores display the full range of products that the company offers. The IFB website is also an important online store serving the same purpose. IFB Point & IFB website contribute 25% percent of sales by volume. The target is to reach a network of 500+ exclusive stores of approximate size not exceeding 500 sq ft in the first

phase. This will include Company owned Company operated (CoCo) stores. As on date, the company has 380 nos of IFB Points across India, of which 90 are CoCo stores.

3. The CSD/Defence Canteens, Institutions etc. – These customers buy directly from the Company, including industrial products. These channels contribute 2% of the Company's sales by volume and are a significant channel for direct customer contact.
4. The channel of dealers who are also service providers - This segment, largely catering to customers who buy air conditioners, contributes 2% of sales. It will grow as the company drives expansion in the air conditioner business
5. The channel of distributors – This channel is driving your Company's channel expansion program. This will drive significant volume gains going forward. The channel accounts for 9 % of sales by volumes. It is key to the expansion of IFB's reach into small towns and up-country areas across India and we will continue to focus on increasing the segment.

One of the key strengths for the Appliances Division is the service function and its reach to the customers. We have a total of 800 service franchisees across India. Currently, we have 29 service training centres, which are fully equipped to impart training on all aspects of assembly, dismantling, installation and trouble shooting of our products.

Sales of additives and accessories continue to be a key focus area and are expected to continue to contribute significantly, both to the topline and bottomline in the current year. IFB's 4 million plus customer base is being tapped to increase the sales of additives and accessories that have been repackaged and now sport a contemporary look. The company's own call centre at Goa continues to be effective in issue resolution and customer feed back. It has a total capacity of 120 people (presently 90 seats are occupied). IFB has also outsourced call centres at Munnar and Hyderabad. The service centre at Goa focuses on outbound calls to track and improve customer satisfaction and drives in reduction in the number of pending customer issues through focused data tracking. In the Company's customer contact programme, we continue to contact customers directly and then visit them. This is increasing

customer satisfaction and also enabling higher revenues from the customers visits.

Amongst the major issues, Appliance Division is addressing are :

1. Retail dominance from large players and consolidating small players - this presents the company with a cost challenge.
2. Competition continued attempts to "buy" market share by under-cutting and offering large margins to channel.

Your company continues, in answer to the above challenges, to be focused on differentiating itself through a value led product range planning. Local challenges are addressed as applicable and needed. Your company is confident of its ability to remain a dominant market share player across categories it is present in and will keep investing in building market networks and product development capability.

The Appliance division achieved a net revenue from operations of Rs 144,561 lacs and a 17.6 per cent growth over the last year. Sale of FLT & Top Loader increased by 13 per cent and 52 per cent respectively. Sale of Microwave ovens increased by 8 per cent over last year's and those of Air Conditioners by 21 percent.

The Indian auto-component industry continues to experience volatility and one is waiting to see clear signals of revival in growth. With the Government's mission to make India an export hub for automobile, it is expected that organized sector, which holds a market share of 15% will see higher growth than unorganized sector. Besides this, government initiative such as 'creation of smart cities', 'skill India' 'Digital India' etc will support India's development as a world class manufacturing hub. This, too, will play a significant role in driving growth of Indian auto ancillary industry. With significant changes in emission and safety regulations, it is imperative for the component industry to enhance their R&D expenditure. However, reduction in weighted deduction on R&D expenditure from 200% to 150 % for 2017-18 & 2018-19 will have negative impact on industry. ACMA has also emphasized to keep auto component at 18% tax rate bracket in the upcoming GST. It is critical that GST rate on auto components is kept low and a reasonable transition period is extended to the industry to effectively adopt to the changes in the taxation

environment. Higher GST rate could adversely impact the auto component industry especially the aftermarket that continues to suffer due to issues of counterfeiting, non-genuine, substandard, imported parts etc.

Your company has undertaken a drive to increase its customer base. Despite stiff competition, the engineering division including the after market division grew marginally by 8.5 per cent. The AFM vertical focused on brand building for the “ULTRAMILES” retail brand and expanding into new geographics.

Demonetization and migration from BS3 to BS4 impacted badly on 4th Quarter turnover of the Engineering Division

Despite stiff competition and demonetization effect, marginal growth in the Engineering Division has been achieved. The Division is aggressively building a profitable order book and Division is also focusing successfully on increasing the customer base, both in auto and non-auto segments and substantial orders are on the card. It has taken steps to further strengthen its R&D activities to be able to provide higher value added products to its customers.

The issues that the Engineering Division is successfully addressing include –

- i. Strong pricing pressure from customers and competitors.
- ii. Higher cost of CRC and HRC steel.
- iii. Consistent increase in power cost.
- iv. Rapid increase in minimum wages.
- v. High cost for new machinery & technology
- vi. Timely raw material availability
- vii. Fluctuation in volumes in the automobile exerts pressure in meeting inventory and debtors matrix.

The Engineering Division including AFM achieved a net revenue from operations of Rs 29,504 lacs and registered a growth of 8 % as compared to last year. The operating PBIDT for the division achieved Rs 3,638 lacs and registered a growth of 6%.

b) Internal Control Systems and their Adequacy :

Your Management has put in place effective Internal Control Systems to provide reasonable assurance for :

- Safeguarding assets and their usages.
- Maintenance of proper accounting records and
- Adequacy and reliability of the information used for carrying on business operations.

Key elements of the Internal Control Systems are as follows :

- (i) Corporate policies for Financial Reporting and Accounting.
- (ii) A Management information system updated from time to time as may be required.
- (iii) Annual Budgets and Long Term Business Plans.
- (iv) Internal Audit System.
- (v) Periodical review of opportunities and risk factors depending on the global/domestic scenario and to undertake measures as may be necessary.
- (vi) Application of Internal Financial Control - Your company has in place adequate Internal Financial Controls with reference to the Financial Statements. Such controls have been tested at during the year and no reportable material weakness in the design or operations was observed. Moreover regular review of the processes ensure that such systems are reinforced on an ongoing basis.

Over and above Company's in house Internal Audit team, the Company has appointed Price Waterhouse Coopers to ensure compliance and effectiveness of the Internal Control Systems.

The Audit Committee regularly reviews the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance.

c) Financial and Operational Performance :

The Highlights of Financial and Operational Performance are given below :

(Rs. in lacs)

S. No.	Particulars	Standalone		Consolidated
		2016-17	2015-16	2016-17
1	Revenue from operations	174,065	150,094	175,844
2	Other Income	1,122	1,331	1,162
3	Sub-total	175,187	151,425	177,006
4	Total Expenditure (Before interest)	168,689	147,687	170,780
5	PBDIT	10,861	8,275	10,636
6	PBDIT %	6.20	5.46	6.01
7	Profit After Tax	5,097	3,136	4,734
8	Return on Capital Employed %	10.9	7.5	10.17
9.	Inventory holding in days	38	41	39
10	Current Ratio (Current Assets / Current Liabilities)	1.41	1.40	1.37
11	Head counts	1,646	1,626	1,693

d) Human Resources Development and Industrial Relations :

IFB is a knowledge-driven organization and its greatest asset is the experience and skill of its employees. Recognizing that the workforce will provide critical competitive edge in its growth endeavor, IFB has laid major emphasis

on recruiting, maintaining and developing its human asset base. It offers a wide range of career development programmes including on the job training and job rotation amongst others. A highly evolved Human Resource Policy has ensured a minimal rate of attrition amongst executives.

IFB'S welfare activities for employees include Medical Care, Group Insurance etc.

e) Cautionary Statement :

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. The Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Bikram Nag

*Joint Executive Chairman
& Managing Director*

Dr. Rathindra Nath Mitra

Director

Place : Kolkata

Dated : 26 May 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To
The Members
IFB Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFB Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **IFB Industries Limited** and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **IFB Industries Limited** ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the period under review)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the period under review)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the period under review)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the period under review)

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the period under review), and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Other applicable laws generally applicable to the Industry/Company.
 - a) Factories Act, 1948;
 - b) The Payment of Wages Act, 1936;
 - c) The Minimum Wages Act, 1948;
 - d) The Payment of Gratuity Act, 1972;
 - e) The Child Labour (Prohibition & Regulations) Act, 1986;
 - f) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
 - g) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;
 - h) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standard-I and II issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with **National Stock Exchange Limited** and **Bombay Stock Exchange Limited**;

In respect of other laws specifically applicable to the Company, I have relied in information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period :

I further report that during the audit period there are no events or actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **J. PATNAIK & ASSOCIATES**

Company Secretaries

J. Patnaik

Proprietor

Place : Kolkata

Date : 19th May 2017

FCS No.: 5045, C.P. No.: 3102

ANNEXURE - B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.

Information on conservation of Energy, Technology absorption, Foreign Exchange earning and outgo required to be disclosed under section 134 of the companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

(A)	Conservation of Energy : 1. Steps taken or impact on conservation of energy. 2. Steps taken by the company for utilising alternate source of energy. 3. The capital investment on energy conservation equipments.	Energy conservation continues to receive priority attention at all levels. a. All the factories have implemented measures to maintain the power factor in excess of 0.97 to reduce reactive power losses. b. High energy illumination is being replaced, on an ongoing basis, by lower power consuming illumination (e.g. LED lights) in the working area c. Asbestos sheets on roofing have been replaced with translucent corrugated sheets to allow more natural light. Also, the absence of asbestos is reducing the overall heat generation below the roofing – leading to a cooler ambience in working areas / office spaces d. All lighting in offices are covered by auto-shut off mode sensors – which only activate lighting when movements are traceable. e. Areas like the paint shop have already been shifted to LPG led burners - diesel usage has been eliminated f. A complete program on sustainable manufacturing has been initiated – led by the former CTO – to build a world class sustainable working manufacturing process – and the company is working with CII on this – expected roll outs / conclusions and changes are over by next 12 months. Not Significant.
(B)	Technology absorption : 1. The efforts made towards technology absorption. 2. The benefits derived like product improvement, cost reduction, product development or import substitution. 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. The details of technology imported. b. The year of import. c. Whether the technology been fully absorbed.	In its Home Appliance Division, the company continues to work with partners from countries like Italy, Korea etc - to enhance knowledge and capability developments in following areas : a. Localization of electronic controllers – this is a major import substitution agenda for the country – in line with the Government's 'Make in India' program b. Testing and validation of products c. IoT, wireless controls and app based controls for appliances d. Advance Sensors Internal design teams are working on technology upgrades, cost reduction and product improvement projects on an ongoing basis.

	d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	The technology imported in the last three years includes a design for Top loaders, with which the company substituted imports and saved foreign exchange for the country. The technology has been fully absorbed The company, over the last three years, has also localized key material compositions in the area of composite plastic polymers for the plastic tubs in washing machine – these were earlier imported and are now completely manufactured in India Engineering division have recruited some tooling experts from Korea to acquire knowledge in complex tool design and manufacturing. Engineering Division had installed some press automation for component evacuation which will help in reduction of air consumption and also will help in protecting the parts from dent and damages.																				
(C)	The expenditure incurred on Research and Development	Data provided in the table below : <table><tr><th colspan="2">Expenditure on R&D</th><th colspan="2">(Rs in lacs)</th></tr><tr><th>Sl No</th><th>Particulars</th><th>2016 - 17</th><th>2015 - 16</th></tr><tr><td>A</td><td>Capital</td><td>1362</td><td>452</td></tr><tr><td>B</td><td>Recurring</td><td>2149</td><td>1,648</td></tr><tr><td>C</td><td>Total</td><td>3511</td><td>2,100</td></tr></table>	Expenditure on R&D		(Rs in lacs)		Sl No	Particulars	2016 - 17	2015 - 16	A	Capital	1362	452	B	Recurring	2149	1,648	C	Total	3511	2,100
Expenditure on R&D		(Rs in lacs)																				
Sl No	Particulars	2016 - 17	2015 - 16																			
A	Capital	1362	452																			
B	Recurring	2149	1,648																			
C	Total	3511	2,100																			
(D)	The foreign exchange earnings and Outgo : The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note 36 under note to the Standalone Financial Statements.																					

For and on behalf of the Board of Directors

Bikram Nag

*Joint Executive Chairman
& Managing Director*

Dr. Rathindra Nath Mitra

Director

Place : Kolkata

Dated : 26 May 2017

ANNEXURE - C

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR) constituted pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below :

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. Weblink :	The CSR Committee decided to spend amount towards promoting education and skill development programme during the year 2016-17 http://ifbindustries.com / csr_policy.php
2.	The Composition of the CSR Committee.	Members of CSR Committee : Dr. Rathindra Nath Mitra - Chairman Mr. Sudip Banerjee - Member Mr. Prabir Chatterjee - Member
3.	Average net profit of the company for last three financial years.	Average net profit of Rs. 3,938.07 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	Rs. 78.76 lacs
5.	Details of CSR spent during the financial year 2016-17	
	(a) Total amount to be spent for the financial year 2016-17	Rs. 78.76 lacs
	(b) Amount un spent, if any	Rs. 50.52 lacs

The CSR Committee confirms that implementation & monitoring of CSR Policy is in compliance with CSR objective & policy of the Company.

(c) Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified.	Sector in which the project is covered.	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise. (Rs. Lacs)	Amount spent on the projects or programs sub-heads : 1) Direct on projects or programs- 2) Overheads: (Rs. Lacs)	Cumulative expenditure upto the reporting period. (Rs. Lacs)	Amount spent direct or through implementing agency.
1.	Donation to school towards infrastructure	Education	Bakrey Free Primary School, Gangarampur Dist. South 24 Parganas (W.B.) Shanta Durga High School, Dist. South Goa Joseph Convent School, Dist. South Goa Imaculate Heart of Mary High School, Dist. North Goa Govt. Composite High School, Kalya, Udipi, Dist. Karnataka	72.76	8.00 12.89 3.00	23.89	Direct

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified.	Sector in which the project is covered.	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise. (Rs. Lacs)	Amount spent on the projects or programs sub-heads : 1) Direct on projects or programs- 2) Overheads: (Rs. Lacs)	Cumulative expenditure upto the reporting period. (Rs. Lacs)	Amount spent direct or through implementing agency.
2.	Education, Skill development programme	Education & Skill development	In and around Kolkata	6.00	4.34	4.34	Through implementing agency, Karma Kutir
Total				78.76	28.23	28.23	

On behalf of the Board

Bikram Nag

Joint Executive Chairman

& Managing Director

Dr. Rathindra Nath Mitra

Director

Registered Office :
14, Taratala Road
Kolkata - 700 088
Dated : 26 May 2017

ANNEXURE - D

Form No MGT-9

EXTRACT OF THE ANNUAL RETURN

As on the financial year ended on 31 March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN :	L51109WB1974PLC029637
iii)	Registration Date	12.09.1974
iii)	Name of the Company	IFB INDUSTRIES LIMITED
iv)	Category/Sub Category of the Company	Company Limited by shares
v)	Address of registered office & Contact Details	14 Taratala Road Kolkata-700088 Tel: (033) 3048 9219 Fax: (033) 30489230
vi)	Whether shares listed on recognized Stock Exchange(s)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	CB Management Services Pvt Ltd P-22 Bondel Road, Kolkata-700 019 Tel No: (033) 4011 6700/22806692/93/94 Fax No: (033) 2287 0263

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

SL No.	Name & Description of the main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Engineering Manufacture of diverse part and accessories for Motor Vehicle, etc.	29301	16.95
2.	Home Appliance Products	27501	83.05

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Trishan Metals Private Limited	U27109WB1996PTC079844	Subsidiary	51.12	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	292771	–	292771	0.72	292771	–	292771	0.72	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	30080428	–	30080428	74.24	30080428	–	30080428	74.24	–
e) Banks / FIs	–	–	–	–	–	–	–	–	–
f) Other	–	–	–	–	–	–	–	–	–
Sub Total (A)(1):	30373199	–	30373199	74.96	30373199	–	30373199	74.96	–
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FIs	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A)(2) :	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	30373199	–	30373199	74.96	30373199	–	30373199	74.96	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3522716	35763	3558479	8.78	3593266	35763	3629029	8.96	+0.18
b) Banks / FIs	6577	1647	8224	0.02	8011	1647	9658	0.02	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Portfolio Investors	382281	17512	399793	0.99	654645	17512	672157	1.66	+0.67
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub Total (B)(1) :	3911574	54922	3966496	9.79	4255922	54922	4310844	10.64	+0.85

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2255236	39120	2294356	5.66	1919423	38293	1957716	4.83	-0.83
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1781474	861701	2643175	6.52	1817224	837694	2654918	6.55	+0.03
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1018008	10447	1028455	2.54	1138970	10447	1149417	2.84	+0.30
c) Other (specify)									
i) NRI	54397	1999	56396	0.14	45375	1999	47374	0.12	-0.02
ii) Clearing Member	156719	-	156719	0.39	25328	-	25328	0.06	-0.33
iii) OCB	-	-	-	-	-	-	-	-	-
iv) Trust	-	-	-	-	-	-	-	-	-
Sub-total (B)(2) :	5265834	913267	6179101	15.25	4946320	888433	5834753	14.40	-0.85
Total Public Shareholding (B) = (B) (1)+ (B)(2)	9177408	968189	10145597	25.04	9202242	943355	10145597	25.04	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	39550607	968189	40518796	100.00	39575441	943355	40518796	100.00	-

ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bijon Nag	157869	0.39	–	157869	0.39	–	–
2	Priyambada Nag	131902	0.33	–	131902	0.33	–	–
3	Bikramjit Nag	3000	0.00	–	3000	0.00	–	–
4	Mac Consultants Pvt. Ltd.	706197	1.74	–	706197	1.74	–	–
5	CPL Industries Ltd.	74813	0.19	–	74813	0.19	–	–
6	CPL Projects Ltd.	523535	1.29	–	523535	1.29	–	–
7	IFB Agro Industries Ltd.	172733	0.43	–	172733	0.43	–	–
8	Shubh Engineering Ltd.	260723	0.64	–	260723	0.64	–	–
9	Asansol Bottling & Packaging Company Pvt. Ltd.	3366428	8.31	–	3366428	8.31	–	–
10	IFB Automotive Pvt. Ltd.	18856833	46.54	–	18856833	46.54	–	–
11	Special Drinks Pvt. Ltd.	17250	0.04	–	17250	0.04	–	–
12	ZIM Properties Pvt. Ltd.	34300	0.09	–	34300	0.09	–	–
13	Windsor Marketiers Pvt. Ltd.	19600	0.05	–	19600	0.05	–	–
14	Lupin Agencies Pvt. Ltd.	37600	0.09	–	37600	0.09	–	–
15	Nurpur Gases Pvt. Ltd.	6010416	14.83	–	6010416	14.83	–	–
	TOTAL	30373199	74.96	–	30373199	74.96	–	–

iii) Change in Promoters Shareholding (please specify, if there is no change) : NO CHANGE

SL. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30373199	74.96	30373199	74.96
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g. allotment/ transfer/bonus sweat equity etc.) :	No Change in Shareholding during the year			
	At the end of the year	30373199	74.96	30373199	74.96

iv) Shareholding Pattern of top ten shareholders(Other than Directors, Promoters and Holders of GDRs and ADRs)

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	TATA BALANCED FUND						
	a) At the beginning of the year	1-Apr-16		1000000	2.4680	1000000	2.4680
	b) Changes during the year	24-Feb-17	Sale	15000	0.0370	985000	2.4310
	c) At the end of the year	31-Mar-17				985000	2.4310
2.	DSP BLACKROCK MICRO CAP FUND						
	a) At the beginning of the year	1-Apr-16		799919	1.9742	799919	1.9742
	b) Changes during the year	29-Apr-16	Buy	101176	0.2497	901095	2.2239
		5-Aug-16	Buy	79452	0.1961	980547	2.4200
		12-Aug-16	Buy	52086	0.1285	1032633	2.5485
		19-Aug-16	Buy	30305	0.0748	1062938	2.6233
		26-Aug-16	Buy	3513	0.0087	1066451	2.6320
		23-Sep-16	Buy	1833	0.0045	1068284	2.6365
		30-Sep-16	Buy	1497	0.0037	1069781	2.6402
		7-Oct-16	Buy	3497	0.0086	1073278	2.6488
		14-Oct-16	Buy	55286	0.1364	1128564	2.7853
		21-Oct-16	Buy	12538	0.0309	1141102	2.8162
		25-Nov-16	Buy	3719	0.0092	1144821	2.8254
	c) At the end of the year	31-Mar-17				1144821	2.8254
3.	CHATTERJEE MANAGEMENT SERVICES PRIVATE LIMITED						
	a) At the beginning of the year	1-Apr-16		680260	1.6789	680260	1.6789
	b) Changes during the year	NIL					
	c) At the end of the year	31-Mar-17				680260	1.6789
4.	BENGAL VIPANAPAN PVT LTD						
	a) At the beginning of the year	1-Apr-16		497527	1.2279	497527	1.2279
	b) Changes during the year	17-Mar-17	Sale	10000	0.0247	487527	1.2032
		24-Mar-17	Sale	8634	0.0213	478893	1.1819
	c) At the end of the year	31-Mar-17				478893	1.1819
5.	KOTAK SELECT FOCUS FUND						
	a) At the beginning of the year	1-Apr-16		460000	1.1353	460000	1.1353
	b) Changes during the year	15-Apr-16	Sale	22334	0.0551	437666	1.0802
		13-May-16	Sale	1809	0.0045	435857	1.0757
		20-May-16	Sale	130000	0.3208	305857	0.7549

