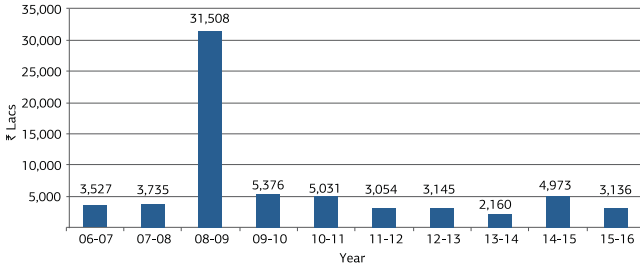


trust technology innovation
health freedom quality
efficient easy modern

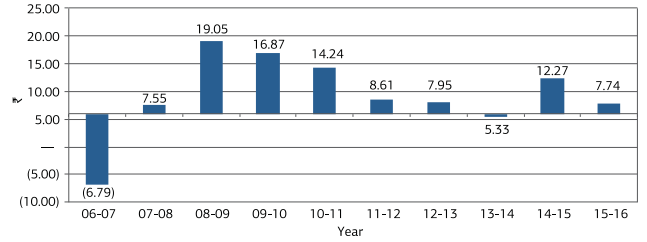


10 YEAR HIGHLIGHTS

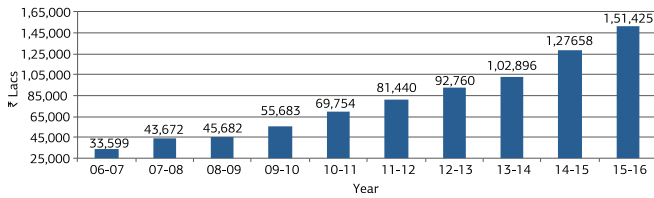
Profit after tax (₹ in lacs)



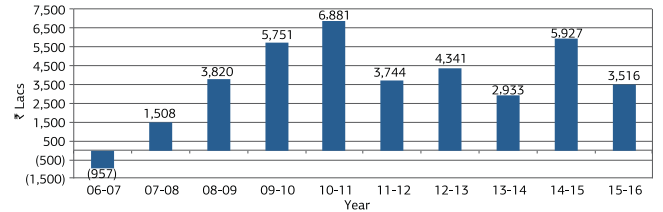
Basic EPS before extraordinary items (₹)



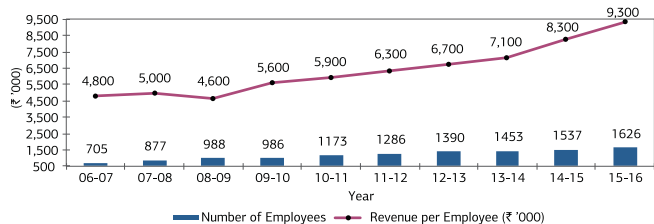
Total revenue (₹ in lacs)



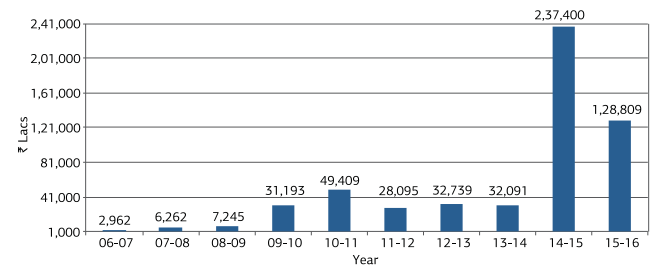
Profit/(loss) before tax, extraordinary and prior period items (₹ in lacs)



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

Dr. Tridibesh Mukherjee

Mr. Radharaman Bhattacharya

Mr. R. Muralidhar

Ms. Sangeeta Shankaran Sumesh

Non-Executive Director

Mr. Sudip Banerjee

AUDIT COMMITTEE

Chairman

Dr. Rathindra Nath Mitra

Members

Mr. Radharaman Bhattacharya

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 : g_raychowdhury@ifbglobal.com

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IFB INDUSTRIES LTD.