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		8-Jul-16	Sale	7186	0.0177	298671	0.7371
		15-Jul-16	Sale	11421	0.0282	287250	0.7089
		22-Jul-16	Sale	11759	0.0290	275491	0.6799
		29-Jul-16	Sale	3241	0.0080	272250	0.6719
		5-Aug-16	Sale	10000	0.0247	262250	0.6472
		12-Aug-16	Sale	12250	0.0302	250000	0.6170
		19-Aug-16	Sale	6648	0.0164	243352	0.6006
		26-Aug-16	Sale	6343	0.0157	237009	0.5849
		2-Sep-16	Sale	15000	0.0370	222009	0.5479
		9-Sep-16	Sale	20000	0.0494	202009	0.4986
		16-Sep-16	Sale	32009	0.0790	170000	0.4196
		21-Oct-16	Sale	20000	0.0494	150000	0.3702
		28-Oct-16	Sale	10000	0.0247	140000	0.3455
		4-Nov-16	Sale	8818	0.0218	131182	0.3238
		25-Nov-16	Sale	1370	0.0034	129812	0.3204
		2-Dec-16	Sale	495	0.0012	129317	0.3192
		9-Dec-16	Sale	29397	0.0726	99920	0.2466
		16-Dec-16	Sale	3763	0.0093	96157	0.2373
		23-Dec-16	Sale	18	0.0000	96139	0.2373
		30-Dec-16	Sale	10139	0.0250	86000	0.2122
		6-Jan-17	Sale	13534	0.0334	72466	0.1788
		13-Jan-17	Sale	22466	0.0554	50000	0.1234
		27-Jan-17	Sale	6603	0.0163	43397	0.1071
		3-Feb-17	Sale	43397	0.1071	–	–
	c) At the end of the year	31-Mar-17				–	–
6.	UTI-MID CAP FUND						
	a) At the beginning of the year	1-Apr-16		410506	1.0131	410506	1.0131
	b) Changes during the year	NIL					
	c) At the end of the year	31-Mar-17				410506	1.0131
7.	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD						
	a) At the beginning of the year	1-Apr-16		373386	0.9215	373386	0.9215
	b) Changes during the year	8-Apr-16	Buy	4168	0.0103	377554	0.9318
		29-Apr-16	Sale	100861	0.2489	276693	0.6829

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		6-May-16	Sale	25358	0.0626	251335	0.6203
		20-May-16	Sale	251335	0.6203	–	–
	c) At the end of the year	31-Mar-17				–	–
8.	DOLLY KHANNA						
	a) At the beginning of the year	1-Apr-16		278542	0.6874	278542	0.6874
	b) Changes during the year	20-May-16	Sale	12696	0.0313	265846	0.6561
		27-May-16	Sale	9803	0.0242	256043	0.6319
		3-Jun-16	Sale	6250	0.0154	249793	0.6165
		10-Jun-16	Sale	1100	0.0027	248693	0.6138
		17-Jun-16	Sale	3000	0.0074	245693	0.6064
		29-Jul-16	Buy	2341	0.0058	248034	0.6121
		21-Oct-16	Buy	1100	0.0027	249134	0.6149
		28-Oct-16	Buy	1350	0.0033	250484	0.6182
		4-Nov-16	Buy	19266	0.0475	269750	0.6657
		11-Nov-16	Buy	10524	0.0260	280274	0.6917
		18-Nov-16	Buy	1375	0.0034	281649	0.6951
		25-Nov-16	Buy	6000	0.0148	287649	0.7099
		2-Dec-16	Buy	6100	0.0151	293749	0.7250
		9-Dec-16	Buy	26000	0.0642	319749	0.7891
		16-Dec-16	Buy	21037	0.0519	340786	0.8411
		23-Dec-16	Buy	7013	0.0173	347799	0.8584
		30-Dec-16	Buy	18000	0.0444	365799	0.9028
		6-Jan-17	Buy	19956	0.0493	385755	0.9520
		13-Jan-17	Buy	13000	0.0321	398755	0.9841
		20-Jan-17	Buy	3750	0.0093	402505	0.9934
		27-Jan-17	Buy	4000	0.0099	406505	1.0033
		3-Feb-17	Buy	17450	0.0431	423955	1.0463
		10-Feb-17	Buy	3000	0.0074	426955	1.0537
	c) At the end of the year	31-Mar-17				426955	1.0537
9.	TATA TRUSTEE CO. LTD.A/C TATA MUTUAL FUND A/C TATA MID CAP GROWTH FUND						
	a) At the beginning of the year	1-Apr-16		225000	0.5553	225000	0.5553
	b) Changes during the year	NIL					
	c) At the end of the year	31-Mar-17				225000	0.5553

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	MERLIN RESOURCES PRIVATE LIMITED						
	a) At the beginning of the year	1-Apr-16		186673	0.4607	186673	0.4607
	b) Changes during the year	NIL					
	c) At the end of the year	31-Mar-17				186673	0.4607
11.	KOTAK EMERGING EQUITY SCHEME						
	a) At the beginning of the year	1-Apr-16		181317	0.4475	181317	0.4475
	b) Changes during the year	20-May-16	Sale	50000	0.1234	131317	0.3241
		2-Sep-16	Sale	20000	0.0494	111317	0.2747
		16-Sep-16	Sale	14784	0.0365	96533	0.2382
		23-Sep-16	Sale	7562	0.0187	88971	0.2196
		7-Oct-16	Sale	88971	0.2196	–	–
	c) At the end of the year	31-Mar-17				–	–
12.	DSP BLACKROCK EQUITY FUND						
	a) At the beginning of the year	1-Apr-16		–	–	–	–
	b) Changes during the year	20-May-16	Buy	130909	0.3231	130909	0.3231
		27-May-16	Buy	175076	0.4321	305985	0.7552
		19-Aug-16	Buy	1703	0.0042	307688	0.7594
		26-Aug-16	Buy	4740	0.0117	312428	0.7711
		2-Sep-16	Buy	6457	0.0159	318885	0.7870
		9-Sep-16	Buy	32	0.0001	318917	0.7871
		16-Sep-16	Buy	232	0.0006	319149	0.7877
	c) At the end of the year	31-Mar-17				319149	0.7877
13.	KOTAK MAHINDRA (INTERNATIONAL) LIMITED						
	a) At the beginning of the year	1-Apr-16		–	–	–	–
	b) Changes during the year	25-Nov-16	Buy	7331	0.0181	7331	0.0181
		2-Dec-16	Buy	25435	0.0628	32766	0.0809
		9-Dec-16	Buy	65373	0.1613	98139	0.2422
		16-Dec-16	Buy	18390	0.0454	116529	0.2876
		23-Dec-16	Buy	3983	0.0098	120512	0.2974
		30-Dec-16	Buy	5180	0.0128	125692	0.3102
		3-Feb-17	Buy	100000	0.2468	225692	0.5570
	c) At the end of the year	31-Mar-17				225692	0.5570

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14.	JWALAMUKHI INVESTMENT HOLDING						
	a) At the beginning of the year	1-Apr-16		–	–	–	–
	b) Changes during the year	25-Nov-16	Buy	4909	0.0121	4909	0.0121
		27-Jan-17	Buy	204169	0.5039	209078	0.5160
	c) At the end of the year	31-Mar-17				209078	0.5160

v) Shareholding of Directors & Key Managerial Personnel

SL. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bijon Nag				
	a) At the beginning of the year	157869	0.39	157869	0.39
	b) Changes during the year	–	–	–	–
	c) At the end of the year			157869	0.39
2.	Bikramjit Nag				
	a) At the beginning of the year	3000	0.00	3000	0.00
	b) Changes during the year	–	–	–	–
	c) At the end of the year			3000	0.00
3.	Prabir Chatterjee				
	a) At the beginning of the year	25000	0.06	25000	0.06
	b) Changes during the year	–	–	–	–
	c) At the end of the year			25000	0.06
4.	Goutam Ray Chowdhury (Company Secretary)				
	a) At the beginning of the year	20500	0.06	20500	0.06
	b) Changes during the year	–	–	–	–
	c) At the end of the year			20500	0.06

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,40,17,771	–	–	16,40,17,771
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	6,75,205	–	–	6,75,205
Total (i+ii+iii)	16,46,92,976	–	–	16,46,92,976
Change in Indebtedness during the financial year				
* Addition	24,00,00,000	–	–	24,00,00,000
* Reduction	(11,79,44,638)	–	–	(11,79,44,638)
Net Change	12,20,55,362	–	–	12,20,55,362
Indebtedness at the end of the financial year				
i) Principal Amount	28,48,17,472	–	–	28,48,17,472
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	19,30,866	–	–	19,30,866
Total (i+ii+iii)	28,67,48,338			28,67,48,338

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs.)

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		Mr. Bijon Nag (WTD)	Mr. Sudam Maitra (WTD)	Mr. Bikramjit Nag (MD)	Mr. Prabir Chatterjee	
1	Gross salary	84,52,281	96,05,133	–	70,40,856	2,50,98,270
a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act	–	–	–	–	–
b)	Value of perquisite u/s 17(2) of the Income-tax Act, 1961	–	–	–	–	–
c)	Profit in lieu of salary under section 17(3) Income Tax Act 1961	–	–	–	–	–
2	Stock Option	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission - as % of profit - others, specify	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
	Total (A)	84,52,281	96,05,133	-	70,40,856	2,50,98,270
	Ceiling as per the Act					6,44,64,960

B. Remuneration to other directors

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Rathindra Nath Mitra	Mr. Ranga natharao Muralidhar	Dr. Tridibesh Mukherjee	Mr. Radha raman Bhattacharya	Ms. Sangeeta Sumesh	Mr. Sudip Banerjee	
1	Independent Directors							
	Fee for attending board committee meetings	4,65,000	1,00,000	1,70,000	3,00,000	1,70,000	–	12,05,000
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	4,65,000	1,00,000	1,70,000	3,00,000	1,70,000	–	12,05,000
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	–	–	–	–	–	2,70,000	2,70,000
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	2,70,000	2,70,000
	Total (B)=(1+2)	4,65,000	1,00,000	1,70,000	3,00,000	1,70,000	2,70,000	14,75,000
	Total Managerial Remuneration							14,75,000
	Ceiling as per the Act							6,44,64,960

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Goutam Ray Chowdhury (Company Secretary)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,86,800	41,86,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission	–	–
	- as % of profit	–	–
	others, specify...	–	–
5.	Others, please specify	–	–
	Total	42,19,200	42,19,200

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

On behalf of the Board

Bikram Nag

*Joint Executive Chairman
& Managing Director*

Dr. Rathindra Nath Mitra

Director

Registered Office :
14, Taratala Road
Kolkata - 700 088
Dated : 26 May 2017

ANNEXURE - E

PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given hereunder.

1) The ratio of remuneration of each director to the median remuneration of the employees of the Company

Name	Ratio of remuneration to Median remuneration of employee (including whole time directors)
Mr. Bijon Nag	16.61
Mr. Bikram Nag	Not applicable
Mr. Sudam Maitra	18.87
Mr. Prabir Chatterjee	13.83

2) Percentage increase in remuneration of each director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary in the financial year 2016-17

Name	Designation	% increase in remuneration in the Financial Year
Mr. Bijon Nag	Executive Chairman	104.6 *
Mr. Sudam Maitra	Deputy Managing Director	6.71
Mr. Prabir Chatterjee	Director and CFO	Nil
Mr. G Ray Chowdhury	Company Secretary	Nil

* Earlier his remuneration was low and the remuneration has been increased to make it comparable with other Executive Directors.

3) Percentage increase in the median remuneration of employees in the financial year 2016-17 :

The median remuneration of employees (including whole time directors) was Rs. 5.09 lacs and Rs. 4.92 lacs in financial year 2016-17 and 2015-16 respectively. The increase in median remuneration was 3.46%.

4) The number of permanent employees on the rolls of the Company as on 31 March 2017 is 1646 nos.

5) Explanation on the relationship between average increase in remuneration and the company performance

The average increase in remuneration is commensurate with the company's growth and the policy of retention of talent.

6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Aggregate Remuneration of Key Managerial Personnel (KMPs) as defined u/s 203 of the Companies Act, 2013 in the year 2016-17	Rs. 293.17 lacs
Total Revenue	Rs. 175,187 lacs
Aggregate Remuneration of KMPs as a % of Total Revenue	0.17%

7) Variations in the Market Capitalisation of the Company, Price Earning Ratio as at closing date of the Current financial year and previous financial year

Particulars	31 March 2017	31 March 2016	% Variation
Market Capitalisation (Rs. Lacs)	262,197	128,809	103.55
Price Earnings Ratio	51.44	41.07	25.25

8) Percentage Increase in the Market Quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer :

The closing price of the Company's Equity shares on the NSE and BSE as at 31 March 2017 was **Rs. 647.10** and **Rs. 643.80** respectively, representing a 488.27% (NSE) and 485.27% (BSE) increase over the last public offer in December 1993.

9) Average percentage increase in salaries of employees other than managerial personnel in the last Financial year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration :

Average percentage increase in salaries of employees other than managerial personnel during 2016-17	8.51%
The percentage increase in the Managerial Remuneration	14.68%

10) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Name	Designation	Remuneration for FY 2016-17 Rs. in Lacs	Remuneration as a % of Total Revenue	Remuneration as a % of Profit before tax
Mr. Bijon Nag	Executive Chairman	84.52	0.05	1.37
Mr. Bikram Nag	Managing Director	NOT APPLICABLE		
Mr. Sudam Maitra	Deputy Managing Director	96.05	0.05	1.55
Mr. Prabir Chatterjee	Director and CFO	70.41	0.04	1.14
Mr. G Ray Chowdhury	Company Secretary	42.19	0.02	0.68

11) Key parameter for any variable component of remuneration availed by the Directors :

No variable component of remuneration was availed by the directors.

12) The Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year

Name of the Employee receive remuneration in excess the highest paid director during the year	Remuneration for 2016-17 (Rs. Lacs)	Ratio to the highest paid director
Mr. Seungki Bae	311.08	3.24
Mr. Hwan Myung	83.72	*
Mr. Dong Shin	64.13	*
Mr. Jin Kim	65.61	*
Mr. Hak Kim	113.72	1.18

* not ascertainable as employment for part of the year.

13) Affirmation that the remuneration is as per the remuneration policy of the Company :

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the information on employees' particulars of employees drawing remuneration in excess of the limits set out in the said rules which is available for inspection of Members at the Corporate office of the Company during business hours on working days, except Saturday up to the date of ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

On behalf of the Board

Bikram Nag

Joint Executive Chairman

& Managing Director

Dr. Rathindra Nath Mitra

Director

Registered Office :

14, Taratala Road

Kolkata - 700 088

Dated : 26 May 2017

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Rs. in lacs)

Sl. No.	1
Name of the subsidiary	Trishan Metals Private Limited
The date since when subsidiary was acquired	11 July 2016
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as holding company ie., 31 March 2017
Reporting currency	Indian Rupees
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	–
Share capital	2,347.40
Reserves and surplus	(2,073.35)
Total assets	2,976.53
Total Liabilities	2,976.53
Investments	252.67
Turnover	3,356.20
Loss before taxation	(552.33)
Provision for taxation	284.90
Loss after taxation	(837.23)
Proposed Dividend	–
Extent of shareholding (in percentage)	51.12%

Notes :

1. There are no subsidiaries which are yet to commence operations
2. There are no subsidiaries which have been liquidated or sold during the year.

Form AOC-1

Part B Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures**

Since there are no associates and joint ventures as at 31 March, 2017, the information required in Part B has not been furnished.

Notes :

1. There are no associates or joint ventures which are yet to commence operations.
2. There are no associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board

Joint Executive Chairman and Managing Director

Director

Director and Chief Financial Officer

Company Secretary

Kolkata

26 May 2017

Bikram Nag

Dr. Rathindra Nath Mitra

Prabir Chatterjee

G. Ray Chowdhury

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR")]

1) Company's philosophy on code of Governance

The Company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company is of the view that Good Corporate Governance is an optimum mix of regulatory compliances as well as voluntary disclosures and practices.

The Company is focused on attaining the highest levels of transparency, fairness, accountability and integrity in its dealings with all the constituents of its business i.e. the stakeholders. Towards this end, substantial disclosures on the Board of Directors and its Committees, financial and stock performance has been made in this Annual Report.

2) Board of Directors

A) Composition of the Board of Directors as on 31 March 2017 is as follows :

The Board of Directors of the Company had an optimum combination of Executive, Non-Executive and Independent Directors. However on account of sad demise of Mr. Radharaman Bhattacharya, Independent Director, on 26 March 2017 and resignation of Dr. Tridibesh Mukherjee, Independent Director, from the Board of the Company on 31 March 2017, the Composition of the board as on 31 March 2017 is not as per Regulation 17(1)(b) of SEBI (LODR).

Category	No. of Directors	%
Executive Directors	4	50.00
Non-Executive & Independent Directors	3	37.50
Non-Executive & Non-Independent Director	1	12.50
Total	8	100.00

B) Particulars of Directorships & Committee Chairmanship/Membership of other Companies & Attendance at the Board Meetings & Last AGM held on 22 July 2016

Name	Executive/ Non-Executive	Independent/ Non- independent	No. of Board Meetings attended during 2016-17	Last AGM Attended	No. of Directorships in other Indian Public Limited Companies as on 31 March 2017*	No. of Committee position held in other Indian public limited Companies as on 31 March 2017**	
						Chairman	Member
Mr Bijon Nag (Executive Chairman)	Executive	Non- Independent	3	Yes	1	NIL	NIL
Mr Bikram Nag (Joint Executive Chairman & MD)	Executive	Non- Independent	6	Yes	2	NIL	NIL
Mr Prabir Chatterjee	Executive	Non- Independent	5	Yes	1	NIL	NIL
Mr Sudam Maitra	Executive	Non- Independent	6	Yes	2	NIL	NIL
Mr Sudip Banerjee	Non-Executive	Non- Independent	7	Yes	2	NIL	2
Dr Tridibesh Mukherjee (resigned on 31.03.2017)	Non-Executive	Independent	6	No	4	NIL	3

Name	Executive/ Non-Executive	Independent/ Non-independent	No. of Board Meetings attended during 2016-17	Last AGM Attended	No. of Directorships in other Indian Public Limited Companies as on 31 March 2017*	No. of Committee position held in other Indian public limited Companies as on 31 March 2017**	
						Chairman	Member
Mr Raganatharao Muralidhar	Non-Executive	Independent	4	Yes	-	NIL	NIL
Mr Radharaman Bhattacharya (expired on 26.03.2017)	Non-Executive	Independent	7	Yes	-	NIL	NIL
Ms. Sangeeta Shankaran Sumesh	Non-Executive	Independent	6	Yes	-	NIL	NIL
Dr Rathindra Nath Mitra	Non-Executive	Independent	7	Yes	-	NIL	NIL

* Number includes only Public limited companies as per Companies Act, 2013.

** Only Membership/ Chairmanship of Audit Committee, Investor Grievance and Stakeholder's Relationship Committee have been considered.

None of the Directors held directorship in more than 10 Public Limited Companies and/or were members of more than 10 committees or acted as Chairman of more than 5 committees across all Public Limited Companies in which they were Directors.

None of the Independent Directors served as Independent Director in more than 7 listed Companies.

The Executive Directors were not Independent Directors of any other listed Company.

No Director is related to any other Director on the Board except Mr. Bikram Nag and Mr. Bijon Nag in terms of the definition of "Relative" given under the Companies Act, 2013.

No shares or any other convertible instrument is held by any Non-Executive Director during the year.

C) Board Meetings held in the financial year 2016-2017

The Board meets at least once in a quarter in order to consider amongst other business, the quarterly performance of the Company and its financial results. The gap between any two meetings does not exceed 120 days.

During the year under review seven meetings were held on following dates :

20 April 2016, 18 May 2016, 01 July 2016, 21 July 2016, 27 October 2016, 31 January 2017 and 25 March 2017.

D) Independent Directors :

The Company has complied with the definition of Independent Director as per "SEBI LODR" and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

i) Training of Independent Directors :

Whenever new Non-executive and Independent Directors are inducted on the Board, they are introduced to our Company's culture through appropriate session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website at <http://ifbindustries.com/financial.php>.

ii) Performance evaluation of Non-Executive and Independent Directors

The Board evaluates the performance of Non-Executive and Independent Directors which has been recommended by Nomination and Remuneration Committee. All the Non-executive and Independent

Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

iii) Separate Meeting of the Independent Directors :

The Independent Directors held a Meeting on 31 March 2017, without the attendance of Non-Independent Directors and members of Management. Three out of four Independent Directors were present at the meeting.

iv) Familiarisation program for Independent Directors

The familiarisation of the Independent Directors is done by the Managing Director/ Executive Director / Sr. Management Personnel who conducts presentations/ programmes to familiarise the Independent Directors with the operations and functioning of the Company.

Such presentation/ programs enable the Independent Directors to directly interact with senior leadership of the company and help them to know Company's strategy, business model, product, market, finance, human resource, technology and such other areas as may arise from time to time. Presentations cover annual results, budgets, policies, internal audit etc.

The presentation/ program familiarizes the Independent Directors with their role, rights and responsibilities specified under the Companies Act and the "SEBI (LODR)". The Web link of the familiarization programme is given under the official website of the company under the web link: http://ifbindustries.com/pdf/BOARD_COMMITTEES.pdf

The Company is also conducting familiarisation program whenever a new Independent Director is inducted on the Board of the Company.

E) Code of conduct

The Board of IFB has laid down a revised code of conduct for all Board members and Senior Management of the Company. The Code of Conduct is available on the website of the Company under the web link: <http://ifbindustries.com/legal.php>. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct.

3. Audit Committee

A) Terms of Reference

The Audit Committee is responsible for reviewing with the management the financial statements and adequacy of internal audit function and to discuss significant internal audit findings. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The broad terms of reference of this Committee cover the matters specified for Audit Committees under section 177 of the Companies Act, 2013 as well as "SEBI (LODR)" :

- i) Overview of the Company's financial reporting processes and financial information disclosure;
- ii) Review with the Management, the annual and quarterly financial statements before submission to the Board; matters to be included into the Director Responsibility Statement;
- iii) Monitoring the auditor's independence and performance, and effectiveness of audit process;
- iv) Review with the Management, the Internal and External Audit Reports and the adequacy of internal control systems and risk management systems;
- v) Review the adequacy and effectiveness of accounting and financial controls of the company, compliance with the Company's policies and applicable laws and regulations;
- vi) Review the functioning of the Whistle Blower Mechanism;

- vii) Recommending the appointment and removal of External Auditors and fixation of audit terms;
- viii) Review of utilisation proceeds raised from Public/Right issue.

B) Composition, Name of members, Number of meetings, Chairman and attendance of the Audit Committee during the financial year 2016-17 :

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Chairman	4	4
Mr. Prabir Chatterjee	Member	4	4
Mr. Radharaman Bhattacharya	Member	4	4

- The Company Secretary acted as the 'Secretary' to the Audit Committee.
- The Chairman of the audit committee is an Independent Director.

C) No. of Meetings held during the year

During the year under review four meetings were held of the members of the Committee which are as follows :
17 May 2016, 20 July 2016, 26 Oct 2016 and 30 Jan 2017.

M/s Deloitte Haskins & Sells, Statutory Auditors, PWC, Internal Auditors & in house Internal Auditors of the Company are invited to attend the Audit Committee Meetings.

The Minutes of the Audit Committee are circulated to all the members of the Board.

4. Nomination and Remuneration Committee :

A) Terms of reference :

This Committee identifies the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and also carries out evaluation of each director's performance. The Committee also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

B) Composition, Name of members, Number of meetings, Chairman and attendance of the Nomination and Remuneration Committee during the financial year 2016-17 :

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Chairman	4	4
Mr. Ranganatharao Muralidhar	Member	4	2
Mr. Sudip Banerjee	Member	4	4

C) No. of meetings held during the year

During the year under review four meetings were held on 20 April 2016, 17 May 2016, 26 October 2016 and 30 January 2017.

D) Nomination and Remuneration Policy :

The Nomination and Remuneration policy may be referred to at the Company's official website at the web link http://ifbindustries.com/nomination_remuneration_policy.php.

E) Remuneration paid or payable to Directors for the year ended 31 March 2017 are as follows :

(Rs.)

Name of Director	Sitting Fees	Salary and Perquisites	Total	Stock Option granted
Mr. Bijon Nag	-	84,52,281	84,52,281	NIL
Mr. Bikram Nag	-	-	-	NIL
Mr. Prabir Chatterjee	-	70,40,856	70,40,856	NIL
Mr. Sudam Maitra	-	96,05,133	96,05,133	NIL
Dr. Rathindra Nath Mitra	4,65,000	-	4,65,000	NIL
Dr. Tridibesh Mukherjee	1,70,000	-	1,70,000	NIL
Mr. Ranganathrao Muralidhar	1,00,000	-	1,00,000	NIL
Mr. Radharaman Bhattacharya	3,00,000	-	3,00,000	NIL
Ms. Sangeeta Shankaran Sumesh	1,70,000	-	1,70,000	NIL
Mr. Sudip Banerjee	2,70,000	-	2,70,000	NIL
Total	14,75,000	2,50,98,270	2,65,73,270	

- No severance fee is payable, no stock option has been given and no performance bonus is granted.
- Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non – executive Directors.

5. Corporate Social Responsibility (CSR) Committee

A) Terms of reference

The Committee formulates and recommend to the Board a CSR Policy. Committee framed a mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR Policy from time to time. This policy has been placed in the website of the company at the weblink, http://www.ifbindustries.com/csr_policy.php

B) No of meetings held during the year

During the year the Committee had one meeting i.e. on 26 October 2016.

C) Composition, Name of Members and Attendance

The CSR Committee of the company consists of Non-Executive, Independent and Executive Director :

Name of Director	Position	No of Meetings held	No of Meetings attended
Dr. Rathindra Nath Mitra	Chairman	1	1
Mr. Sudip Banerjee	Member	1	1
Mr. Prabir Chatterjee	Member	1	1

6. Risk Management

This part is covered under the Directors' Report.

7. Investor's Grievance & Stakeholder's Relationship Committee :

A) Terms of reference :

The terms of reference of the Committee includes the following :

- To review all complaints recorded in SCORES of SEBI and replies made to the same by the RTA/Company Secretary.

- b) To receive report on all complaints recorded in SCORES of the Registrar and Share Transfer Agent and note the corrective actions taken by the Registrars.
- c) To take action of all grievances and complaints lodged by stock exchange, shareholder associations and other bodies.
- d) To review grievances of other Stakeholders of the Company given in their individual capacity.
- e) Overview activities relating to Share maintenance and related work.

B) Composition and attendance of the Stakeholder's Grievance Committee during the financial year 2016-17 :

Name of Members	Executive/ Non-Executive	Member/ Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Non-Executive	Chairman	21	21
Mr. Prabir Chatterjee	Executive	Member	21	21

In view of compulsory trading of shares in dematerialized form and consequent lowering of volume of physical transfers there were very few complaints which were adequately addressed to at the level of the Compliance Officer and CB Management Services (P) Ltd., the Registrar & Shares Transfer Agent of the Company for shares both in physical and demat modes.

C) No. of Meetings Held during the year

During the year under review twenty one meetings were held on the following dates :

13 May 2016, 30 May 2016, 14 June 2016, 27 June 2016, 05 July 2016, 14 July 2016, 25 July 2016, 10 August 2016, 22 August 2016, 01 September 2016, 22 September 2016, 29 September 2016, 02 November 2016, 18 November 2016, 30 November 2016, 30 December 2016, 21 January 2017, 21 February 2017, 02 March 2017, 10 March 2017 and 20 March 2017.

D) Complaints

No. of shareholders complaints received so far	1
No. of complaints not solved to the satisfaction of shareholders	0
No. of pending complaints	0
No. of Complaint disposed off	1

E) Name, Designation and Address of the Compliance Officer :

Mr. G Ray Chowdhury, Company Secretary
IFB Industries Limited
Plot No IND-5 Sector 1,
East Kolkata Township
Kolkata - 700 107
Tel : (033) 39849524
Fax : (033) 24421003
E-Mail : investors@ifbglobal.com

8. General Body Meetings :

A) Location and time where last three AGMs were held :

Annual General Meeting	Date	Time	Venue of the AGM	No of Special Resolutions passed
40th Annual General Meeting	22 July 2016	9.30 A.M	Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156.	1
39th Annual General Meeting	31 July 2015	9.30 A.M	Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156.	4
38th Annual General Meeting	30 July 2014	9.30 A.M	Club Ecovista, Ecospace Business Park, Premises No.2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156	1

B) Whether any special resolution passed in the previous three AGMs : Yes

C) Whether any special resolution passed last year through postal ballot : No

i) Details of voting pattern : Not Applicable

ii) Person who conducted the postal ballot exercise : Not Applicable

D) Whether any special resolution is proposed to be conducted through postal ballot : No

E) Procedure for postal ballot :

Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process under the Companies Act, 2013 and Rules made there under, if any. : Not Applicable

9. Means of communication :

The quarterly, half yearly and annual results of the Company are forthwith communicated to the Stock Exchanges with whom the Company has listing agreements as soon as the results are approved and taken on record by the Board of Directors of the Company. Further, the results are generally published in leading newspapers such as Business Standard (English) and Aajkal (Bengali). Presentation of quarterly results were made to the Stock Exchanges & also in company website during the year 2016-17. Investor's calls on such presentations were duly attended and redressed by company representative.

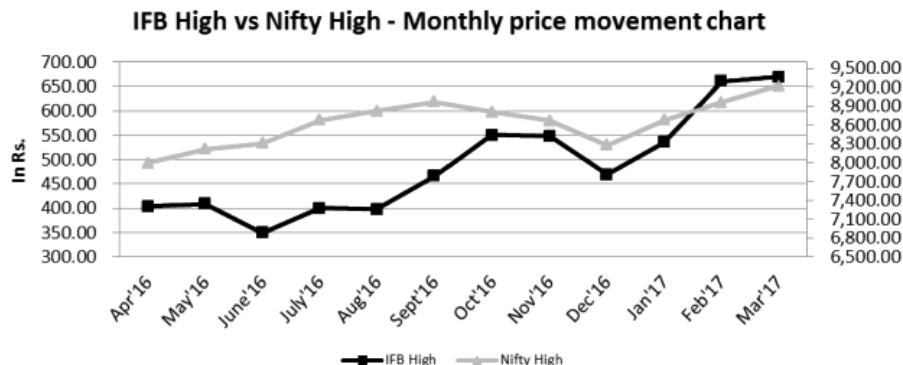
The quarterly, half-yearly and annual financial results and Official News releases are posted in respective Stock Exchange websites and also on the website of the Company.

10. General Shareholder Information :

- i) **41st AGM date, time and venue** : 28 July 2017
At. 9.30. A.M
Club Ecovista, Ecospace Business Park,
Premises No. 2F/11, Action Area II,
Rajarhat, New Town, Kolkata 700156.
- ii) **Financial Year** : 01 April 2016 to 31 March 2017.
- iii) **Book Closure date** : 22 July 2017 to 28 July 2017 (both days inclusive)
- iv) **Dividend payment date** : Dividend is not recommended.
- v) **Listing on Stock Exchange** : a) Bombay Stock Exchange Limited (BSE)
b) The National Stock Exchange of India Limited (NSE)
c) The Calcutta Stock Exchange Association Limited (CSE)
(applied for delisting)
- vi) **Listing Fees to Stock Exchange** : The listing Fees for NSE, BSE & CSE has been paid within
time limit for the year 2017-18.
- vii) **Stock Code** : BSE : 505726
NSE : IFB IND
CSE : 10019067
- viii) **Market Price Data (In Rupees)** : Monthly High and Low quotation along with the volume of
shares traded at National Stock Exchange of India Ltd
during the Financial Year 2016-17.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
Period	Monthly Low (Rs.)	Monthly High (Rs.)	Monthly Volume
April-16	314.00	403.50	561211
May-16	329.00	409.00	524315
June-16	309.00	349.45	308891
July-16	330.00	400.00	585766
August-16	373.00	398.00	362049
September-16	362.00	466.00	584505
October-16	414.00	550.00	571110
November-16	365.00	548.00	551899
December-16	408.00	469.00	376851
January-17	446.10	535.35	453830
February-17	520.00	660.00	957488
March-17	589.00	669.00	402257

- ix) Share price performance in comparison to broad based indices- NSE High V/S NIFTY High on a month to month basis



- x) **Registrar & Share Transfer Agent** : CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel : (033) 4011 6700/2280 6692/2282 3643/2287 0263
Fax : (033) 4011 6739, E-mail : rta@cbmsl.com
Website :www.cbmsl.com

xi) Share Transfer System

In order to expedite the process, the Board of Directors has also delegated the authority to approve the share transfers to the Company Secretary of the Company. The transactions of shares held in Demat and Physical form are handled by the Company's Depository Registrar, CB Management Services (P) Ltd.

Shares transferred in physical form during the years are as follows :

Particulars	2016-17	2015-16
Shares Transferred	1007	15519
Total No. of Shares	4,05,18,796	4,05,18,796
% on Share Capital	0.00	0.04

xii) Distribution of Shareholding & Shareholding Pattern :

A) Distribution of Shareholding as on 31 March 2017 :

No. of Equity Shares Held	As on 31 March 2017				As on 31 March 2016			
	No. of share holders	% of Share holders	No. of Shares	% of Share holding	No. of share holders	% of Share holders	No. of Shares	% of Share holding
1-500	15188	93.90	14,06,382	3.47	15739	94.14	14,70,568	3.63
501-1000	472	2.92	3,68,115	0.91	469	2.81	3,65,904	0.90
1001-2000	195	1.21	2,95,049	0.73	204	1.22	3,13,045	0.77
2001-3000	94	0.58	2,44,115	0.60	91	0.54	2,36,045	0.58
3001-4000	40	0.25	1,43,688	0.35	37	0.22	1,32,370	0.33
4001-5000	40	0.25	1,90,198	0.47	28	0.17	1,34,015	0.33
5001-10000	63	0.39	4,64,069	1.15	61	0.37	4,47,642	1.11
10001 and above	82	0.50	3,74,07,180	92.32	89	0.53	3,74,19,207	92.35
Total	16,174	100.00	4,05,18,796	100.00	16,718	100.00	4,05,18,796	100.00

B) Shareholding Pattern as on 31 March 2017 :

	No. of Shares	% of total
Indian Promoters	3,03,73,199	74.96
Mutual Funds/UTI	36,29,029	8.96
Banks, Financial Institutions & Insurance companies	9,658	0.02
Foreign Portfolio Investor	6,72,157	1.66
Private Corporate Bodies	19,57,716	4.83
Indian Public	38,04,335	9.39
Non –Resident Indians	47,374	0.12
Clearing Members	25,328	0.06
Total :	4,05,18,796	100.00

xiii) Dematerialization of shares :

As on 31 March 2017, 97.67% of the Company's total shares representing 3,95,75,441 shares were held in dematerialised form and the balance 2.33% representing 9,43,355 shares were held in physical form.

xiv) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is exposed to foreign currency risk for the raw materials, finished goods and capital goods that it imports and export of finished goods and engages in foreign currency hedging with banks by way of currency forward contracts in order to protect its foreign exchange exposure arising from its foreign-currency denominated purchase in terms of the foreign exchange risk management policy of the Company.

xv) Outstanding GDRs/ADRs/Warrants or any convertible instruments

: The Company has not issued any Convertible instruments, GDRs/ ADRs/Warrants.

xvi) Plant locations

: 14 Taratolla Road, Kolkata - 700 088
JL-71, P.O. Bishnupur, Gangarampur, West Bengal
L-1, Verna Electronic City, Verna, Selcete, Goa - 403 722
62, 64 & 66, CorlimIndl. Estate, Corlim Ilhas, Goa - 403 110
16/17, VisveswariahIndl. Estate, Whitefield Road, Bangalore - 560 048

xvii) Address for correspondence

: Corporate Office
Plot No. IND 5, Sector I,
East Calcutta Township, Kolkata - 700 107.
Tel. : (033) 39849475, Fax : (033) 39849676
E-mail : investors@ifbglobal.com

11. Other Disclosures :

A) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with interests of the Company. Transactions with the related parties are disclosed in Note No. 35 "Notes to Financial Statements" annexed to the Financial Statements for the year. The Policy on Related Party has been given under Company's official website under the web link: http://ifbindustries.com/csr_policy.php

B) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter related to capital markets during the last 3 years: None.

- C) The financial statements for the year 2016-17 have been prepared in accordance with the applicable accounting standards prescribed by The Institute of Chartered Accountants of India and there are no deviations.
- D) The Board has noted and reviewed the Compliance Reports of all laws applicable to the Company, which were placed before each of its meeting held during the year 2016-17.
- E) The Company has adopted Whistle Blower/Vigil Mechanism Policy for Directors and employees which has been placed in the website of the Company under the web link http://www.ifbindustries.com/vigil_mechanism.php. No personnel has been denied access to the Audit Committee.
- F) The Company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate risk.

G) Reconciliation of Share Capital Audit :

A Qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit during the financial year 2016-17 on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the Total Paid up Share Capital is in agreement with the total No. of Shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.

- H) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI LODR. However, due to sudden demise of Radharaman Bhattacharya on 26 March 2017 & resignation of Dr. Tridibesh Mukherjee on 31 March 2017, both are Independent Directors, the composition of the board is not as per Regulation 17(1)(b) of SEBI (LODR). The Company is taking steps to fill the vacancies at the earliest.

This Corporate Governance Report of the Company for the year 2016-17 as on 31 March 2017 are in compliance with the requirements of Corporate Governance under SEBI LODR as applicable.

12. Requirement under PART E of Schedule II

i) The Board

It is not applicable as the company is having one Executive Chairman.

ii) Shareholders' Rights

The Company's financial results are published in the newspaper and also posted on its website (www.ifbindustries.com). Hence, Financial Results are not sent to the Shareholders. However the Company furnishes the financial results on receipt of request from the shareholders.

iii) Modified opinion in Audit Report

Statutory Auditors have provided an unmodified opinion in their Audit Reports on the Financial for Standalone and Consolidated Reports of IFB Industries Ltd for the year ended 31 March 2017.

iv) Separate Post of Chairman and Chief Executive Officer

The Company has appointed separate persons as Chairman and Managing Director.

v) Reporting of Internal Auditor

PWC & the Company's Internal Auditor reports directly to the Audit Committee.

For and on behalf of the Board of Directors

Bikram Nag

*Joint Executive Chairman
& Managing Director*

Dr. Rathindra Nath Mitra

Director

Place : Kolkata

Dated : 26 May 2017

CERTIFICATION BY CHIEF EXECUTIVE OFFICERS (CEOs) AND CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17(8) OF (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have reviewed the financial statements and the cash flow of **IFB Industries Limited** ('the Company') for the year ended 31 March 2017 and 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to Company's code of conduct.

We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify the deficiencies.

There has not been any significant changes in the Internal Control over financial reporting during the year.

There has not been any significant change in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements:

We are not aware of any instances during the year of fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

We further declare that all Board members and senior management personnel have affirmed compliance with the code of conduct for board of directors and senior management.

Yours truly,

Place : Kolkata
Date : 26 May 2017

Partha Sen
Chief Executive Officer
Engineering Division

Raj Shankar Ray
Chief Executive Officer
Home Appliance Division

Prabir Chatterjee
Director and
Chief Financial Officer

INDEPENDENT AUDITORS' CERTIFICATE on Corporate Governance

To the Members of **IFB Industries Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 August, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of IFB INDUSTRIES LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in Listing Regulations.