CIN : L51109WB1974PLC029637

Regd. Office : 14, Taratala Road Kolkata – 700 088

Tel : (091) (33) 3048 9219 | Fax : (091) (33) 3048 9230

E-mail : investors@ifbglobal.com | Website : www.ifbindustries.com

NOTICE TO MEMBERS

NOTICE is hereby given that the fortieth Annual General Meeting of the members of **IFB Industries Limited** will be held on Friday, the 22nd day of July, 2016 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 financial statements of the Company for the year ended 31 March 2016, including the audited Balance Sheet as at 31 March 2016, the statement of Profit and loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon.
2. To appoint a director in place of Mr. Sudam Maitra (DIN 0035398) who retires by rotation and being eligible, seeks reappointment.
3. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as **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 thereunder, pursuant to the recommendations of the Audit Committee, and pursuant to the resolution passed by the members at the Annual General Meeting held on 30 July 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 Annual General Meeting be and is hereby ratified and the Board of Directors is hereby authorized to fix the remuneration for the financial year 2016-17 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 :

4. **To consider and if thought fit, to pass with or without modification, the following Resolution as Special 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 Remuneration of Managerial Personnel) Rules, 2014, consent of the Company be and is hereby accorded to the reappointment of Mr. Bijon Nag (DIN : 00756995), as Executive Chairman upto 31 May 2018 with effect from 01 June 2016, on terms as set out in the draft agreement.

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 resolution.

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".

5. **To consider and if thought fit, to pass the following resolution, with or without modification as Ordinary Resolution**
RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies

Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the Company be and is hereby accorded to the reappointment of Mr. Sudam Maitra (DIN : 0035398), as the Deputy Managing Director of the Company for a period of two years with effect from 31 July 2016 upto 30 July 2018 on existing terms as set out more fully in the draft agreement proposed to be entered into by the Company with Mr. Sudam Maitra.

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 authorized 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 resolution.

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 the following resolution, with or without modification as Ordinary Resolution**

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the Company be and is hereby accorded to the reappointment of Mr. Prabir Chatterjee, as the Director & CFO of the Company for a period of two years with effect from 01 April 2016 until 31 March 2018 with the increased remuneration payable with effect from 01 April 2015 and on such terms as set out more fully in the agreement entered into by the Company with Mr. Prabir Chatterjee.

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 authorized 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 resolution.

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."

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 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable during the year 2016-17 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 2016-17, 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, Taratala Road
Kolkata - 700 088
CIN : L51109WB1974PLC029637
Date : 18 May 2016

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 / reappointed, 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) Regulations, 2015 are provided in 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 Registered 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 16 July 2016 to 22 July 2016 (both days inclusive) for the purpose of the Meeting.
- ix) Instruction for e-voting, along with the Attendance Slip and Proxy Form, is annexed to this Notice of 40th 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) Regulations, 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 Meeting and the members attending the Meeting who have already cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again. The instructions for e-voting are annexed to the Notice.
- xvi) The Annual Report for 2015-16 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 for 2015-16 are being sent by permitted mode.
- xvii) The notice of the 40th Annual General Meeting 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 40th Annual General Meeting and the Annual Report for 2015-16 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) Regulations, 2015, in respect of the directors seeking appointment/ reappointment at the Meeting is furnished as annexure to the Notice. The directors have furnished consent/ declaration for their appointment/ reappointment 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 Meeting.
- 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 Meeting.
- xxii) Members are requested to address all correspondence, to the Registrar and Share Transfer Agent, CB Management Services (P) Limited at P 22, 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 Meeting and seek registration before entering the meeting hall.

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

Resolution No. 2

Details of Director seeking appointment / reappointment in Annual General Meeting in pursuance of SEBI (LODR), Regulations, 2015.