Auditor's responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31 March, 2017.
9. We 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 26 May 2017

Independent Auditor's Report to the Members of IFB INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IFB INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the, accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in accordance with the generally accepted accounting practice - also Refer Note 33(B) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 26 May 2017

ANNEXURE “A” to the Independent Auditor’s Report

(Referred to in paragraph I(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **IFB INDUSTRIES LIMITED** (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm Registration No. 302009E)

Abhijit Bandyopadhyay

Partner

(Membership No. 054785)

Place : Kolkata

Date : 26 May 2017

ANNEXURE “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans and are held in the name of the Company has been subsequently released on 20 April 2017, necessary documents of release and original deeds has been verified. In respect of immovable properties of leasehold lands which have been taken on lease and buildings constructed by the Company at its own cost on such leasehold lands and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
 - (vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us, in respect of statutory dues :
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2017 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (Rs. in Lacs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2008-09 to 2010-11 and 2012-13 to 2014-15	340
Central Excise Act, 1944	Excise duty including penalty	Commissioner Appeals	2010-11 to 2013-15	31
		Assistant Commissioner Central Excise and Service Tax Appellate Tribunal	2004-05 to 2009-10 and 2012-13 to 2013-14	59 ^(a)
Central Sales Tax Act and Local Sales Tax Act	Sales Tax including trade tax	Assessment officer	1991-92 to 1994-95 and 2007-08 to 2011-12	179 ^(b)
		Assistant Commissioner	2002-03	1
		Additional Commissioner	2008-09 and 2009-10	10
		Commissioner Appeal	2011-12	12
		Deputy Commissioner (Appeals)	2009-10 and 2010-11	1 ^(c)
		Deputy Commissioner	2013-14	1 ^(d)
		Trade Tax Tribunal	1999-2000	1 ^(e)
		Joint Commissioner	2006-2007	0 ^(f)
		Commercial Tax Appellate Board	2009-10	42 ^(g)
		Sr. Jt. Commissionerate, Corporate division	2013-14	69
		Appellate Tribunal	2002-03 to 2005-06	15 ^(h)
		High Court	2007-08 to 2013-14	369
		Supreme Court	2001-02 to 2002-03	62 ⁽ⁱ⁾
Customs Act, 1962	Customs duty	Additional Director General, Directorate of Revenue Intelligence	2008-2012	2
The Finance Act, 1994	Service Tax and Penalty	Customs & Central Excise Commission (Appeals)	2006-2008	41
		Assistant Commissioner	2013-2015	7
		Central Excise and Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2011-12	531

^(a) Net of Rs. 7.07 Lacs paid under protest

^(b) Net of Rs. 0.59 Lacs paid under protest

^(c) Net of Rs. 0.78 Lacs paid under protest

^(d) Net of Rs. 0.21 Lacs paid under protest

^(e) Net of Rs. 0.47 Lacs paid under protest

^(f) Net of Rs. 1.15 Lacs paid under protest

^(g) Net of Rs. 16.25 Lacs paid under protest

^(h) Net of Rs. 56.31 Lacs paid under protest

⁽ⁱ⁾ Net of Rs. 82.96 Lacs paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 26 May 2017

Balance Sheet as at 31 March 2017

	Notes	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,128	4,128
Reserves and surplus	3	42,629	37,705
		46,757	41,833
Non-current liabilities			
Long-term borrowings	4	1,875	100
Deferred tax liabilities (net)	5	2,884	2,580
Other long-term liabilities	6	886	723
Long-term provisions	7	3,000	2,925
		8,645	6,328
Current liabilities			
Short-term borrowings	8	348	1,540
Trade payables	9		
(A) Total outstanding dues of micro and small enterprises		475	283
(B) Total outstanding dues of creditors other than micro and small enterprises		25,838	22,387
Other current liabilities	10	8,366	6,185
Short-term provisions	7	597	587
		35,624	30,982
		91,026	79,143
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	11	28,616	26,115
- Intangible assets	12	1,885	1,275
- Capital work-in-progress		801	1,258
- Intangible assets under development		588	1,119
Non current investments	13	1,200	-
Long-term loans and advances	14	7,798	7,279
Other non-current assets	15	1	1
		40,889	37,047
Current assets			
Current investments	16	4,909	1,685
Inventories	17	23,488	21,441
Trade receivables	18	13,824	11,546
Cash and bank balances	19	4,638	4,816
Short-term loans and advances	14	3,224	2,527
Other current assets	15	54	81
		50,137	42,096
		91,026	79,143
Significant accounting policies	1		

See accompanying notes to the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata
26 May 2017

For and on behalf of the Board of Directors of **IFB Industries Limited**
Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**
Kolkata
26 May 2017

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

	Notes	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
INCOME			
Sale of manufactured products (gross)	20	1,60,146	1,34,700
Sale of traded products (gross)	20	65,003	56,883
Sale of products (gross)		2,25,149	1,91,583
Less: Trade schemes and discounts		43,218	35,356
Sale of products (net of trade schemes and discounts)		1,81,931	1,56,227
Sale of services	21	5,649	5,022
Other operating revenues:			
Scrap sales		2,220	2,235
Others		106	69
Revenue from operations (gross)		1,89,906	1,63,553
Less: Excise duty on sale of manufactured products		15,603	13,219
Less: Excise duty on scrap sales		238	240
Revenue from operations (net)		1,74,065	1,50,094
Other income	22	1,122	1,331
Total revenue		1,75,187	1,51,425
EXPENSES			
Cost of materials consumed	23	71,186	59,035
Purchase of stock-in-trade	20	30,734	25,357
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,378)	1,679
Employee benefit expenses	25	16,585	15,556
Finance costs	26	317	222
Depreciation and amortisation	11 & 12	4,363	4,537
Other expenses	27	47,199	41,523
Total expenses		1,69,006	1,47,909
Profit before tax		6,181	3,516
Tax expense :			
- Current tax	28	780	385
- Deferred tax		304	(5)
Profit for the year		5,097	3,136
Earnings per equity share (face value of Rs. 10 each)	29		
- Basic		12.58	7.74
- Diluted		12.58	7.74
Significant accounting policies	1		

See accompanying notes to the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata
26 May 2017

For and on behalf of the Board of Directors of **IFB Industries Limited**
Joint Executive Chairman and Managing Director **Bikram Nag**

Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
26 May 2017

Cash Flow Statement for the year ended 31 March 2017

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,181	3,516
Adjustments for:		
Depreciation and amortisation	4,363	4,537
Gain on disposal of fixed assets	(1)	(140)
Write-off of fixed assets	32	27
Write-off of debts/ advances	45	24
Allowance for doubtful debts and advances	23	4
Dividend from current investments	(68)	(41)
Net gain on sale of current investments	(164)	(556)
Write back of liabilities no longer required	(179)	(30)
Write back of provisions no longer required	(7)	(13)
Unrealised exchange gain	(43)	(27)
Interest income on bank deposits and others	(107)	(78)
Finance costs	317	222
Operating profit before working capital changes	10,392	7,445
Increase in trade payables	4,032	123
Increase in provisions	85	251
Increase in other liabilities	1,560	504
Increase in trade receivables	(2,343)	(2,487)
(Increase) / Decrease in other assets	27	(63)
Increase in loans and advances	(1,023)	(854)
(Increase) / decrease in inventories	(2,047)	872
Cash generated from operations	10,683	5,791
Income taxes paid	(1,421)	(917)
Net cash generated from operating activities	9,262	4,874
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed asset	(6,259)	(6,853)
Proceeds from disposal of fixed assets	1	269
Investment in subsidiary company	(1,200)	-
Purchase of current investments	(14,590)	(9,804)
Proceeds from sale of current investments	11,598	13,881
(Increase)/Decrease in other bank balances	(12)	327
Interest received	107	83
Net cash used in investing activities	(10,355)	(2,097)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	14,535	16,715
Repayment of borrowings	(13,327)	(18,578)
Finance costs	(305)	(221)
Net cash generated from / (used in) financing activities	903	(2,084)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(190)	693
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,756	4,063
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Refer Note 19A]	4,566	4,756

Note : The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 "Cash Flow Statements".

See accompanying notes to the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata
26 May 2017

For and on behalf of the Board of Directors of **IFB Industries Limited**
Joint Executive Chairman and Managing Director **Bikram Nag**
Director

Dr. Rathindra Nath Mitra
Director and Chief Financial Officer
Company Secretary
Prabir Chatterjee
G. Ray Chowdhury

Kolkata
26 May 2017

Notes to the financial statements for the year ended 31 March 2017

1. SIGNIFICANT ACCOUNTING POLICIES :

a. Background

IFB Industries Limited ("Company") is a Listed Public Limited company having its registered office in Kolkata. The Company is engaged in the business of manufacturing of fine blanked components and in manufacturing and trading of home appliances.

b. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The Company follows the accrual method of accounting under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements are presented in Indian rupees and rounded off to nearest lac.

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods

c. Revenue recognition

Revenue from sale of products is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customers, which generally coincides with their delivery to customers. Revenue from Sale of products is stated net of Value Added Tax/Sales Tax and sales return.

Revenue from services is recognised on a prorated basis over the period or as per the terms of the contract.

Interest on deposits is recognised on a time proportion basis taking into account the underlying interest rate.

Dividend income is recognised when the unconditional right to receive the income is established.

d. Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition/construction less depreciation and impairment losses. The cost of an asset comprises its purchase price and any other attributable cost incurred for bringing the asset to its working condition for its intended use.

Capital work-in-progress includes cost of assets not ready for their intended use and items under installation. In case of own manufactured items like tools, jigs, proportionate burden of overhead as applicable is also treated as part of cost.

Expenditure incurred on replacement/modification to fixed asset is capitalized only when such expenditure results in increase in the economic life of such asset.

e. Intangible assets

Intangible assets are recorded at the consideration paid for acquisition less amortization.

All upgradation/enhancements are charged off as revenue expenditure unless they bring significant additional benefits.

Expenditure on Intangible asset eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

Notes to the financial statements for the year ended 31 March 2017

f. Borrowing costs

Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are accounted as an expense.

g. Depreciation and amortisation

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the tools and moulds, in whose case the life of the assets has been assessed as 5 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The cost of leasehold land is amortised over the period of lease.

Intangible assets are amortised over the best estimate of its useful lives on a straight line basis. The estimated useful life currently ranges from 3 to 5 years.

h. Impairment of fixed assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined.

i. Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing exchange rate on that date and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items denominated in foreign currency are carried at cost.

j. Investments

Non-current investments are stated at cost, less diminution in value, if any other than temporary, determined on specific identification basis.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is carried out separately for each investment.

Profit or loss on sale of investment is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

k. Inventories

Inventory is valued at the lower of cost and net realizable value. Cost of inventories includes, cost of purchase,

Notes to the financial statements for the year ended 31 March 2017

cost of conversion and all other expenses incurred in bringing the goods to their present location and condition. Cost is ascertained using the weighted average method.

Fixed production overheads are allocated on the basis of normal capacity of production facilities.

l. Employee benefits

Contribution payable for provident fund and superannuation fund, which are defined contribution schemes are recognized as employee benefits expense in the Statement of Profit and Loss.

Post-employment benefits in the form of Gratuity, which is a defined benefit scheme, and other long term employee benefits in the form of leave encashment and accumulated sick leave are recognized as an expense in the Statement of Profit and Loss in the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using the projected unit credit method carried out by an independent actuary. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

m. Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the period specified by the Income Tax Act, 1961. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period

The Company offsets the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

n. Provision and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present

Notes to the financial statements for the year ended 31 March 2017

obligation and the likelihood of outflow of resources is remote, no provision or disclosure of contingent liability is made.

o. Government grants

Grants received from the Government authorities with reference to investments under investment subsidy schemes and no repayment are ordinarily expected in respect thereof are treated as capital reserve.

p. Segment

The Company discloses Business segment as the Primary segment. Segments have been identified taking into account the nature of products, the different risks and returns, the organisation structure and internal reporting system. The Company's operation predominantly relates to manufacture and trading of home appliances and fine blanking business. The Company primarily caters to the domestic market and export sales are not significant and accordingly there is no reportable secondary segment.

q. Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

r. Warranty

Warranty costs are estimated by the Management on the basis of a technical evaluation and based on specific warranties, claims and claim history. Provision is made for estimated liability in respect of warranty cost in the year of sale of goods.

Provision for warranty is expected to be utilized over a period of one to five years.

s. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash on hand, current account bank balances and bank deposit account balances (with maturity of three months or less as at the balance sheet date).

t. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

u. Forward exchange contracts

The premium or discount arising at the inception of forward exchange contracts entered into, to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

v. Research and development expenses

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the Statement of Profit and Loss in the year in which they are incurred.

Notes to the financial statements as at

2. Share capital

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Authorised		
6,50,00,000 (31 March 2016 : 6,50,00,000) equity shares of Rs.10 each	6,500	6,500
3,00,00,000 (31 March 2016 : 3,00,00,000) cumulative redeemable preference shares of Rs.10 each	3,000	3,000
	<u>9,500</u>	<u>9,500</u>
Issued, subscribed and paid-up		
4,05,18,796 (31 March 2016 : 4,05,18,796) equity shares of Rs.10 each, fully paid-up	4,052	4,052
Forfeited shares		
30,50,000 (31 March 2016 : 30,50,000) equity shares of Rs. 10 each, Rs. 2.50 paid-up	76	76
	<u>4,128</u>	<u>4,128</u>

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

	31 March 2017		31 March 2016	
	Nos	Rs. Lacs	Nos	Rs. Lacs
At the beginning of the year	4,05,18,796	4,052	4,05,18,796	4,052
At the end of the year	<u>4,05,18,796</u>	<u>4,052</u>	<u>4,05,18,796</u>	<u>4,052</u>

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

c. Details of shareholders holding more than 5% equity shares in the Company

	31 March 2017		31 March 2016	
	%	Nos	%	Nos
1. IFB Automotive Private Limited	46.54%	1,88,56,833	46.54%	1,88,56,833
2. Nurpur Gases Private Limited	14.83%	60,10,416	14.83%	60,10,416
3. Asansol Bottling & Packaging Company Pvt. Ltd.	8.31%	33,66,428	8.31%	33,66,428

Notes to the financial statements as at

3. Reserves and surplus

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Capital Reserve	25	25
Debt Restructuring Reserve	8,981	8,981
Capital Redemption Reserve	1,605	1,605
Share Premium Account	17,433	17,433
Revaluation reserve		
At the beginning of the year	173	173
Less: revaluation gain reversed during the year (*)	(173)	-
At the end of the year	-	173
Surplus in the statement of profit and loss		
At the beginning of the year	9,488	6,352
Add: Profit for the year	5,097	3,136
At the end of the year	14,585	9,488
	<u>42,629</u>	<u>37,705</u>

(*) As per transitional provision of Accounting Standard AS(10) "Property, Plant and Equipment" notified under Companies (Accounting Standards) Amendment Rules, 2016.

4. Long-term borrowings

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Term loan from a bank (Secured) (^)(*)	1,875	100
	<u>1,875</u>	<u>100</u>

(^*) Repayable in 16 equal quarterly installments from the end of the 15th month from the date of first disbursement i.e., 9 March 2016

(*) For sanction of term loan amounting to Rs 3,000 lacs by DBS Bank Ltd, following securities have been created:

First and exclusive floating charge over all present and future movable fixed assets of the Company's engineering division located at Kolkata and Bangalore stored or to be stored at the Company's godown or premises or wherever else the same may be.

Notes to the financial statements as at

5. Deferred tax liabilities (net)

		31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Deferred tax liabilities			
Fixed assets: Impact of difference between tax depreciation and depreciation and amortisation charged as per books		3,497	3,044
Total	(A)	<u>3,497</u>	<u>3,044</u>
Deferred tax assets			
Timing difference on account of :			
Allowance for doubtful debts and advances		26	21
Provision for employee benefits expense		518	374
Others		69	69
Total	(B)	<u>613</u>	<u>464</u>
Deferred tax liabilities (net)	(A)-(B)	<u><u>2,884</u></u>	<u><u>2,580</u></u>

6. Other long-term liabilities

		31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Others			
Income received in advance on annual maintenance contracts and extended warranty services		857	695
Security deposits		29	28
		<u>886</u>	<u>723</u>

7. Provisions

	Long-term		Short-term	
	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
(a) Provision for employee benefits :				
Gratuity (refer note 32)	629	458	–	–
Leave encashment (refer note 32)	275	668	–	98
Sick leave	216	175	42	35
Other leave	–	–	179	104
Total	<u>1,120</u>	<u>1,301</u>	<u>221</u>	<u>237</u>
(b) Others				
Warranty	1,880	1,624	376	350
	<u>1,880</u>	<u>1,624</u>	<u>376</u>	<u>350</u>
	<u>3,000</u>	<u>2,925</u>	<u>597</u>	<u>587</u>

Provision for warranty

The Company warrants that their products will perform in all material respects in accordance with the Company's standard specifications in effect at the time of delivery of the products to the customers for the warranty period. Accordingly based on specific warranties, claims and claim history the Company provides for warranty claims. The movements in the provision for warranty cost is as follows :-

Notes to the financial statements as at

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Provision for warranty		
As at the beginning of the year	1,974	2,143
Additional provision during the year	1,094	492
Less : Provision utilised during the year	812	661
As at the end of the year	2,256	1,974

8. Short-term borrowings

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Loans repayable on demand from banks (Secured)		
Capex buyers credits ^{(a)(b)(c)}	-	927
Bill Discounting ^(c)	348	613
	348	1,540

- (a) For sanction of capex letter of credit amounting to Rs 2,100 lacs by Standard Chartered Bank, following securities have been created:

- (i) Exclusive charge on plant and machinery financed by the bank
- (ii) First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).
- (iii) First and exclusive charge on the leasehold land and building of Goa (Verna) unit on all that piece and parcel of non-agricultural land bearing at No. L1 situated within the village panchayat of Nagoa, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa and registration sub district ILHAS in the state of Goa containing by admeasuring 48,695 square meters or thereabout.

- (b) For sanction of capex letter of credit amounting to Rs 1,000 lacs by Standard Chartered Bank, following securities have been created :

First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders) of the Company including without limitations its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc stored or to be stored at the Company's godown or premises situated at Plot no L-1, Verna Electronic City, Verna Industrial Estate, Goa - 403722 or wherever else the same may be.

For sanction of working capital facility amounting to Rs 9,000 lacs by Standard Chartered Bank, following securities have been created :

- (i) First charge on all current assets, both present and future.
- (ii) First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).
- (iii) Second charge on the leasehold land and building of Goa (Verna) unit on all that piece and parcel of non-agricultural land bearing at No. L1 situated within the village panchayat of Nagoa, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa and registration sub district ILHAS in the state of Goa containing by admeasuring 48,695 square meters or thereabout.

Notes to the financial statements as at

(c) For sanction of credit facilities amounting to Rs. 3,500 lacs by DBS Bank Ltd., following securities have been created :

- (i) Hypothecation by way of first pari passu and floating charge over goods being finished goods, semi-finished goods, stocks of raw-materials, work-in-process located at various factories/ warehouses/ godowns of the company and whether in transit or lying at any other place and hypothecation by way of first pari passu and floating charge over the company's present and future book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets.
- (ii) Hypothecation by way of exclusive charge over all present and future movable fixed assets of the engineering division of the Company including without limitation its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc. stored or to be stored at Company's godowns or premises situated at 14, Taratolla Road, Kolkata and 16/17, Visveswaraiyah Industrial Estate, Whitefield Road, Bangalore - 560048 (Engineering Division) or wherever else the same may be.

9. Trade payables

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Payable for goods		
(a) total outstanding dues of micro and small enterprises	475	283
(b) total outstanding dues of creditors other than micro and small enterprises	15,794	13,829
Payable for expenses		
(a) total outstanding dues of creditors other than micro and small enterprises	10,044	8,558
	<u>26,313</u>	<u>22,670</u>

10. Other current liabilities

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Current maturities of long-term debts (Refer Note 4)	625	-
Interest accrued but not due on borrowings	19	7
Income received in advance on annual maintenance contracts and extended warranty services	3,201	2,859
Other Payables :		
Security deposits	264	251
Advance from customers	895	580
Statutory liabilities	2,888	2,244
Payable on purchase of fixed assets	236	244
Others	238	-
	<u>8,366</u>	<u>6,185</u>

Notes to the financial statements as at

FIXED ASSETS

11. Tangible assets

Rs. Lacs

Particulars of Assets	Gross Block				Depreciation				Net Block	
	As at 31 March 2016	Additions	Adjustments/ disposals	As at 31 March 2017	As at 31 March 2016	For the year	Adjustments/ disposals	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
(a) Freehold land ^{(a)(b)}	711	–	(173)	538	–	–	–	–	538	711
Previous year	711	–	–	711	–	–	–	–	711	711
(b) Leasehold land	231	–	–	231	213	4	–	217	14	18
Leasehold land	218	–	–	218	203	4	–	207	11	15
R and D leasehold land	13	–	–	13	10	–	–	10	3	3
Previous year	233	–	(2)	231	208	5	–	213	18	25
(c) Building	6,421	934	–	7,355	2,665	212	–	2,877	4,478	3,756
Building	5,728	249	–	5,977	2,498	176	–	2,674	3,303	3,230
R and D building	693	685	–	1,378	167	36	–	203	1,175	526
Previous year	6,593	215	(387)	6,421	2,673	251	(259)	2,665	3,756	3,920
(d) Plant and machinery	41,622	4,656	(2,037)	44,241	21,437	3,352	(2,007)	22,782	21,459	20,185
Plant and machinery	39,944	4,428	(2,037)	42,335	21,074	3,219	(2,007)	22,286	20,049	18,870
R and D plant and machinery	1,678	228	–	1,906	363	133	–	496	1,410	1,315
Previous year	38,211	3,678	(267)	41,622	18,275	3,410	(248)	21,437	20,185	19,936
(e) Computers	1,037	393	(13)	1,417	725	144	(13)	856	561	312
Computers	934	362	(13)	1,283	654	123	(13)	764	519	280
R and D computers	103	31	–	134	71	21	–	92	42	32
Previous year	895	175	(33)	1,037	615	141	(31)	725	312	280
(f) Furniture and fixtures	1,806	636	(22)	2,420	720	204	(20)	904	1,516	1,086
Furniture and fixtures	1,761	339	(22)	2,078	693	186	(20)	859	1,219	1,068
R and D furniture and fixtures	45	297	–	342	27	18	–	45	297	18
Previous year	1,423	459	(76)	1,806	633	158	(71)	720	1,086	790
(g) Motor vehicles	68	11	–	79	21	8	–	29	50	47
Motor vehicles	49	–	–	49	19	5	–	24	25	30
R and D Motor vehicles	19	11	–	30	2	3	–	5	25	17
Previous year	60	19	(11)	68	24	8	(11)	21	47	36
Total	51,896	6,630	(2,245)	56,281	25,781	3,924	(2,040)	27,665	28,616	26,115
Previous year	48,126	4,546	(776)	51,896	22,428	3,973	(620)	25,781	26,115	25,698

(a) Freehold land includes an amount of Nil (31 March 2016 : Rs. 173 Lacs) resulting from revaluation in an earlier year. During the year adjustment includes Rs. 173 lacs being reversal of revaluation gain of earlier year. This is as per transitional provision of Accounting Standard AS(10) "Property, Plant and Equipment" notified under Companies (Accounting Standards) Amendment Rules, 2016.

(b) Freehold land includes an amount of Rs. 7 lacs (31 March 2016: Rs. 7 lacs) being assets given on operating lease.

R and D denotes research and development.

12. Intangible assets

Rs. Lacs

Particulars of Assets	Gross Block				Amortisation				Net Block	
	As at 31 March 2016	Additions	Adjustments/ disposals	As at 31 March 2017	As at 31 March 2016	For the year	Adjustments/ disposals	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
(a) Computer software	1,380	1,049	(1)	2,428	1,126	175	(1)	1,300	1,128	254
Computer software	1,215	938	(1)	2,152	1,004	130	(1)	1,133	1,019	211
R and D computer software	165	111	–	276	122	45	–	167	109	43
Previous year	1,145	238	(3)	1,380	938	191	(3)	1,126	254	207
(b) Technical knowhow	2,134	–	–	2,134	1,113	264	–	1,377	757	1,021
R and D technical knowhow	2,134	–	–	2,134	1,113	264	–	1,377	757	1,021
Previous year	2,134	–	–	2,134	740	373	–	1,113	1,021	1,394
Total	3,514	1,049	(1)	4,562	2,239	439	(1)	2,677	1,885	1,275
Previous year	3,279	238	(3)	3,514	1,678	564	(3)	2,239	1,275	1,601

R and D denotes research and development.

Notes to the financial statements as at

13. Non current investments

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Trade Investments (At cost)		
Investment in Equity Instruments (Unquoted)		
In Subsidiary		
Trishan Metals Private Limited (#)		
1,20,00,000 (31 March 2016 : Nil) Equity Shares of Rs. 10/- each, fully paid	1,200	-
	<u>1,200</u>	<u>-</u>

(#) The Company made strategic investment in Trishan Metals Private Limited on 11 July 2016 by participation in equity issue of 1,20,00,000 equity shares of Rs. 10/- each and there by acquired **51.12%** shareholding of the investee company.

14. Loans and advances

	Long-term		Short-term	
	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Unsecured, considered good				
Capital advances	275	715	-	-
Security Deposits	1,125	922	10	29
Loans and advances to related parties :				
- Deposits	218	219	-	-
- Loans and advances	2	-	305	139
Other Loans and advances :				
- Minimum alternate tax credit entitlement	3,511	2,966	-	-
- Advance income-tax (net of provision for income tax)	553	457	-	-
- Others (*)	2,114	2,000	2,909	2,359
	<u>7,798</u>	<u>7,279</u>	<u>3,224</u>	<u>2,527</u>
Unsecured, considered doubtful				
Security Deposits	14	14	-	-
Other loans and advances (*)	14	14	-	-
	<u>28</u>	<u>28</u>	<u>-</u>	<u>-</u>
Less : Allowance for doubtful advances	(28)	(28)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,798</u>	<u>7,279</u>	<u>3,224</u>	<u>2,527</u>
Loans and advances / deposits to related parties include:				
Advances/ deposit to a private company in which the Company directors are directors (refer note 35(a))	50	50	259	49

(*) includes balances with statutory authorities, employee advances, prepaid expenses, advances for goods and services, etc.

Notes to the financial statements as at

15. Other assets

	Non-current		Current	
	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Interest accrued on fixed deposits	1	1	2	2
Unamortised premium of forward contracts	-	-	52	28
Others	-	-	-	51
	<u>1</u>	<u>1</u>	<u>54</u>	<u>81</u>

16. Current investments (valued at lower of cost and fair value)

	31 March 2017		31 March 2016	
	Nos	Rs. Lacs	Nos	Rs. Lacs
Investments in mutual funds (unquoted)				
1. Kotak Low Duration Fund	72,503	1,400	-	-
- Standard Growth - Regular Plan (face value Rs. 10/-)				
2. ICICI Prudential Money Market Fund Option	11,86,073	1,188	6,47,645	649
- Direct Plan Daily Dividend (face value Rs. 100/-)				
3. Kotak Floater Short Term	32,430	851	-	-
- Direct Plan - Growth (face value Rs. 1000/-)				
4. Reliance Medium Term Fund	15,75,397	514	-	-
- Direct Growth Plan (face value Rs. 10/-)				
5. Reliance Regular Savings Fund - Debt Plan	27,80,694	506	27,80,694	506
- Growth Plan - Growth Option (face value Rs. 10/-)				
6. ICICI Prudential Flexible Income	69,350	200	-	-
- Growth Plan (face value Rs. 100/-)				
7. HSBC Income Fund	7,98,139	200	-	-
- Short term plan - Growth (face value Rs. 10/-)				
8. ICICI Prudential Liquid - Direct Plan	50,062	50	30,413	30
- Daily Dividend -Reinvest (face value Rs. 100/-)				
9. Reliance Fixed Horizon Fund - XXX - Series 9	-	-	50,00,000	500
- Direct Growth Plan. (face value Rs. 10/-)				
		<u>4,909</u>		<u>1,685</u>

Notes to the financial statements as at

17. Inventories (valued at lower of cost and net realizable value)

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Raw materials (refer note 23)	5,738	5,226
Work-in-progress (refer note 24)	1,116	1,051
Finished goods (refer note 24)	7,541	6,110
Stock-in-trade (refer note 24)	6,451	6,569
Stores and spare parts	2,642	2,485
	<u>23,488</u>	<u>21,441</u>
Inventories in transit included in Note 17 are as under :		
Raw materials	1,046	910
Stock-in-trade	2,050	1,565
Stores and spare parts	69	69
	<u>3,165</u>	<u>2,544</u>

18. Trade receivables

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Unsecured :		
Outstanding for a period exceeding six months from the date they are due for payment :		
Considered good	199	170
Considered doubtful	46	31
	<u>245</u>	<u>201</u>
Less : Allowance for doubtful debts	<u>(46)</u>	<u>(31)</u>
(A)	199	170
Others:		
Considered good	13,625	11,376
Considered doubtful	3	2
	<u>13,628</u>	<u>11,378</u>
Less : Allowance for doubtful debts	<u>(3)</u>	<u>(2)</u>
(B)	13,625	11,376
(A + B)	<u>13,824</u>	<u>11,546</u>

Trade receivables includes :

Dues from a private limited company in which the company directors are directors (refer note 35(a))	437	409
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Notes to the financial statements as at

19. Cash and bank balances

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Cash and cash equivalents :		
Balances with bank:		
Current accounts	4,265	4,482
Deposit accounts	26	20
Cheques on hand	229	201
Cash on hand	46	53
(A)	<u>4,566</u>	<u>4,756</u>
Other bank balances (*)		
Balance with bank in deposit accounts	50	39
Margin money deposits	22	21
(B)	<u>72</u>	<u>60</u>
(A + B)	<u><u>4,638</u></u>	<u><u>4,816</u></u>

(*) Other bank balances includes **Rs. 6 Lacs** (31 March 2016 : Rs. 6 Lac) with a maturity term of more than 12 months.

20. Details of gross sales and purchases of finished goods/stock-in-trade

	Gross sales		Purchases	
	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Finished goods :				
Press tools and dies	212	487	-	-
Fine blanked components and others	31,400	28,917	-	-
Motor	253	9	-	-
Home appliances :				
- Washing machines	1,26,443	1,03,795	-	-
- Dryers	1,614	1,432	-	-
- Others	224	60	-	-
Stock-in-trade :				
Home appliances :				
- Microwave ovens	21,220	19,723	9,142	9,210
- Accessories and additives	13,576	11,203	6,476	5,698
- Dishwashers	4,766	4,615	2,411	2,648
- Air conditioners	20,363	16,799	11,328	6,375
- Others	2,925	2,680	1,377	1,426
- Spares	2,153	1,863	-	-
	<u><u>2,25,149</u></u>	<u><u>1,91,583</u></u>	<u><u>30,734</u></u>	<u><u>25,357</u></u>

Notes to the financial statements for the year ended

21. Sale of services

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Annual maintenance/ service contracts income	5,070	4,608
Extended warranty income	47	46
Others	532	368
	<u>5,649</u>	<u>5,022</u>

22. Other income

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Interest income on bank deposits and others	107	78
Dividend from current investments	68	41
Net gain on sale of current investments	164	556
Insurance claims received	36	34
Rental income	47	50
Gain on disposal of fixed assets	1	140
Write back of liabilities no longer required	179	30
Write back of provision no longer required	7	13
Gain on exchange fluctuation	44	-
Other non-operating income	469	389
	<u>1,122</u>	<u>1,331</u>

23. Cost of materials consumed

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Raw material stock as at the beginning of the year	5,226	4,350
Add : Purchases during the year	71,698	59,911
	<u>76,924</u>	<u>64,261</u>
Less : Raw material stock as at the end of the year	5,738	5,226
Cost of materials consumed	<u>71,186</u>	<u>59,035</u>

Details of cost of materials consumed (refer note 37) :

Imported steel	651	587
Imported others	20,792	17,201
Indigenous steel	16,211	13,779
Indigenous others	33,532	27,468
	<u>71,186</u>	<u>59,035</u>

Expenditure related to research and development at Verna, Goa included in Note 23 are :

Cost of materials consumed	112	110
	<u>112</u>	<u>110</u>

Notes to the financial statements for the year ended

24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Inventories as at the end of the year		
Stock-in-trade	6,451	6,569
Work-in-progress (@)	1,116	1,051
Finished goods	7,541	6,110
(A)	<u>15,108</u>	<u>13,730</u>
Inventories as at the beginning of the year		
Stock-in-trade	6,569	9,371
Work-in-progress (@)	1,051	893
Finished goods	6,110	5,145
(B)	<u>13,730</u>	<u>15,409</u>
(B - A)	<u>(1,378)</u>	<u>1,679</u>
Details of inventories :		
Stock-in-trade		
- Microwave ovens	1,130	1,648
- Accessories and additives	434	346
- Dishwashers	670	825
- Air conditioners	3,303	2,780
- Others	914	970
	<u>6,451</u>	<u>6,569</u>
Finished goods		
- Washing Machines	6,042	4,829
- Dryers	130	88
- Fine blanked components	869	842
- Press tools and dies	480	326
- Others	20	25
	<u>7,541</u>	<u>6,110</u>

(@) Includes semi finished fine blanked components and semi finished press tools and dies amounting to **Rs. 934 Lacs**
(31 March 2016: Rs. 931 Lacs)

25. Employee benefits expenses

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Salaries and wages	13,484	12,734
Contribution to provident and other funds	1,601	1,405
Staff welfare expenses	1,500	1,417
	<u>16,585</u>	<u>15,556</u>
Expenditure related to research and development at Verna, Goa included in above Note 25 are :		
Salaries and wages	1,440	1,076
Contribution to provident and other funds	138	79
Staff welfare expenses	66	66
	<u>1,644</u>	<u>1,221</u>

Notes to the financial statements for the year ended

26. Finance costs

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Interest expenses	317	222
	<u>317</u>	<u>222</u>

27. Other expenses

	31 March 2017 Rs. Lacs	31 March 2016 Rs. Lacs
Consumption of stores and spare parts	8,490	7,463
Rent (refer note 30)	1,777	1,305
Insurance	141	136
Freight, octroi and carriage	5,910	4,902
Power and fuels	1,945	1,690
Ancillary cost	4,704	4,151
Rates and taxes	752	740
Expenditure on Corporate Social Responsibility	28	9
Office expenses	3,169	2,837
Advertisement and sales promotion	9,722	9,210
Travelling	2,828	2,686
Repairs :		
Buildings	52	45
Plant and machinery	645	501
Others	490	439
Loss on exchange fluctuation	-	436
Write-off of fixed assets	32	27
Write-off of debts/advances	43	24
Write-off of statutory advances	2	-
Allowance for doubtful debts and advances	23	4
Bank charges	99	92
Directors' sitting fees	15	7
Service expenses	3,445	2,847
Warranty expenses	1,094	492
Miscellaneous expenses	1,793	1,480
	<u>47,199</u>	<u>41,523</u>
Payment to statutory auditors included above (excluding service tax)		
As auditors :		
Audit fees	40	26
Tax audit fees	15	14
Limited review fees	14	13
Others	9	10
Reimbursement of expenses	3	3
	<u>81</u>	<u>66</u>

Notes to the financial statements for the year ended

	31 March 2017	31 March 2016
	Rs. Lacs	Rs. Lacs
Expenditure on Corporate Social Responsibility		
(a) Gross Amount required to be spent by the Company during the year	79	84
(b) Amount spent during the year on purpose other than construction/acquisition of assets in cash	28	9
Expenditure related to research and development at Verna, Goa included in Note 27 are :		
Rent	16	12
Power and fuels	57	31
Ancillary cost	12	8
Office expenses	151	142
Travelling	122	109
Repairs :		
Building	1	–
Plant and machinery	9	–
Others	8	2
Miscellaneous expenses	17	13
	<u>393</u>	<u>317</u>
28. Current Tax		
	31 March 2017	31 March 2016
	Rs. Lacs	Rs. Lacs
Income tax for the year	1,319	744
Income tax related to earlier years	18	–
Minimum Alternate Tax Credit for the year	(642)	(360)
Minimum Alternate Tax Credit related to earlier years	85	1
	<u>780</u>	<u>385</u>
29. Earnings per share		
	31 March 2017	31 March 2016
	Rs. Lacs	Rs. Lacs
(a) Profit after taxes available to equity shareholders (Rs. Lacs)	5,097	3,136
(b) Weighted average number of equity shares outstanding	4,05,18,796	4,05,18,796
(c) Basic and Diluted earnings per equity share of face value Rs 10 each (in Rs.)	12.58	7.74
30. Leases		
The Company is obligated under cancellable leases for residential, office premises, warehouses, etc. Total rental expense under cancellable operating lease amounted to Rs. 1,777 Lacs (31 March 2016 : Rs. 1,305 Lacs).		

Notes to the financial statements for the year ended

31. Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financial statements based on information received and available with the Company. A sum of **Rs. 475 lacs** is payable to Micro and Small Enterprises as at 31 March 2017 (31 March 2016 Rs. 283 lacs). Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

32. Employee benefits

(a) Gratuity and leave encashment

The Company operates a defined benefit scheme for gratuity for which a separate fund is maintained and other long-term benefit plan like leave encashment which is managed through an insurance company. Annual actuarial valuations are carried out by independent actuaries using the Projected Unit Credit Method.

The following tables sets out the status of the gratuity plans and leave encashment under AS 15 - Employee benefits

I. Reconciliation of opening and closing balances of defined benefit obligation :

Rs. Lacs

	Gratuity		Leave Encashment	
	31 March 2017 (Funded)	31 March 2016 (Funded)	31 March 2017 (Funded)	31 March 2016 (Unfunded)
Defined benefit obligation at the beginning of the year	1,889	1,512	766	619
Current Service Cost	168	142	45	39
Interest Cost	141	113	54	42
Acquisitions Cost / (Credit)	4	(3)	7	(3)
Actuarial losses	531	257	321	215
Benefits Paid	(115)	(132)	(135)	(146)
Defined Benefit obligation at the end of the year	2,618	1,889	1058	766

II. Reconciliation of opening and closing balances of fair value of plan assets :

Rs. Lacs

	Gratuity		Leave Encashment	
	31 March 2017 (Funded)	31 March 2016 (Funded)	31 March 2017 (Funded)	31 March 2016 (Unfunded)
Fair value of plan assets at beginning of the year	1,431	1,221	-	-
Expected return on plan assets	128	104	31	-
Contributions	458	291	766	-
Actuarial gain/(loss)	87	(53)	(14)	-
Benefits settled	(115)	(132)	-	-
Fair value of plan assets at the end of year	1,989	1,431	783	-
Actual return on plan assets	215	51	17	-

Notes to the financial statements for the year ended 31 March 2017

III. Reconciliation of fair value of assets and obligations :

Rs. Lacs

	Gratuity		Leave Encashment	
	31 March 2017 (Funded)	31 March 2016 (Funded)	31 March 2017 (Funded)	31 March 2016 (Unfunded)
Net liability at the beginning of the year	(458)	(291)	(766)	(619)
Employer expense	(625)	(461)	(403)	(296)
Contributions	458	291	901	146
Acquisitions/business combinations	(4)	3	(7)	3
Net liability at the end of the year	(629)	(458)	(275)	(766)

IV. Expense recognized during the year :

Rs. Lacs

	Gratuity		Leave Encashment	
	31 March 2017 (Funded)	31 March 2016 (Funded)	31 March 2017 (Funded)	31 March 2016 (Unfunded)
Current service cost	168	142	45	39
Interest cost	141	113	54	42
Expected return on plan assets	(128)	(104)	(31)	–
Actuarial losses	444	310	335	215
Net gratuity / leave encashment expense	625	461	403	296

V. Actuarial assumptions :

	Gratuity		Leave Encashment	
	31 March 2017 (Funded)	31 March 2016 (Funded)	31 March 2017 (Funded)	31 March 2016 (Unfunded)
Discount rate	6.90%	7.70%	6.90%	7.70%
Expected return on assets	8.00%	8.00%	8.00%	–
Salary escalation	8.00%	5.00%	8.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08) modified ult	Indian Assured Lives Mortality (IALM) (2006-08) ult. modified	Indian Assured Lives Mortality (2006-08) modified ult	Indian Assured Lives Mortality (IALM) (2006-08) ult.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Notes to the financial statements for the year ended 31 March 2017

VI. Percentage of each category of plan assets to the fair value of plan assets as at 31 March 2017

The plan assets of the fund has been invested as given below :

Asset category	31 March 2017	31 March 2016
Cash (including special deposits)	21%	–
Other (including assets under scheme of insurance)*	79%	100%
Total	100%	100%
* in the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		

VII. Net asset / (liability) recognized in Balance Sheet (including experience adjustment impact)

Rs. Lacs

	Gratuity					Leave Encashment				
	31 March 2017 (Funded)	31 March 2016 (Funded)	31 March 2015 (Funded)	31 March 2014 (Funded)	31 March 2013 (Funded)	31 March 2017 (Funded)	31 March 2016 (Unfunded)	31 March 2015 (Unfunded)	31 March 2014 (Unfunded)	31 March 2013 (Unfunded)
Experience gain / (loss) adjustments on plan liabilities	(29)	(247)	(155)	(5)	(70)	(104)	(211)	(121)	(54)	(103)
Experience gain / (loss) adjustments on plan assets	87	(53)	92	7	48	(14)	–	–	–	–
Defined benefit obligation at end of the period	(2,618)	(1,889)	(1,512)	(1,082)	(1,045)	(1,058)	(766)	(619)	(435)	(437)
Plan assets at end of the period	1,989	1,431	1,221	1,049	812	783	–	–	–	–
Excess of obligation over plan assets	(629)	(458)	(291)	(33)	(233)	(275)	(766)	(619)	(435)	(437)

Best estimate of Employer's expected contribution for the next year is **Rs. 904 Lacs** (31 March 2016 : Rs. 458 lacs).

(b) Provident Fund, Superannuation Fund and other defined contribution schemes :

The company contributed **Rs. 976 lacs** (31 March 2016: Rs. 944 lacs) to defined contribution scheme (Provident fund, superannuation fund and others) during the year ended 31 March 2017.