Name of Director	Mr. Sudam Maitra
Date of birth	01 June 1955
Nationality	Indian
Date of appointment on the board	03 September 2014
Qualification	Graduate Mechanical Engineer from IIT (Delhi)
Experience in functional area	Business Executive
Shareholding in the Company	Nil
List of directorship held in other companies	Three
Committee membership	Nil

Resolution No. 4

Section 196(3) of Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of seventy years, as managing director, whole-time director or manager unless it is approved by the members by passing a special resolution, Part I of Schedule V to the Act contains such relaxation.

Mr. Bijon Nag (73) (DIN : 00756995) is the Promoter and Executive Chairman of the Company. He is a mechanical engineer and a prominent industrialist having more than three decades of vast experience in machine tool and engineering industries.

The details of his other directorships and memberships in other companies / committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

He holds 157,869 shares in the Company.

At the recommendation of the Nomination & Remuneration Committee of the Company, the Board of Directors at their meeting held on 18 May 2016 re-appointed Mr. Bijon Nag as Executive Chairman for a period of two years from 01 June 2016 on terms and conditions set out hereinafter, subject to approval of the shareholders.

1. Remuneration :

- a) **Salary** : Rs. 450,000/- (Rupees Four Lac Fifty Thousand only) per month.
- b) **HRA** : Rs 2,25,000/- (Rupees Two Lacs Twenty Five Thousand only) per month.
- c) **SPA** : Rs 32,000/- (Rupees Thirty Two Thousand only)
- d) **Medical Reimbursement** : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- e) **Leave Travel Concession** : For self and family once in a year incurred in accordance with the Rules of the Company.
- f) **Club Fees** : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- g) **Personal Accident Insurance** : As per the rules of the company.
- h) **Gas & Electricity etc.** : As per the rules of the company.
- i) **Car** : Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company.

- j) **Telephone :** Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

Explanation : For the purpose of this part, 'family' means the spouse, the dependent children and dependent parents.

2. Other Benefits :

- i) **Gratuity :** As per the rules of the company.
- ii) **Contribution to the provident Fund, Superannuation Fund or Annuity Fund :** As per the rules of the Company.
- iii) **Encashment of leave :** As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the company.

In the case of loss or inadequate profit during the financial year, the remuneration will be subjected to the provisions of Schedule V of the Companies Act, 2013.

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

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modifications or re-enactment thereof; in the absence of any such rules, perquisite and allowances shall be evaluated at actual cost. The company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

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.

The above may be treated as an abstract of the terms of contract between the Company and Mr. Bijon Nag .

Mr. Bijon 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. Bijon Nag and Mr. Bikram Nag , are interested or concerned in the resolution.

The Board recommends the Special Resolution set forth in item no. 4 for the approval of the Company.

Resolution No. 5

Mr. Sudam Maitra (DIN : 0035398) is a graduate in Mechanical Engineering from IIT, Delhi and has rich industrial experience of almost thirty nine years.

Mr. Maitra (61) started his career with GKW Ltd. and subsequently worked in companies like Bata India Ltd., TELCO (now Tata Motors) and Maruti Suzuki India Ltd. For last 32 years he was associated with Maruti Suzuki Ltd. and has worked in all areas of operations like manufacturing, quality, engineering, service, purchasing including supply chain. He was Chief Operating Officer (Supply Chain) till July 2014, when he left Maruti Suzuki Ltd.

Mr. Maitra is not holding any share in the Company.

At the recommendation of Nomination & Remuneration Committee, the Board of Directors at their meeting held on 18 May 2016, subject to the approval of the Company, reappointed Mr. Sudam Maitra as Deputy Managing Director for a period of two years from 31 July 2016 upto 30 July 2018 on the following existing terms and conditions, subject to approval of the shareholders.