Notes to the financial statements for the year ended 31 March 2017

33. Commitments and contingent liabilities :

(A) Commitments :

Rs. Lacs

		31 March 2017	31 March 2016
i)	Outstanding capital commitments for tangible assets	1,101	1,050
ii)	Outstanding capital commitments for intangible assets	85	490

(B) Contingent Liabilities :

Rs. Lacs

		31 March 2017	31 March 2016
i)	Disputed sales tax matters, excise matters, income tax matters and other matters contested in appeals. (These disputes mostly relate to arbitrary disallowances of claims of the Company under various state laws, which are under appeal. The management is of the view that these demands are not sustainable in law and is hopeful of succeeding in appeals.)	2,043	1,956
ii)	Other claims against the Company not acknowledged as debts (#)	16	16
iii)	Custom duty and interest obligation for advance licenses (*)	728	705

It is not practicable for the Company to estimate the closure of these cases and the consequential timings of cash flows, if any, in respect of the above.

(#) The Company obtained a bank guarantee of Rs. 16 lacs in connection with the execution of a civil contract awarded by the State Health Department, Government (Govt.) of West Bengal. Following a dispute, the State Health Department, Govt. of West Bengal invoked the said Bank Guarantees whereupon the Company challenged such invocation by way of a writ petition before the Hon'ble Calcutta High Court. The Hon'ble Calcutta High Court allowed an interim order of injunction dated 22 May 2003 restraining the State Health Department not to give any effect to the invocation of the guarantee till further order with the condition that the guarantee shall be renewed from time to time. The bank guarantee expired and has not been renewed since the case has been dismissed by the Hon'ble Calcutta High Court. The amount has been included in Claims against the Company not acknowledged as debts as at 31 March 2017 and 31 March 2016.

(*) The Hon'ble Delhi High Court by its order dated 10 September 2015 set aside the order of Policy Relaxation Committee (PRC) with liberty to the petitioner to file a representation before the PRC. The respondents were directed to pass a reasoned order after giving the opportunity of hearing. The matter was heard by PRC and PRC by its order dated 13 October 2015 rejected the prayer of petitioner. Being aggrieved by PRC's order the company filed writ application before Division Bench of Delhi High Court. After prolonged hearing the bench by its order dated 03 April 2017 allowed the writ petition and set aside the order of PRC and directed PRC interalia to reconsider its order dated 13 October 2015 in the light of observation made by the Division Bench.

Notes to the financial statements for the year ended 31 March 2017

34. Segment reporting- Information pursuant to Primary Business segment

The Company is primarily engaged in business of home appliances and engineering components. Accordingly the Company considers the above business segment as the primary segment. Segment revenue, segment result, segment asset and segment liabilities include the respective amount identifiable to each of the segments as also amounts allocated on reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocable corporate cost and grouped as "Unallocated". Assets and liabilities that cannot be allocated between the segments are shown as unallocable corporate assets and liabilities and are grouped as "Unallocated".

There is no geographical segment identified by the Company.

Rs. Lacs

	Year ended 31 March 2017			
	Engineering	Home Appliances	Unallocated	Total
Revenue from Operations - external	29,504	144,561	–	174,065
	27,196	122,898	–	150,094
Other income - external	315	631	176	1,122
	212	527	592	1,331
Total revenue	29,819	145,192	176	175,187
	27,408	123,425	592	151,425
Segment results before finance cost	1,999	6,052	(1,553)	6,498
	2,065	2,661	(988)	3,738
Less : finance cost				317
				222
Profit before tax				6,181
				3,516
Tax expense				1,084
				380
Profit for the year				5,097
				3,136
Segment assets	22,848	58,208	9,970	91,026
	20,493	53,133	5,517	79,143
Segment liabilities	8,731	31,086	4,452	44,269
	6,533	26,477	4,300	37,310
Other segment information :				
Depreciation and amortisation	1,639	2,678	46	4,363
	1,368	3,080	89	4,537
Tangible capital expenditure	3,747	2,422	4	6,173
	2,787	2,744	12	5,543
Intangible capital expenditure	–	518	–	518
	16	972	56	1,044
Non cash expenditure other than depreciation and amortisation	12	88	–	100
	23	32	–	55

(figures for the previous year, 31 March 2016, have been shown below each item)

Notes to the financial statements for the year ended 31 March 2017

35. Related party transactions

The Company has the following related parties in accordance with Accounting Standard 18 “Related Party Disclosures”.

Investor Company :	IFB Automotive Private Limited
Subsidiary Company :	Trishan Metals Private Limited (w.e.f. 11 July 2016)
Companies that have a member(s) of KMP in common :	IFB Agro Industries Limited, Travel Systems Limited, Thai Automotive and Appliances Limited, Global Automotive and Appliances Limited, IFB Global Limited
Company over which a KMP is able to exercise significant influence :	IFB Appliances Limited
Enterprise over which a relative of KMP is able to exercise significant influence :	Anjali foundation
Key Management Personnel (KMP) :	Mr. Bijon Nag , Executive Chairman
	Mr. Bikram Nag , Joint Executive Chairman and Managing Director
	Mr. Sudam Maitra , Deputy Managing Director
	Mr. Prabir Chatterjee , Director and CFO
	Mr. A K Nag , President
	Mr. Rahul Choudhary , Vice President, Corporate affairs and banking
	Mr. Rajshankar Ray , CEO, Home Appliances Division
	Mr. A.S. Negi , National Service Head , Home Appliances Division
	Mr. Jayanta Chanda , Service Accounts Head, Home Appliance Division
	Mr. Partha Sen , CEO, Engineering Division
	Mr. K.R.Krishna Prasad , CEO, Bangalore Engineering Factory.
	Mr. B.M. Shetye , Vice President, Sustainability, Home Appliances Division
	Mr. G. Ray Chowdhury , Company Secretary
	Mr. Susanta Das , Head of Personnel and Administration
	Mr. Uma Shankar Ghosh Dastidar , Head – Taxation
	Mr. Arup Das , Head Marketing , Engineering Division
	Mr. Diptanil Saha , GM, Corporate Affairs
	Mr. Sukhdev Nag , Business Head, Home Appliances Division, South
	Mr. T.R. Ramesh , Business Head, Home Appliances Division, East
	Mr. Ranjan Mohan Mathur , , Business Head, Home Appliances Division, North
	Mr. Soumitra Goswami , GM, Accounts and Finance
	Mr. Ashok Hazra , AGM – Internal Audit
	Mr. R. Anand , Head, Motor Division

Notes to the financial statements for the year ended 31 March 2017

35. (a) Transactions with related parties :

Rs. Lacs

		Investor Company		Subsidiary		Companies that have a member(s) of KMP in common		Company over which a KMP is able to exercise significant influence		Enterprise over which relative of a KMP is able to exercise significant influence		Key Management Personnel (KMP)		Total	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
i)	Sales, service and other income	2,657	2,429	3	-	82	36	-	-	-	-	6	2	2,748	2,467
ii)	Purchases of raw materials	21	28	682	-	123	59	-	-	66	-	-	-	892	87
iii)	Purchase of duty entitlement pass book licence	-	-	-	-	11	-	-	-	-	-	-	-	11	-
iv)	Purchase of services (capitalised)	-	-	-	-	47	1	-	-	-	-	-	-	47	1
v)	Remuneration	-	-	-	-	-	-	-	-	-	-	1,129	1,150	1,129	1,150
vi)	Expenditures on other services	104	91	-	-	1,436	1,384	4,610	4,767	-	-	-	-	6,150	6,242
vii)	Reimbursement of expenses	86	32	11	-	-	-	-	-	-	-	-	-	97	32
viii)	Debts written off	-	1	-	-	-	-	-	-	-	-	-	-	-	1
ix)	Outstanding Balances :														
	Trade receivables	436	409	1	-	34	1	-	-	-	-	-	-	471	410
	Deposits given	50	50	-	-	168	168	-	-	-	-	-	1	218	219
	Advances given	34	49	225	-	43	36	-	51	-	-	5	3	307	139
	Trade payables	7	2	310	-	26	31	321	278	9	-	-	-	673	311
	Advance taken	6	13	-	-	-	-	-	-	-	-	-	-	6	13
	Deposits taken	-	-	-	-	1	1	-	-	-	-	-	-	1	1

Notes to the financial statements for the year ended 31 March 2017

35. (b) Disclosure in respect of material transactions / balances with Companies over which a KMP is able to exercise significant influence :

Rs. Lacs

		31 March 2017	31 March 2016
(i)	Sales, service and other income		
	Thai Automotive and Appliances Limited	69	-
	IFB Agro Industries Limited	12	32
(ii)	Purchase of raw materials		
	Thai Automotive and Appliances Limited	123	59
(iii)	Purchase of duty entitlement pass book license		
	IFB Agro Industries Limited	11	-
(iv)	Purchase of services (capitalised)		
	Travel Systems Limited	47	1
(v)	Expenditure on other services		
	Travel Systems Limited	1131	1,104
	IFB Global Limited	290	248
(vi)	Outstanding balances: Deposits given		
	IFB Agro Industries Limited	168	168
(vii)	Outstanding balances: Advances given		
	IFB Agro Industries Limited	43	36
(viii)	Outstanding balances: Deposits taken		
	IFB Agro Industries Limited	1	1

36. Other Information

Rs. Lacs

		31 March 2017	31 March 2016
a)	Value of imports on CIF basis :		
	Raw materials	19,512	16,257
	Stores and spares	1,358	1,114
	Capital goods	3,136	2,817
b)	Expenditure in foreign currency (on accrual basis) on account of :		
	Foreign travel	118	115
	Professional fees	268	277
	Interest	40	87
	Others :		
	Purchase of traded goods	17,433	13,668
	Others	1	12
c)	Earnings in foreign currency (on accrual basis) on account of :		
	FOB value of exports	2,555	1,757

Notes to the financial statements for the year ended 31 March 2017

37. Imported and indigenous raw materials and stores and spares consumed :

	31 March 2017	31 March 2017	31 March 2016	31 March 2016
	% of total Consumption	Rs. Lacs	% of total Consumption	Rs. Lacs
Imported				
Raw materials	30.12%	21,443	30.13%	17,788
Stores and spares	13.22%	1,122	13.17%	983
Indigenous				
Raw materials	69.88%	49,743	69.87%	41,247
Stores and spares	86.78%	7,368	86.83%	6,480
Total				
Raw materials	100.00%	71,186	100.00%	59,035
Stores and spares	100.00%	8,490	100.00%	7,463

38. Disclosure requirement for Derivatives Instruments :

The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain existing foreign currency payables. The Company does not use derivative contracts for trading or speculative purposes.

The outstanding forward exchange contracts entered into by the company on account of :

Particulars	No. of contracts	USD (lacs)	Rs (Lacs)	No. of contracts	EURO (Lacs)	Rs (Lacs)	No. of contracts	JPY (Lacs)	Rs (Lacs)
Trade Payables									
31 March 17	79	104	6,744	12	8	554	–	–	–
31 March 16	27	45	2,981	8	6	452	–	–	–
Buyers credit									
31 March 17	–	–	–	–	–	–	–	–	–
31 March 16	–	–	–	–	–	–	1	825	487

The year end foreign currency exposures that have not been hedged are :

Particulars	USD	Rs	EURO	Rs	RMB	Rs	JPY	Rs	CHF	Rs	THB	Rs	AUD	Rs	SGD	Rs	Total Rs
	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs
Trade Receivable																	
31 March 17	3	206	2	172	–	–	–	–	–	–	–	–	–	–	–	–	378
31 March 16	3	177	*	20	–	–	–	–	–	–	–	–	–	–	–	–	197
Trade Payable																	
31 March 17	8	542	3	230	6	57	8	4			*	1	*	2	*	2	838
31 March 16	34	2,281	4	316	7	74	139	82	*	1	–	–	–	–	–	–	2,754

* represents foreign currency less than 50,000.

Notes to the financial statements for the year ended 31 March 2017

39. Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 as required by the Ministry of Corporate Affairs vide notification dated 30 March 2017 :

Rs. lacs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	89	15	104
(+) Permitted receipts	–	316	316
(-) Permitted payments	–	185	185
(-) Amount deposited in banks	89	102	191
Closing cash in hand as on 30 December 2016	–	44	44

The above figures does not include cash balance held in foreign currency.

40. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification.

For and on behalf of the Board of Directors of IFB Industries Limited	
<i>Joint Executive Chairman and Managing Director</i>	Bikram Nag
<i>Director</i>	Dr. Rathindra Nath Mitra
<i>Director and Chief Financial Officer</i>	Prabir Chatterjee
<i>Company Secretary</i>	G. Ray Chowdhury
Kolkata	
26 May 2017	

Independent Auditor's Report to the Members of IFB INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IFB INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's (incorporated in India) internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting principles - also Refer Note 32(B) to the consolidated financial statements
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm Registration No. 302009E)

Abhijit Bandyopadhyay

Partner

(Membership No. 054785)

Place : Kolkata

Date : 26 May 2017

ANNEXURE “A” to the Independent Auditor’s Report

(Referred to in paragraph I(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **IFB INDUSTRIES LIMITED** (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay

Partner
(Membership No. 054785)

Place : Kolkata

Date : 26 May 2017

Consolidated Balance Sheet as at 31 March 2017

	Notes	31 March 2017 Rs. Lacs
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	4	4,128
Reserves and surplus	5	42,441
		<u>46,569</u>
Minority Interest		134
Non-current liabilities		
Long-term borrowings	6	1,875
Deferred tax liabilities (net)	7	2,895
Other long-term liabilities	8	886
Long-term provisions	9	3,000
		<u>8,656</u>
Current liabilities		
Short-term borrowings	10	1,519
Trade payables	11	
(A) Total outstanding dues of micro and small enterprises		475
(B) Total outstanding dues of creditors other than micro and small enterprises		26,742
Other current liabilities	12	8,444
Short-term provisions	9	598
		<u>37,778</u>
		<u>93,137</u>
ASSETS		
Non-current assets		
Fixed assets		
- Tangible assets	13	29,351
- Intangible assets	14	1,889
- Capital work-in-progress		844
- Intangible assets under development		588
Goodwill on consolidation		877
Long-term loans and advances	15	7,847
Other non-current assets	16	2
		<u>41,398</u>
Current assets		
Current investments	17	5,162
Inventories	18	24,248
Trade receivables	19	14,456
Cash and bank balances	20	4,686
Short-term loans and advances	15	3,133
Other current assets	16	54
		<u>51,739</u>
		<u>93,137</u>
Significant accounting policies	3	

See accompanying notes to the consolidated financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata
26 May 2017

For and on behalf of the Board

Joint Executive Chairman and Managing Director

Director

Director and Chief Financial Officer

Company Secretary

Kolkata

26 May 2017

Bikram Nag

Dr. Rathindra Nath Mitra

Prabir Chatterjee

G. Ray Chowdhury

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

	Notes	31 March 2017 Rs. Lacs
INCOME		
Sale of manufactured products (gross)		1,62,063
Sale of traded products (gross)		65,001
Sale of products (gross)	21	2,27,064
Less : Trade schemes and discounts		43,221
Sale of products (net of trade schemes and discounts)		1,83,843
Sale of services	22	5,649
Other operating revenues:		
Scrap sales		2,359
Others		146
Revenue from operations (gross)		1,91,997
Less : Excise duty on sale of manufactured products		15,900
Less : Excise duty on scrap sales		253
Revenue from operations (net)		1,75,844
Other income	23	1,162
Total revenue		1,77,006
EXPENSES		
Cost of materials consumed	24	72,747
Purchase of stock-in-trade	21	30,732
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(1,552)
Employee benefit expenses	26	16,708
Finance costs	27	401
Depreciation and amortisation	13 & 14	4,410
Other expenses	28	47,735
Total expenses		1,71,181
Profit before tax		5,825
Tax expense :		
- Current tax	29	780
- Deferred tax		311
Profit after tax before minority interest		4,734
Minority Interest		(175)
Profit for the year		4,909
Earnings per equity share (face value of Rs. 10 each)	30	
- Basic		12.12
- Diluted		12.12
Significant accounting policies	3	

See accompanying notes to the consolidated financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata
26 May 2017

For and on behalf of the Board
Joint Executive Chairman and Managing Director
Director
Director and Chief Financial Officer
Company Secretary
Kolkata
26 May 2017

Bikram Nag
Dr. Rathindra Nath Mitra
Prabir Chatterjee
G. Ray Chowdhury

Consolidated Cash Flow Statement for the year ended 31 March 2017

	31 March 2017 Rs. Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	5,825
Adjustments for :	
Depreciation and amortisation	4,410
Gain on disposal of fixed assets	(1)
Write-off of fixed assets	32
Write-off of debts/ advances	101
Allowance for doubtful debts and advances	26
Dividend from current investments	(68)
Net gain on sale of current investments	(173)
Write back of liabilities no longer required	(179)
Write back of provisions no longer required	(7)
Unrealised exchange gain	(43)
Interest income on bank deposits and others	(116)
Finance costs	401
Operating profit before working capital changes	10,208
Increase in trade payables	3,863
Increase in provisions	85
Increase in other liabilities	1,472
Increase in trade receivables	(2,296)
Decrease in other assets	27
Increase in loans and advances	(888)
Increase in inventories	(2,573)
Cash generated from operations	9,898
Income taxes paid	(1,420)
Net cash generated from operating activities	8,478
B. CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed asset	(6,387)
Proceeds from disposal of fixed assets	1
Purchase of current investments	(15,370)
Proceeds from sale of current investments	12,134
Increase in other bank balances	(13)
Interest received	115
Net cash used in investing activities	(9,520)
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	14,570
Repayment of borrowings	(13,329)
Finance costs	(389)
Net cash generated from financing activities	852
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(189)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,756
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Refer Note 20A]	4,567

Note : The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 "Cash Flow Statements".

See accompanying notes to the consolidated financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata
26 May 2017

For and on behalf of the Board
Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**
Kolkata
26 May 2017

Notes to Consolidated financial statements for the year ended 31 March 2017

1. General Information

IFB Industries Limited ("the Holding Company") and its Subsidiary (together, "the Group") is engaged in the business of fine blanking components, home appliances and steel.

2. Basis of Consolidation

a. Basis of accounting and preparation of financial statements

The consolidated financial statements comprises of the financial statements of the Group. The consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" as required under the Companies Act, 2013.

The consolidated financial statements are presented in Indian rupees and rounded off to nearest lac.

The consolidated financial statements are prepared on the following basis :

Investment in Subsidiary :

The financial statement of the Holding Company and its Subsidiary has been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealized profits or losses thereon have been fully eliminated.

The financial statement of the Subsidiary used in the consolidation is drawn upto the same reporting date as that of the Holding Company.

The excess of cost to the Company of its investments in the Subsidiary Company over its share of equity at the date on which the investments in the Subsidiary Company are made, is recognised as 'Goodwill' being an asset in the consolidated financial. Goodwill on consolidation is not amortised but is however tested for impairment.

Minority interest in the net assets of consolidated Subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Holding Company in the Subsidiary Company.

b. Subsidiary considered in the consolidated financial statements is as under :

Name of the Company	Country of incorporation	Voting power held (%)	Effective voting power held by the Holding Company (%)
		31 March 2017	31 March 2017
Trishan Metals Private Limited	India	51.12%	51.12%

The Holding Company invested in 1,20,00,000 equity shares of Rs. 10/- each in Trishan Metals Private Limited on 11 July 2016 and there by acquired 51.12% of the shareholding.

Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as Subsidiary are as under :

Name of the Entity	Net Assets		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (Rs. in lacs)	As a % of Consolidated Profit	Amount (Rs. in lacs)
Parent :				
IFB Industries Limited	100.40%	46,757	103.83%	5,097
Subsidiary – Indian				
Trishan Metals Private Limited	0.59%	274	(-) 7.29%	(358)
Minority interest	(-) 0.29%	(134)	3.56%	175
Consolidation Adjustments	(-) 0.70%	(328)	(-) 0.10%	(5)
Total	100.00%	46,569	100%	4,909

Notes to Consolidated financial statements for the year ended 31 March 2017

3. Significant Accounting Policies :

a. Accounting Convention

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The Group follows the accrual method of accounting under historical cost convention.

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

b. Revenue recognition

Revenue from sale of products is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customers, which generally coincides with their delivery to customers. Revenue from Sale of products is stated net of Value Added Tax/Sales Tax and sales return.

Revenue from services is recognised on a prorated basis over the period or as per the terms of the contract.

Interest on deposits is recognised on a time proportion basis taking into account the underlying interest rate.

Dividend income is recognised when the unconditional right to receive the income is established.

c. Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition/construction less depreciation and impairment losses. The cost of an asset comprises its purchase price and any other attributable cost incurred for bringing the asset to its working condition for its intended use.

Capital work-in-progress includes cost of assets not ready for their intended use and items under installation. In case of own manufactured items like tools, jigs, proportionate burden of overhead as applicable is also treated as part of cost.

Expenditure incurred on replacement/ modification to fixed asset is capitalised only when such expenditure results in increase in the economic life of such asset.

d. Intangible assets

Intangible assets are recorded at the consideration paid for acquisition less amortization.

All upgradation/enhancements are charged off as revenue expenditure unless they bring significant additional benefits.

Expenditure on Intangible asset eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

e. Borrowing costs

Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. Other borrowing costs are accounted as an expense.