1. Remuneration :

- a) **Salary :** Rs. 400,000/- (Rupees Four Lacs only) per month with liberty to the Board/Nomination & Remuneration Committee to review and set the level from time to time.
- b) **HRA :** Rs.200,000/- (Rupees Two Lacs only) per month.
- c) **SPA :** Rs 98,000/- (Rupees Ninety Eight Thousand only).
- d) **Medical Reimbursement :** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- e) **Leave Travel Concession :** For self and family once in a year incurred in accordance with the Rules of the Company.
- f) **Personal Accident Insurance :** As per the rules of the Company
- g) **Car :** Provision of car for use on Company's business will not be considered as perquisite.
However, use of car for private purpose will be billed by the Company.
- h) **Telephone :** Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.
Explanation : For the purpose of this part, 'family' means the spouse, the dependent children and dependent parents.

2. Other Benefits :

- i) **Gratuity :** As per the rules of the Company.
- ii) **Contribution to the provident Fund, Superannuation Fund or Annuity Fund :** As per the rules of the Company.
- iii) **Encashment of leave :** As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

In the case of inadequate profits during the financial year the remuneration will be subjected to the provisions of Schedule V of the Companies Act, 2013.

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

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act,1961 or any rules thereunder or any statutory modifications or re-enactment thereof; and in the absence of any such rules, perquisite and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

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 read with Schedule V to the Act and the Companies (Appointment and Remuneration 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 three months' notice.

Mr. Sudam Maitra shall perform such duties and exercise such powers as are entrusted to him by the Board and Joint Executive Chairman & Managing Director.

No director, Key managerial personnel or their relatives, except Mr. Sudam Maitra to whom the resolution relates, are interested or concerned in the resolution.

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

Resolution no 6

Mr. Prabir Chatterjee (DIN : 02662511) is a B.Sc and a qualified Cost Accountant and has rich experience of almost thirty seven years in accounts, finance, costing, budgeting, management accounting etc.

Mr. Prabir Chatterjee (61) started his career with Dunlop India Ltd. He has vast experience in accounts, finance costing, budgeting, management accounting etc for more than 37 years at various level.

Mr. Prabir Chatterjee is holding 25,000 equity shares in the company.

As recommended by the Nomination and Remuneration committee, the Board of Directors at their meeting held on 30 July 2015 revised the remuneration, subject to approval of shareholders w.e.f 01 April 2015.

Further, at the recommendation of Nomination & Remuneration Committee, the Board of Directors at their meeting held on 18 May 2016, subject to the approval of the Company, reappointed Mr. Prabir Chatterjee as Director & CFO of the Company for a period of two years from 01 April 2016 on the following existing terms and conditions.

1. Remuneration :

- a) **Salary** : Rs. 4,25,000/- (Rupees Four Lacs Twenty Five Thousand only) per month with liberty to the Board/Nomination & Remuneration Committee to review and set the level from time to time.
- b) **HRA** : Rs. 40,710/- (Rupees Forty thousand Seven hundred Ten only) per month.
- c) **CEA** : Rs. 200/- (Rupees Two Hundred only) per month.
- d) **Medical Reimbursement** : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- e) **Leave Travel Concession** : For self and family once in a year incurred in accordance with the Rules of the Company.
- f) **Personal Accident Insurance** : As per the rules of the Company.
- g) **Car** : Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company.
- h) **Telephone** : Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

Explanation : For the purpose of this part, 'family' means the spouse, the dependent children and dependent parents.

2. Other Benefits :

- i) **Gratuity** : As per the rules of the Company.
- ii) **Contribution to the provident Fund, Superannuation Fund or Annuity Fund** : As per the rules of the Company
- iii) **Encashment of leave** : As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

In the case of loss or inadequate profit in any financial year during the term of appointment, the remuneration shall be subject to the provisions of Schedule V of the Companies Act, 2013.

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

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act,1961 or any rules there under or any statutory modifications or re-enactment thereof; and in the absence of any such rules, perquisite and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

No director, Key managerial personnel or their relatives, except Mr. Prabir Chatterjee to whom the resolution relates, are interested or concerned in the resolution.

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 31 March 2017 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 2017.