Notes to Consolidated financial statements for the year ended 31 March 2017

f. Depreciation and amortisation

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the tools and moulds, in whose case the life of the assets has been assessed as 5 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The cost of leasehold land is amortised over the period of lease.

Intangible assets are amortised over the best estimate of its useful lives on a straight line basis. The estimated useful life currently ranges from 3 to 5 years.

g. Impairment of fixed assets

The management periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined.

h. Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing exchange rate on that date and the resultant exchange differences are recognized in the Consolidated Statement of Profit and Loss. Non-monetary items denominated in foreign currency are carried at cost.

i. Investments

Non-current investments are stated at cost, less diminution in value, if any other than temporary, determined on specific identification basis.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is carried out separately for each investment.

Profit or loss on sale of investment is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

j. Inventories

Inventory is valued at the lower of cost and net realizable value. Cost of inventories includes, cost of purchase, cost of conversion and all other expenses incurred in bringing the goods to their present location and condition. Cost is ascertained using the weighted average method.

Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Notes to Consolidated financial statements for the year ended 31 March 2017

k. Employee benefits

Contribution payable for provident fund and superannuation fund, which are defined contribution schemes are recognized as employee benefits expense in the Consolidated Statement of Profit and Loss.

Post-employment benefits in the form of Gratuity, which is a defined benefit scheme, and other long term employee benefits in the form of leave encashment and accumulated sick leave are recognized as an expense in the Consolidated Statement of Profit and Loss in the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using the projected unit credit method carried out by an independent actuary. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Consolidated Statement of Profit and Loss. In case of the Subsidiary, accumulated leave is a short term employee benefit for which a provision is taken at the year end on actual basis which is either encashed or availed during the calendar year.

l. Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where there are unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the management re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit entitlement is recognized only to the extent there is convincing evidence that the Group will pay normal tax during the period specified by the Income Tax Act, 1961. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss. The management reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period

The Group offsets the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

m. Provision and contingent liabilities

The Group recognizes a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure of contingent liability is made.

Notes to Consolidated financial statements for the year ended 31 March 2017

n. Government grants

Grants received from the Government authorities with reference to investments under investment subsidy schemes and no repayment are ordinarily expected in respect thereof are treated as capital reserve.

o. Segment

The Group discloses Business segment as the Primary segment. Segments have been identified taking into account the nature of products, the different risks and returns, the organisation structure and internal reporting system. The Group's operation predominantly relates to the business of manufacturing and trading of home appliances and manufacturing of fine blanking components and cold rolled steel strips. The Group primarily caters to the domestic market and export sales are not significant and accordingly there is no reportable secondary segment.

p. Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

q. Warranty

Warranty costs are estimated by the Management on the basis of a technical evaluation and based on specific warranties, claims and claim history. Provision is made for estimated liability in respect of warranty cost in the year of sale of goods.

Provision for warranty is expected to be utilized over a period of one to five years.

r. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash on hand, current account bank balances and bank deposit account balances (with maturity of three months or less as at the balance sheet date).

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

t. Forward exchange contracts

The premium or discount arising at the inception of forward exchange contracts entered into, to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

u. Research and development expenses

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

Notes to the consolidated financial statements as at

4. Share capital

	31 March 2017 Rs. Lacs
Authorised	
6,50,00,000 equity shares of Rs.10 each	6,500
3,00,00,000 cumulative redeemable preference shares of Rs.10 each	3,000
	<u>9,500</u>
Issued, subscribed and paid-up	
4,05,18,796 equity shares of Rs.10 each, fully paid-up	4,052
Forfeited shares	
30,50,000 equity shares of Rs. 10 each, Rs. 2.50 paid-up	76
	<u>4,128</u>

a. Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company.

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

b. Details of shareholders holding more than 5% equity shares in the Holding Company

	31 March 2017	
	%	Nos
1. IFB Automotive Private Limited	46.54%	1,88,56,833
2. Nurpur Gases Private Limited	14.83%	60,10,416
3. Asansol Bottling & Packaging Company Private Limited	8.31%	33,66,428

Notes to the consolidated financial statements as at

5. Reserves and surplus

	31 March 2017 Rs. Lacs
Capital Reserve	25
Debt Restructuring Reserve	8,981
Capital Redemption Reserve	1,605
Share Premium Account	17,433
Revaluation reserve	
Opening balance of Holding Company	173
Less : revaluation gain reversed during the year (*)	(173)
At the end of the year	<u>–</u>
Surplus in the statement of profit and loss	
Opening balance of Holding Company	9,488
Add : Profit for the year for the Group	4,909
At the end of the year	<u>14,397</u>
	<u><u>42,441</u></u>

(*) As per transitional provision of Accounting Standard AS(10) "Property, Plant and Equipment" notified under Companies (Accounting Standards) Amendment Rules, 2016.

6. Long-term borrowings

	31 March 2017 Rs. Lacs
Term loan from a bank (Secured) ^(a)	1,875
	<u>1,875</u>

Terms of Repayment

Term loan from a bank as stated above is repayable in 16 equal quarterly installments from the end of the 15th month from the date of first disbursement ie., 9 March 2016.

Hypothecation details for Long-term borrowing existing as at 31 March 17 :

^(a) For sanction of term loan amounting to Rs 3,000 lacs by DBS Bank Ltd, following securities have been created :

First and exclusive floating charge over all present and future movable fixed assets of the Holding Company's engineering division located at Kolkata and Bangalore stored or to be stored at the Holding Company's godown or premises or wherever else the same may be.

Notes to the consolidated financial statements as at

7. Deferred tax liabilities (net)

		31 March 2017 Rs. Lacs
Deferred tax liabilities		
Fixed assets : Impact of difference between tax depreciation and depreciation and amortisation charged as per books		3,509
Total	(A)	<u>3,509</u>
Deferred tax assets		
Timing difference on account of :		
Allowance for doubtful debts and advances		27
Provision for employee benefits expense		518
Others		69
Total	(B)	<u>614</u>
Deferred tax liabilities (net)	(A)-(B)	<u><u>2,895</u></u>

8. Other long-term liabilities

		31 March 2017 Rs. Lacs
Others :		
Income received in advance on annual maintenance contracts and extended warranty services		857
Security deposits		29
		<u>886</u>

9. Provisions

		31 March 2017	
		Long-term Rs. Lacs	Short-term Rs. Lacs
(a) Provision for employee benefits :			
Gratuity		629	–
Leave encashment		275	1
Sick leave		216	42
Other leave		–	179
		<u>1,120</u>	<u>222</u>
(b) Others			
Warranty		1,880	376
		<u>1,880</u>	<u>376</u>
		<u>3,000</u>	<u>598</u>

Provision for warranty

The Company warrants that their products will perform in all material respects in accordance with the Company's standard specifications in effect at the time of delivery of the products to the customers for the warranty period. Accordingly based on specific warranties, claims and claim history the Company provides for warranty claims.

Notes to the consolidated financial statements as at

	31 March 2017 Rs. Lacs
Provision for warranty	
As at the beginning of the year	1,974
Additional provision during the year	1,094
Less : Provision utilised during the year	812
As at the end of the year	2,256

10. Short-term borrowings

	31 March 2017 Rs. Lacs
Loans repayable on demand (Secured)	
Cash Credit facility from bank ^(a)	870
Bill Discounting from bank ^(b)	348
Unsecured loan from Others	301
	1,519

Hypothecation details for Short-term borrowing existing as at 31 March 17 :

- (a) For sanction of fund based (excluding term loan and including working capital and cash credit facility) and non-fund based loans amounting to Rs. 500 lac and Rs. 1,000 lac respectively by The Federal Bank Limited which can be used inter-changeably. Interest rate for fund based limits are 1 year MCLR+0.48 percent. Following securities has been created :
- Borrower present and future book debts, outstanding money receivable, claims, contracts, engagements, securities, investments, deposits, rights and assets (except property effectively otherwise hypothecated, charged or mortgaged to the bank) shall be hypothecated to the bank an its assigns by way of first charge as security for the payment to the bank.
- (b) For sanction of credit facilities amounting to Rs. 3,500 lacs by DBS Bank Ltd., following securities have been created :
- Hypothecation by way of first pari passu and floating charge over goods being finished goods, semi-finished goods, stocks of raw-materials, work-in-process located at various factories/ warehouses/ godowns of the company and whether in transit or lying at any other place and hypothecation by way of first pari passu and floating charge over the company's present and future book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets.
 - Hypothecation by way of exclusive charge over all present and future movable fixed assets of the engineering division of the Company including without limitation its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc. stored or to be stored at Company's godowns or premises situated at 14, Taratolla Road, Kolkata and 16/17, Visveswaraiah Industrial Estate, Whitefield Road, Bangalore - 560048 (Engineering Division) or wherever else the same may be.

Hypothecation details for credit facilities unutilised as at 31 March 17 :

- A. For sanction of capex letter of credit amounting to Rs 2,100 lacs by Standard Chartered Bank, following securities have been created :
- Exclusive charge on plant and machinery financed by the bank.
 - First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).

Notes to the consolidated financial statements as at

- (iii) First and exclusive charge on the leasehold land and building of Goa (Verna) unit on all that piece and parcel of non-agricultural land bearing at No. L1 situated within the village panchayat of Nagoa, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa and registration sub district ILHAS in the state of Goa containing by admeasuring 48,695 square meters or thereabout.
- B. For sanction of capex letter of credit amounting to Rs 1,000 lacs by Standard Chartered Bank, following securities have been created :
- First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders) of the Company including without limitations its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc stored or to be stored at the Company's godown or premises situated at Plot no L-1, Verna Electronic City, Verna Industrial Estate, Goa - 403722 or wherever else the same may be.
- C. For sanction of working capital facility amounting to Rs 9,000 lacs by Standard Chartered Bank, following securities have been created :
- (i) First charge on all current assets, both present and future.
- (ii) First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).
- (iii) Second charge on the leasehold land and building of Goa (Verna) unit on all that piece and parcel of non-agricultural land bearing at No. L1 situated within the village panchayat of Nagoa, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa and registration sub district ILHAS in the state of Goa containing by admeasuring 48,695 square meters or thereabout.

11. Trade payables

	31 March 2017 Rs. Lacs
Payable for goods	
(a) total outstanding dues of micro and small enterprises	475
(b) total outstanding dues of creditors other than micro and small enterprises	16,588
Payable for expenses	
(a) total outstanding dues of creditors other than micro and small enterprises	10,154
	<u>27,217</u>

12. Other current liabilities

	31 March 2017 Rs. Lacs
Current maturities of long-term debts (Refer Note 6)	625
Interest accrued but not due on borrowings	19
Income received in advance on annual maintenance contracts and extended warranty services	3,201
Other Payables :	
Security deposits	264
Advance from customers	942
Statutory liabilities	2,912
Payable on purchase of fixed assets	243
Others	238
	<u>8,444</u>

Notes to the consolidated financial statements as at

FIXED ASSETS

13. Tangible assets

Rs. Lacs

Particulars of Assets	Gross Block					Depreciation					Net Block
	As at 31 March 2016 Holding Company	Asset of subsidiary on acquisition	Additions	Adjustments/disposals	As at 31 March 2017	As at 31 March 2016 Holding Company	Accumulated Depreciation of subsidiary on acquisition	For the year	Adjustments/disposals	As at 31 March 2017	As at 31 March 2017
(a) Freehold land ^{(a)(b)}	711	81	–	(173)	619	–	–	–	–	–	619
(b) Leasehold land	231	–	–	–	231	213	–	4	–	217	14
(c) Building	6,421	462	940	–	7,823	2,665	292	217	–	3,174	4,649
(d) Plant and machinery	41,622	1,947	4,700	(2,037)	46,232	21,437	1,482	3,391	(2,006)	24,304	21,928
(e) Computers	1,037	10	395	(13)	1,429	725	8	145	(13)	865	564
(f) Furniture and fixtures	1,806	19	638	(22)	2,441	720	12	205	(20)	917	1,524
(g) Motor vehicles	68	14	11	–	93	21	11	8	–	40	53
Total	51,896	2,533	6,684	(2,245)	58,868	25,781	1,805	3,970	(2,039)	29,517	29,351

(a) During the year adjustment includes Rs. 173 lacs being reversal of revaluation gain of earlier year. This is as per transitional provision of Accounting Standard AS(10) "Property, Plant and Equipment" notified under Companies (Accounting Standards) Amendment Rules, 2016.

(b) Freehold land includes an amount of Rs. 7 lacs being assets given on operating lease.

14. Intangible assets

Rs. Lacs

Particulars of Assets	Gross Block					Amortisation					Net Block
	As at 31 March 2016 Holding Company	Asset of subsidiary on acquisition	Additions	Adjustments/disposals	As at 31 March 2017	As at 31 March 2016 Holding Company	Accumulated Amortisation of subsidiary on acquisition	For the year	Adjustments/disposals	As at 31 March 2017	As at 31 March 2017
(a) Computer software	1,380	2	1,054	(1)	2,435	1,126	2	176	(1)	1,303	1,132
(b) Technical knowhow	2,134	–	–	–	2,134	1,113	–	264	–	1,377	757
Total	3,514	2	1,054	(1)	4,569	2,239	2	440	(1)	2,680	1,889

Notes to the consolidated financial statements as at

15. Loans and advances

	31 March 2017	
	Long-term Rs. Lacs	Short-term Rs. Lacs
Unsecured, considered good		
Capital advances	313	–
Security Deposits	1,131	11
Loans and advances to related parties :		
- Deposits	218	–
- Loans and advances	2	120
Other Loans and advances :		
- Minimum alternate tax credit entitlement	3,511	–
- Advance income-tax (net of provision for income tax)	555	–
- Others (*)	2,117	3,002
	<u>7,847</u>	<u>3,133</u>
Unsecured, considered doubtful		
Security Deposits	14	–
Other loans and advances (*)	14	–
	<u>28</u>	<u>–</u>
Less : Allowance for doubtful advances	(28)	–
	<u>–</u>	<u>–</u>
	<u>7,847</u>	<u>3,133</u>

(*) includes balances with statutory authorities, employee advances, prepaid expenses, advances for goods and services, etc.

16. Other assets

	31 March 2017	
	Non-current Rs. Lacs	Current Rs. Lacs
Interest accrued on fixed deposits	1	2
Unamortised premium of forward contracts	–	52
Others	1	–
	<u>2</u>	<u>54</u>

Notes to the consolidated financial statements as at

17. Current investments (valued at lower of cost and fair value)

	31 March 2017	
	Nos	Rs. Lacs
Investments in mutual funds (unquoted)		
1. Kotak Low Duration Fund	72,503	1,400
- Standard Growth - Regular Plan (face value Rs. 10/-)		
2. ICICI Prudential Money Market Fund Option	11,86,073	1,188
- Direct Plan Daily Dividend (face value Rs. 100/-)		
3. Kotak Floater Short Term	32,430	851
- Direct Plan - Growth (face value Rs. 1000/-)		
4. Reliance Medium Term Fund	15,75,397	514
- Direct Growth Plan (face value Rs. 10/-)		
5. Reliance Regular Savings Fund - Debt Plan	27,80,694	506
- Growth Plan - Growth Option (face value Rs. 10/-)		
6. ICICI Prudential Flexible Income	69,350	200
- Growth Plan (face value Rs. 100/-)		
7. HSBC Income Fund	7,98,139	200
- Short term plan - Growth (face value Rs. 10/-)		
8. ICICI Prudential Liquid - Direct Plan	50,062	50
- Daily Dividend -Reinvest (face value Rs. 100/-)		
9. Invesco India Medium Term Bond Fund	15,727	253
- Direct growth plan (Face value of Rs. 1,000 each)		
		<u>5,162</u>

18. Inventories (valued at lower of cost and net realisable value)

	31 March 2017
	Rs. Lacs
Raw materials (refer note 24)	6,096
Work-in-progress (refer note 25)	1,338
Finished goods (refer note 25)	7,676
Stock-in-trade (refer note 25)	6,451
Stores and spare parts	2,687
	<u>24,248</u>
Inventories in transit included in Note 18 are as under :	
Raw materials	1,046
Stock-in-trade	2,050
Stores and spare parts	69
	<u>3,165</u>

Notes to the consolidated financial statements as at

19. Trade receivables

	31 March 2017 Rs. Lacs
Unsecured :	
Outstanding for a period exceeding six months from the date they are due for payment :	
Considered good	262
Considered doubtful	49
	<u>311</u>
Less : Allowance for doubtful debts	(49)
	<u>262</u>
(A)	
Others:	
Considered good	14,194
Considered doubtful	3
	<u>14,197</u>
Less : Allowance for doubtful debts	(3)
	<u>14,194</u>
(B)	
(A + B)	<u><u>14,456</u></u>

20. Cash and bank balances

	31 March 2017 Rs. Lacs
Cash and cash equivalents :	
Balances with bank :	
Current accounts	4,266
Deposit accounts	26
Cheques on hand	229
Cash on hand	46
	<u>4,567</u>
(A)	
Other bank balances (*)	
Balance with bank in deposit accounts	50
Margin money deposits	69
	<u>119</u>
(B)	
(A + B)	<u><u>4,686</u></u>

(*) Other bank balances includes Rs. 6 Lacs with a maturity term of more than 12 months.

Notes to the consolidated financial statements for the year ended

21. Details of gross sales and purchases of finished goods/stock-in-trade

	31 March 2017	
	Gross sales Rs. Lacs	Purchases Rs. Lacs
Finished goods :		
Press tools and dies	212	–
Fine blanked components and others	31,400	–
Motor	253	–
Cold rolled Strips	1,917	–
Home appliances :		–
- Washing machines	1,26,443	–
- Dryers	1,614	–
- Others	224	–
Stock-in-trade :		
Home appliances :		
- Microwave ovens	21,220	9,142
- Accessories and additives	13,576	6,476
- Dishwashers	4,766	2,411
- Air conditioners	20,361	11,326
- Others	2,925	1,377
- Spares	2,153	–
	<u>2,27,064</u>	<u>30,732</u>

22. Sale of services

	31 March 2017 Rs. Lacs
Annual maintenance/ service contracts income	5,070
Extended warranty income	47
Others	532
	<u>5,649</u>

23. Other income

	31 March 2017 Rs. Lacs
Interest income on bank deposits and others	116
Dividend from current investments	68
Net gain on sale of current investments	173
Insurance claims received	36
Rental income	47
Gain on disposal of fixed asset	1
Write back of liabilities no longer required	179
Write back of provision no longer required	7
Gain on exchange fluctuation	44
Other non-operating income	491
	<u>1,162</u>

Notes to the consolidated financial statements for the year ended

24. Cost of materials consumed

	31 March 2017 Rs. Lacs
Raw material stock as at the beginning of the year of Holding Company	5,226
Add : Raw material stock on acquisition of subsidiary	34
Add : Purchases during the year	73,583
	78,843
Less : Raw material stock as at the end of the year	6,096
Cost of materials consumed	72,747

25. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	31 March 2017 Rs. Lacs
Inventories as at the end of the year	
Stock-in-trade	6,451
Work-in-progress (@)	1,338
Finished goods	7,676
(A)	15,465
Inventories as at the beginning of the year	
Stock-in-trade as at the beginning of the year of Holding Company	6,569
Work-in-progress as at the beginning of the year of Holding Company	1,051
Work-in-progress on acquisition of subsidiary	130
Finished goods as at the beginning of the year of Holding Company	6,110
Finished goods on acquisition of subsidiary	53
(B)	13,913
(B - A)	(1,552)
	31 March 2017 Rs. Lacs

Details of inventories as at the end of the year

Stock-in-trade

- Microwave ovens	1,130
- Accessories and additives	434
- Dishwashers	670
- Air conditioners	3,303
- Others	914
	6,451

Finished goods

- Washing Machines	6,042
- Dryers	130
- Fine blanked components	869
- Press tools and dies	480
- Cold Rolled Strip	135
- Others	20
	7,676

(@) Includes semi finished fine blanked components, press tools and dies and cold rolled strips amounting to Rs. 1,156 Lacs.