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, Taratala Road
Kolkata - 700 088
CIN : L51109WB1974PLC029637
Date : 18 May 2016

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 substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the 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 July 19, 2016 (9:00 am) and ends on July 21, 2016 (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 July 15, 2016, 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 Participant(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.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password / PIN noted in step (i) above. 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 15 July 2016.
 - 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 15 July 2016, 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 'Forgot Password' option available on the website to reset the same.
 - xiii. In case of joint holders, only one of the joint holders 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 Annual General Meeting through ballot paper.
 - xv. Mr. Jitendra Patnaik, Practicing Company Secretary (Membership No. FCS 5045) proprietor of M/s. J. Patnaik & Associates, Company Secretaries has been appointed for 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 paper" 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 along with 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 BSE Limited and NSE Limited.

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the fortieth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31 March 2016.

1. FINANCIAL RESULTS

The performance during the period ended 31 March 2016 has been as under :

Particulars	(Rs. in lacs)	
	2015-2016	2014-2015
Total revenue	151,425	127,658
Profit before depreciation/ amortisation, finance costs and tax	8,275	10,165
Finance costs	222	174
Depreciation and amortisation	4,537	4,064
Profit before Tax	3,516	5,927
Current tax	385	700
Deferred tax (net)	(5)	254
Profit after tax	3,136	4,973
Surplus - opening balance	6,352	1,379
Surplus - closing balance	9,488	6,352

2. OPERATIONS :

Your company completed another year of modest performance with strong top line growth, however, bottom line was hit due to increased material cost on account of weakening of rupee, product mix, high depreciation etc. All business segments posted sound growth in revenue and enhanced their market standing. Gross sale of products for the year grew by 23.7% to Rs 191,583 lacs. Net revenue from operations grew by 19.0% to Rs 150,094 lacs. Appliance business grew by 19.9% and Engineering business grew by 15.1%. Due to above reasons the profit before tax as compared to last year reduced by more than 40.7% to Rs 3,516 lacs. Earning per share for the year stands at Rs 7.74. as against Rs 12.27 in 2014-15.

3. 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.

4. TRANSFER TO RESERVE

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

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

6. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI LODR. 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 SEBI LODR is included as a part of this report.

7. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the annual listing fees for the year 2016-17 to NSE, BSE & CSE where the Company's Shares are listed. The Company applied for delisting from Calcutta Stock Exchange Association of India (CSE) & Delhi Stock Exchange (DSE) which are pending. DSE has been derecognized by Securities and Exchange Board of India (SEBI).

8. DEMATERIALISATION OF SHARES

97.61% of the company's paid up Equity Share Capital is in dematerialized form as on 31 March 2016 and balance 2.39% is in physical form. The Company's Registrar and Share Transfer Agent is M/s CB Management Services (P) Ltd., having its registered office at P-22, Bondel Road, Kolkata- 700 019.

9. NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met four times during the financial year from 1 April 2015 to 31 March 2016. The dates on which the meetings were held are as follows :
29 May 2015, 30 July 2015, 30 October 2015 and 29 January 2016

10. DIRECTORS

Confirmation of Appointment :

The one year term as Executive Chairman of Mr. Bijon Nag is expiring on 31 May 2016. It is proposed to reappoint him for a further period of two years

The one year term as Deputy Managing Director of Mr. Sudam Maitra is expiring on 30 July 2016. It is proposed to reappoint him for a further period of two years.

The three year term as Director & CFO of Mr. Prabir Chatterjee has expired on 31 March 2016. He was reappointed for a further period two years from 01 April 2016 subject to approval of members.

Mr. Sudam Maitra retires by rotation and being eligible offers himself for reappointment.

11. 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 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they 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 same period;
- c) they 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.

12. 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 thereto and SEBI LODR stating therein the Company's policy on Directors/ Key Managerial Personnel/other employees appointment and remuneration recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. The said policy may be referred to company's website at <http://ifbindustries.com/nominationremunerationpolicy.php>

13. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

This part is covered under Corporate Governance Report.