Notes to the consolidated financial statements for the year ended

26. Employee benefits expense

31 March 2017
Rs. Lacs
13,590
1,609
1,509
16,708

Salaries and wages
Contribution to provident and other funds
Staff welfare expenses

27. Finance costs

31 March 2017
Rs. Lacs
401
401

Interest expenses

28. Other expenses

31 March 2017
Rs. Lacs
8,534
1,777
145
5,951
2,188
4,730
765
28
3,201
9,722
2,838
Repairs :
Buildings
Plant and machinery
Others
Write-off of fixed assets
Write-off of debts/ advances
Write-off of statutory advances
Allowance for doubtful debts and advances
Bank charges
Directors' sitting fees
Service expenses
Warranty expenses
Miscellaneous expenses
47,735

Consumption of stores and spare parts
Rent (refer note 31)
Insurance
Freight, octroi and carriage
Power and fuels
Ancillary cost
Rates and taxes
Expenditure on Corporate Social Responsibility
Office expenses
Advertisement and sales promotion
Travelling
Repairs :
Buildings
Plant and machinery
Others
Write-off of fixed assets
Write-off of debts/ advances
Write-off of statutory advances
Allowance for doubtful debts and advances
Bank charges
Directors' sitting fees
Service expenses
Warranty expenses
Miscellaneous expenses

Notes to the consolidated financial statements for the year ended

29. Current Tax

	31 March 2017 Rs. Lacs
Income tax for the year	1,319
Income tax related to earlier years	18
Minimum Alternate Tax Credit for the year	(642)
Minimum Alternate Tax Credit related to earlier years	85
	<u>780</u>

30. Earnings per share

	31 March 2017
(a) Profit for the year (Rs. Lacs)	4,909
(b) Weighted average number of equity shares outstanding	4,05,18,796
(c) Basic and Diluted earnings per equity share of face value Rs 10 each (in Rs.)	12.12

31. Leases

The Company is obligated under cancellable leases for residential, office premises, warehouses, etc. Total rental expense under cancellable operating lease amounted to **Rs. 1,777 Lacs**.

32. Commitments and contingent liabilities :

(A) Commitments :

	Rs. Lacs
	31 March 2017
i) Outstanding capital commitments for tangible assets	1,400
ii) Outstanding capital commitments for intangible assets	85

(B) Contingent Liabilities :

	Rs. Lacs
	31 March 2017
i) Disputed sales tax matters, excise matters, income tax matters and other matters contested in appeals. (These disputes mostly relate to arbitrary disallowances of claims of the Group under various state laws, which are under appeal. The management is of the view that these demands are not sustainable in law and is hopeful of succeeding in appeals.)	2,103
ii) Other claims not acknowledged as debts (#)	16
iii) Custom duty and interest obligation for advance licenses (*)	728

It is not practicable for the Group to estimate the closure of these cases and the consequential timings of cash flows, if any, in respect of the above.

Notes to the consolidated financial statements for the year ended 31 March 2017

- (#) The Holding Company obtained a bank guarantee of Rs. 16 lacs in connection with the execution of a civil contract awarded by the State Health Department, Government (Govt.) of West Bengal. Following a dispute, the State Health Department, Govt. of West Bengal invoked the said Bank Guarantees whereupon the Holding Company challenged such invocation by way of a writ petition before the Hon'ble Calcutta High Court. The Hon'ble Calcutta High Court allowed an interim order of injunction dated 22 May 2003 restraining the State Health Department not to give any effect to the invocation of the guarantee till further order with the condition that the guarantee shall be renewed from time to time. The bank guarantee expired and has not been renewed since the case has been dismissed by the Hon'ble Calcutta High Court. The amount has been included in Claims not acknowledged as debts as at 31 March 2017.
- (*) The Hon'ble Delhi High Court by its order dated 10 September 2015 set aside the order of Policy Relaxation Committee (PRC) with liberty to the petitioner to file a representation before the PRC. The respondents were directed to pass a reasoned order after giving the opportunity of hearing. The matter was heard by PRC and PRC by its order dated 13 October 2015 rejected the prayer of petitioner. Being aggrieved by PRC's order the Holding Company filed writ application before Division Bench of Delhi High Court. After prolonged hearing the bench by its order dated 03 April 2017 allowed the writ petition and set aside the order of PRC and directed PRC inter alia to reconsider its order dated 13 October 2015 in the light of observation made by the Division Bench.

33. Research & Development Expenditure :

Rs. Lacs

		31 March 2017
i)	Capital	1,362
ii)	Revenue	2,149
	Total	3,511

34. Employee benefits

(a) Gratuity and leave encashment

The group operates a defined benefit scheme for gratuity for which a separate fund is maintained or is managed through an insurance company. The Holding Company also operates other long-term benefit plan like leave encashment which is managed through an insurance company.

Annual actuarial valuations are carried out by independent actuaries using the Projected Unit Credit Method.

The following tables sets out the status of the gratuity plans and leave encashment under AS 15 - Employee benefits

I. Reconciliation of opening and closing balances of defined benefit obligation :

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Defined benefit obligation at the beginning of the year	1,895	766
Current Service Cost	170	45
Interest Cost	141	54
Acquisitions Cost / (Credit)	4	7
Actuarial losses	531	321
Benefits Paid	(115)	(135)
Defined Benefit obligation at the end of the year	2,626	1,058

Notes to the consolidated financial statements for the year ended 31 March 2017

II. Reconciliation of opening and closing balances of fair value of plan assets:

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Fair value of plan assets at beginning of the year	1,437	–
Expected return on plan assets	129	31
Contributions	460	766
Actuarial gain/(loss)	87	(14)
Benefits settled	(115)	–
Fair value of plan assets at the end of year	1,998	783
Actual return on plan assets	216	17

III. Reconciliation of fair value of assets and obligations :

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Net liability at the beginning of the year	(458)	(766)
Employer expense	(626)	(403)
Contributions	460	901
Acquisitions/business combinations	(4)	(7)
Net liability at the end of the year	(628)	(275)

IV. Expense recognized during the year :

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Current service cost	170	45
Interest cost	141	54
Expected return on plan assets	(129)	(31)
Actuarial losses	444	335
Net gratuity / leave encashment expense	626	403

Notes to the consolidated financial statements for the year ended 31 March 2017

V. Actuarial assumptions :

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Discount rate	6.90% / 7.30%	6.90%
Expected return on assets	8.00%	8.00%
Salary escalation	8.00% / 7.00%	8.00%
Mortality	Indian Assured Lives Mortality (2006-08) modified ult	Indian Assured Lives Mortality (2006-08) modified ult

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

VI. Percentage of each category of plan assets to the fair value of plan assets as at 31 March 2017

The plan assets of the fund has been invested as given below :

Asset category	31 March 2017
Cash (including special deposits)	21%
Other (including assets under scheme of insurance)*	79%
Total	100%
* in the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.	

VII. Net asset / (liability) recognized in Balance Sheet (including experience adjustment impact)

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Experience gain / (loss) adjustments on plan liabilities	(28)	(104)
Experience gain / (loss) adjustments on plan assets	87	(14)
Defined benefit obligation at end of the period	(2,626)	(1,058)
Plan assets at end of the period	1,998	783
Excess of obligation over plan assets	(628)	(275)

Notes to the consolidated financial statements for the year ended 31 March 2017

VIII. Employer's expected contribution for the next year

Rs. Lacs

	Gratuity	Leave Encashment
	31 March 2017 (Funded)	31 March 2017 (Funded)
Employer's expected contribution for the next year	628	275

(b) Provident Fund, Superannuation Fund and other defined contribution schemes :

The Group contributed **Rs. 983 lacs** to defined contribution scheme (Provident fund, superannuation fund and others) during the year ended 31 March 2017.

35. Segment reporting - Information pursuant to Primary Business segment

The Group is primarily engaged in business of home appliances, engineering components and cold rolled steel sheets (others). Accordingly the Group considers the above business segment as the primary segment. Segment revenue, segment result, segment asset and segment liabilities include the respective amount identifiable to each of the segments as also amounts allocated on reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocable corporate cost and grouped as "Unallocated". Assets and liabilities that cannot be allocated between the segments are shown as unallocable corporate assets and liabilities and are grouped as "Unallocated".

There is no geographical segment identified by the Group.

Rs. Lacs

	Engineering Division	Home Appliances Division	Others	Unallocated	Total
Revenue from Operations	29,504	144,561	2,464	–	176,529
Less : intersegment revenue from operations	1	2	682	–	685
Revenue from Operations – external	29,503	144,559	1,782	–	175,844
Other income – external	315	631	40	176	1,162
Total revenue	29,819	145,192	2,504	–	177,515
Less : total intersegment revenue	1	2	682	–	685
Total revenue – external	29,818	145,190	1,822	176	177,006
Segment results before finance cost	1,999	6,052	(267)	(1,558)	6,226
Less : finance cost					401
Profit before tax					5,825
Tax expense					1,091
Profit after tax before minority interest					4,734
Segment assets	22,847	58,208	2,666	9,416	93,137
Segment liabilities	8,421	31,086	2,476	4,451	46,434
Other segment information :					
Depreciation and amortization	1,639	2,678	47	46	4,410
Tangible capital expenditure	3,747	2,422	97	4	6,270
Intangible capital expenditure	–	518	5	–	523
Non cash expenditure other than depreciation and amortisation	12	88	59	–	159

Notes to the consolidated financial statements for the year ended 31 March 2017

36. Related party transactions

The Company has the following related parties in accordance with Accounting Standard 18 “Related Party Disclosures”.

A. Investor Company :	IFB Automotive Private Limited
B. Companies that have a member(s) of KMP in common :	IFB Agro Industries Limited, Travel Systems Limited, Thai Automotive and Appliances Limited, Global Automotive and Appliances Limited, IFB Global Limited
C. Company over which a KMP is able to exercise significant influence :	IFB Appliances Limited
D. Enterprise over which a relative of KMP is able to exercise significant influence :	Anjali foundation
E. Key Management Personnel (KMP) :	Mr. Bijon Nag , Executive Chairman
	Mr. Bikram Nag , Joint Executive Chairman and Managing Director
	Mr. Sudam Maitra , Deputy Managing Director
	Mr. Prabir Chatterjee , Director and CFO
	Mr. A K Nag , President
	Mr. Rahul Choudhary , Vice President, Corporate affairs and banking
	Mr. Rajshankar Ray , CEO, Home Appliances Division
	Mr. A.S. Negi , National Service Head , Home Appliances Division
	Mr. Jayanta Chanda , Service Accounts Head, Home Appliance Division
	Mr. Partha Sen , CEO, Engineering Division
	Mr. K.R.Krishna Prasad , CEO, Bangalore Engineering Factory.
	Mr. B.M. Shetye , Vice President, Sustainability, Home Appliances Division
	Mr. G. Ray Chowdhury , Company Secretary
	Mr. Susanta Das , Head of Personnel and Administration
	Mr. Uma Shankar Ghosh Dastidar , Head – Taxation
	Mr. Arup Das , Head Marketing , Engineering Division
	Mr. Diptanil Saha , GM, Corporate Affairs
	Mr. Sukhdev Nag , Business Head, Home Appliances Division, South
	Mr. T.R. Ramesh , Business Head, Home Appliances Division, East
	Mr. Ranjan Mohan Mathur , Business Head, Home Appliances Division, North
	Mr. Soumitra Goswami , GM, Accounts and Finance
	Mr. Ashok Hazra , AGM – Internal Audit
	Mr. R. Anand , Head, Motor Division

Notes to the consolidated financial statements for the year ended 31 March 2017

36. (a) Transactions with related parties :

Rs. Lacs

		Investor Company	Companies that have a member(s) of KMP in common	Company over which a KMP is able to exercise significant influence	Enterprise over which relative of a KMP is able to exercise significant influence	Key Management Personnel (KMP)	Total
		31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
i)	Sales, service and other income	2,744	82	–	–	6	2,832
ii)	Purchases of raw materials	21	123	–	66	–	210
iii)	Purchase of duty entitlement pass book licence	–	11	–	–	–	11
iv)	Purchase of services (capitalised)	–	47	–	–	–	47
v)	Remuneration	–	–	–	–	1,129	1,129
vi)	Expenditures on other services	104	1,437	4,610	–	–	6,151
vii)	Reimbursement of expenses	86	–	–	–	–	86
viii)	<u>Outstanding balances:</u>						
	Trade receivables	471	34	–	–	–	505
	Deposits given	50	168	–	–	–	218
	Advances given	34	43	–	–	5	82
	Trade payables	7	26	321	9	–	363
	Advance taken	6	–	–	–	–	6
	Deposits taken	–	1	–	–	–	1

Notes to the consolidated financial statements for the year ended 31 March 2017

36. (b) Disclosure in respect of material transactions / balances with Companies over which a KMP is able to exercise significant influence :

Rs. Lacs

		31 March 2017
(i)	Sales, service and other income	
	Thai Automotive and Appliances Limited	69
	IFB Agro Industries Limited	12
(ii)	Purchase of raw materials	
	Thai Automotive and Appliances Limited	123
(iii)	Purchase of duty entitlement pass book license	
	IFB Agro Industries Limited	11
(iv)	Purchase of services (capitalised)	
	Travel Systems Limited	47
(v)	Expenditure on other services	
	Travel Systems Limited	1,132
	IFB Global Limited	290
(vi)	Outstanding balances : Deposits given	
	IFB Agro Industries Limited	168
(vii)	Outstanding balances: Advances given	
	IFB Agro Industries Limited	43
(viii)	Outstanding balances: Deposits taken	
	IFB Agro Industries Limited	1

37. Disclosure requirement for Derivatives Instruments :

The Group uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain existing foreign currency payables. The Group does not use derivative contracts for trading or speculative purposes.

The outstanding forward exchange contracts entered into by the Group on account of :

	No. of contracts	USD (lacs)	Rs (Lacs)	No. of contracts	EURO (Lacs)	Rs (Lacs)
Trade Payables						
31 March 17	79	104	6,744	12	8	554

Notes to the consolidated financial statements for the year ended 31 March 2017

The year end foreign currency exposures that have not been hedged are :

Rs. Lacs

	Trade Receivable	Trade Payable
USD	3	8
INR	206	542
EURO	2	3
INR	172	230
RMB	–	6
INR	–	57
JPY	–	8
INR	–	4
THB	–	*
INR	–	1
AUD	–	*
INR	–	2
SGD	–	*
INR	–	2
Total	378	838
INR		

*represents foreign currency less than 50,000.

38. Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 by the Group as required by the Ministry of Corporate Affairs vide notification dated 30 March 2017:

Rs. Lacs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	89	16	105
(+) Permitted receipts	–	318	318
(–) Permitted payments	–	188	188
(–) Amount deposited in banks	89	102	191
Closing cash in hand as on 30 December 2016	–	44	44

39. As per the Transitional provisions of Accounting Standard 21 on “Consolidated Financial Statements”, comparative figures for the previous period have not been presented.

For and on behalf of the Board

Joint Executive Chairman and Managing Director

Director

Director and Chief Financial Officer

Company Secretary

Kolkata

26 May 2017

Bikram Nag

Dr. Rathindra Nath Mitra

Prabir Chatterjee

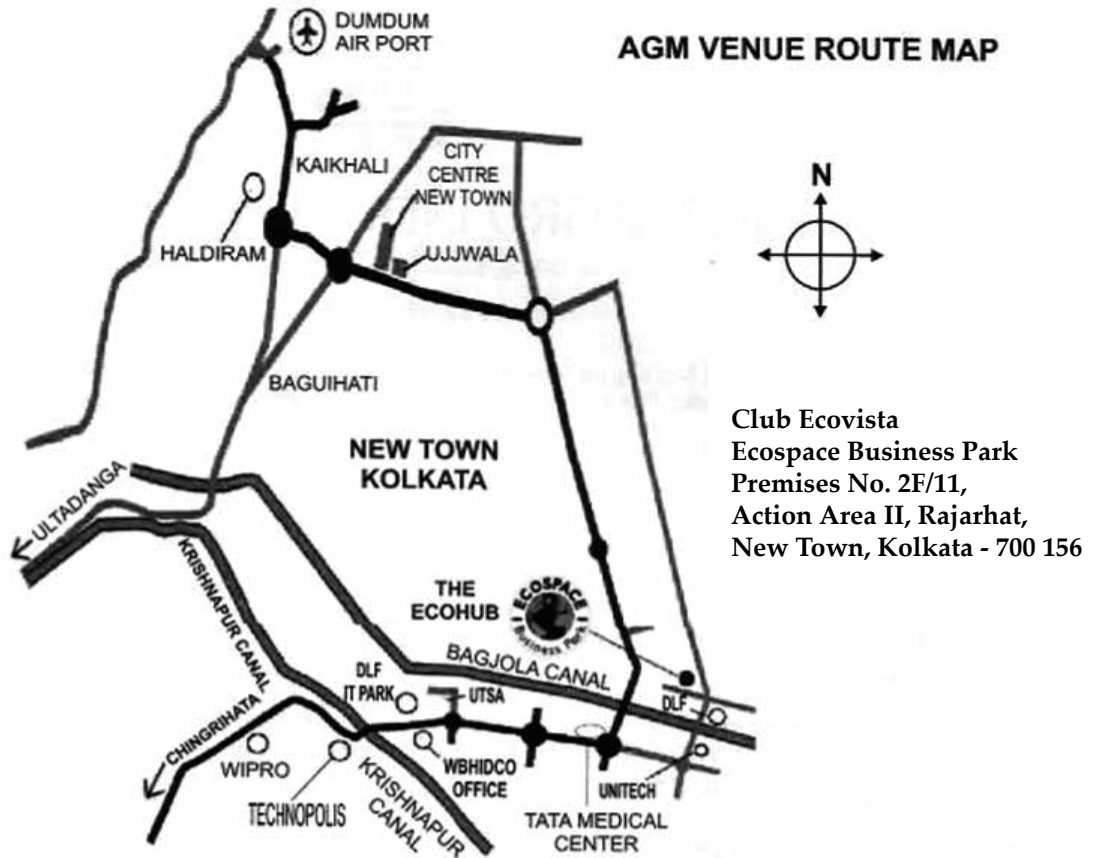
G. Ray Chowdhury

10 Year Highlights

	Rs. in lacs									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Financial Highlights										
Total revenue	43,672	45,682	55,683	69,754	81,440	92,760	1,02,896	1,27,658	1,51,425	1,75,187
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,691	32,385	6,645	7,948	5,114	6,193	5,335	10,165	8,275	10,861
Depreciation and amortisation	845	756	868	1,041	1,488	1,832	2,259	4,064	4,537	4,363
Exceptional expense/(income)	(2,338)	(27,808)	–	–	150	–	–	–	–	–
Profit after tax	3,735	31,508	5,376	5,031	3,054	3,145	2,160	4,973	3,136	5,097
Equity Share capital	1,804	2,963	3,552	3,622	3,628	4,128	4,128	4,128	4,128	4,128
Reserves and surplus	(29,671)	6,655	11,825	17,498	20,591	27,436	29,596	34,569	37,705	42,629
Net worth	(32,916)	437	4,593	10,336	13,435	20,780	22,940	27,913	31,049	36,146
Gross fixed assets	37,986	38,837	41,050	44,691	41,619	38,775	44,743	51,979	57,787	62,232
Net fixed assets	7,101	7,206	8,472	13,884	16,061	19,503	24,038	27,873	29,767	31,890
Total assets	20,323	21,485	29,039	38,911	44,112	53,834	64,121	77,092	79,143	91,026
Market capitalisation	6,262	7,245	31,193	49,409	28,095	32,739	32,091	2,37,400	1,28,809	2,62,197
Number of employees (nos)	877	988	986	1,173	1,286	1,390	1,453	1,537	1,626	1,646
Key indicators										
Earnings per share (Rs.) (before extraordinary items)	7.55	19.05	16.87	14.24	8.61	7.95	5.33	12.27	7.74	12.58
Earnings per share (Rs.) (after extraordinary items)	21.08	165.94	16.87	14.24	8.61	7.95	5.33	12.27	7.74	12.58
Total revenue per share (Rs.)	252.83	158.27	160.22	196.73	229.29	228.93	253.95	315.06	373.72	432.36
Book value per share (Rs.)	(161.33)	33.32	44.24	59.57	68.19	77.90	83.23	95.50	103.24	115.40
Current ratio	1.09	1.39	1.57	1.57	1.61	1.76	1.54	1.43	1.40	1.41
EBITDA / Total revenue	10.7%	70.9%	11.9%	11.4%	6.3%	6.7%	5.2%	8.0%	5.5%	6.2%
Net profit margin	8.6%	69.0%	9.7%	7.2%	3.8%	3.4%	2.1%	3.9%	2.1%	2.9%
Return on net worth on PBT	(11.7%)	7237.8%	125.2%	66.6%	26.8%	20.9%	12.8%	21.2%	11.3%	17.1%
Return on capital employed (ROCE)	(13.4%)	327.6%	35.0%	23.8%	12.6%	10.0%	6.4%	12.9%	7.5%	10.9%

NOTES

[illegible]



Venue Address :

Club Ecovista, Ecospace Business Park
Premises No. 2F/11, Action Area II,
Rajarhat, New Town, Kolkata-700 156

Route from Saltlake :

Cross Technopolis, DLF, Home Town, Techno India College, Tata Memorial Hospital and before hitting Bengal Unitech, turn left, cross the flyover and reach Ecospace.

Route from Airport :

Cross Space Town residence flyover, cross New Town City Centre, go straight and turn left, go straight till Narkel Bagan and turn left, cross Techno India College, Tata Memorial Hospital and before hitting Bengal Unitech, turn left and cross the flyover and reach Ecospace.

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