14. AUDITOR'S 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 Auditors' 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 01 April 2014 by a Company Secretary in practice. The Board in its meeting held on 20 April 2016 appointed Mr. Jitendra Patnaik, Practising Company Secretary (Certificate of Practice no 3102) as the Secretarial Auditor for the financial year ended 31 March 2016.

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 Annexure-A.

15. 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.

16. 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 Independent Director, Non-Executive Director and Executive director. CSR Committee of the Board has developed a CSR Policy which is enclosed as Annexure-C to this report. Additionally, the CSR Policy has been uploaded on the website of the Company at <http://ifbindustries.com/csr policy.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 the aforesaid projects. However, due to multi year project and certain procedural delay at the implementation level the Company could not spend the allotted budget outlays. The Company made an expenditure of Rs 8.64 lacs only against the stipulated amount of Rs 84.26 lacs.

17. 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 company's website at the link : http://ifbindustries.com/vigil_mechanism.php

18. 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 <http://ifbindustries.com/csr policy.php> Your Directors draw attention of members to note 35 to the Financial Statements which set out related party disclosures.

19. EXTRACT OF ANNUAL RETURN

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

20. 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.

21. 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 Annexure-E which forms part of this Report.

The number of permanent employees on the role of the company as on 31 March 2016 is 1,626.

22. 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.

23. 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.

24. 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 intimate to the Independent Directors the Company's strategy, operations, product and service offerings, markets, finance, quality etc.

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 on company's website at the link: [http://ifbindustries.com/pdf/BOARD COMMITTEES.pdf](http://ifbindustries.com/pdf/BOARD_COMMITTEES.pdf).

25. 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.

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
Date : 18 May 2016

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

Indian consumer segment is broadly segregated into urban and rural markets and is attracting marketers from across the world. The sector comprises of a small affluent class, growing middle class and large economically disadvantaged social strata who are primarily dependent on farming/other labour job etc. with spending anticipated to be more than double by 2025. A recent study by the McKinsey Global Institute suggests that if India continues to grow at current pace, average household incomes will triple over the next two decades, making the country the world's fifth- largest consumer economy by 2025, up from the current 12th position. According to report by BCG and CII, India's robust economic growth and rising household incomes would increase consumer spending to US \$ 3.6 trillion by 2020. The maximum consumer spending is likely to occur in food, housing, consumer durables, transport and communication sectors.

Growth in demand from rural and semi- urban market is essential to outpace demand from urban market for consumer goods. The consumer durable sector in India is one that is passing through some very interesting times. On the one hand there is substantial scope for expansion as the favourable demographics of India are positive for the sector, on the other hand there are factors like adverse fluctuations of exchange rate as well as stiff competition provide a challenge that the company is geared to accept. Your Appliance Division improved its performance in terms of increase in sales, however, EBITDA margin is continuously under pressure.

Front Loaders - IFB Front Loaders of 5.5-8 kg capacities operates with a dominant market share close to 50%. The company has launched a range of new models which will strengthen market shares, especially in the mid and high end segments. We have introduced models with high-end designs and user interfaces, including models driven by smart mobile based technologies and a range of new washing applications. For exports, your Company has commenced commercial supplies to a Japanese major under an OEM arrangement. The

company expects to get more export orders during current year.

Top Loaders - IFB's own manufactured range started commercial production in fourth quarter of 2014-15. This includes a range of fully automatic top loaders in the 6.5-9.5 kg capacity range with high end 'Deep Clean' technology and unique wash features. The company has achieved a sale of 119,000 numbers of washing machine during 2015-16. The top loaders have created a niche position in the market with their aesthetics, features and wash performance. This category will be key towards revenue growth of the division. We believe we have about 15% market share in the segment we operate in.

Microwave Ovens - IFB is the 3rd largest player with a market share of around 18%. A complete new range of products were introduced from 3rd quarter of 2015-16. IFB is one of the few companies actually registering strong and healthy growth in this category. IFB continues to run the industry's largest microwave cooking class programme under the brand "Spice Secrets" which teaches our customers to optimize microwave oven usage post purchase. More than 125,000 customers have attended these classes last year.

Built in ovens, chimneys and hobs - We have focused on increasing displays across all markets. There has been a special focus on local level promotions to drive traffic for these categories to IFB Points. The IFB Point channel is a key driver for growth in this category. The company has 5% market share as on date which will expand in subsequent quarters as market placements are increased.

Modular Kitchen - The pilot store in Goa is fully operational in Q4. In Q1 of FY 16-17 our store in Bangalore will be fully operational. The initial respond to our offering to customer in Goa has been very good and enquiry pipeline is very encouraging.

Air conditioner - IFB is a new player in the market in this category and its products are well accepted by the customers. As a product, performance has been of a high level. The new product range will enhance this experience as the product has been improved further in the key areas of energy efficiency and performance at high ambient

temperature. IFB range is unique in terms of features such as 52°C compliant compressors across all models, green gas and copper piping - all features designed for high-end performance.

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 16% & 18% of sales by volume.
3. CSD/defence canteens, institutions etc. These channels contribute 6% of the Company's sales by volume.
4. The channel of dealers who are also service providers- This segment specifically addresses air conditioner sales.
5. The channel of distributors- This channel is driving your Company's channel expansion programme.

One of the critical areas for the Appliances Division is the service function and its reach to the customers. We have a total of 740 service franchisees across India. We have 29 service training centres, which are fully equipped to impart training on all aspects of assembly, dismantling, installation etc.

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 also to reduce the number of pending customer issues through focused data tracking. As a customer contact programme, we continue to contact customers directly and then visit them. This is increasing customer satisfaction and also generating higher revenues from the customers visits.

Amongst the major issues Appliance Division addressing are :

1. Retail dominance from large players and consolidating small players that provide the company with a cost challenge.
2. Adverse exchange rate fluctuation.

The Appliance division achieved a net revenue from operations of Rs 122,898 lacs and a 19.9% growth over the last year. Sale of Front Loader and Top Loader increased by 11% and 229% respectively. Sale of Microwave ovens increased by 17% over last year sale and those of Air conditioners by 20%. However, due to, adverse exchange rate fluctuation, product mix and high overhead etc. the PBDIT margin of the division had adversely affected as compared to last year.

With the resolution of coal mine issue, the domestic demand for heavy commercial vehicle is showing signs of recovery. The "Make in India" programme will certainly help to reduce imports and boost domestic demands. The various initiatives by Government of India and the major automobile players in Indian market are expected to make India the leader in 2 wheeler market.

The automobile sector witnessed a marginal growth last year. The Industry now expects a three to five percent growth in 2016-17 due to improving macro-economic sentiments, stable commodity prices, restart of mining activities and infra projects and higher industrial activities with an improved investment climate.

Due to weakening demand for new vehicles, revenue growth of auto component suppliers remained subdued during 2015-16. Apex Court decision to ban diesel car in New Delhi has Pan India impact. Motor cycle sales saw a drop in the last quarter with rural demand dropping.

Your company has undertaken a drive to increase its customer base. Despite stiff competition, the engineering division including the after market division grew by 15.09%, due to strong marketing initiatives and introduction of highly critical engineering auto parts. The AFM vertical focused on brand building for the "ULTRAMILES" retail brand and expanding into new geographics.

Growth in the Fine Blanking Division (FBD), is being sustained with regular capital expenditure despite its impact on the ROCE. The FBD is aggressively building a profitable order book. The FBD is also focusing successfully on increasing the customer base, both in auto and non-auto segments and substantial orders are expected.

The issues that FBD is successfully addressing include-

- i. Strong pricing pressure from customers & competitors.
- ii. Consistent increase in power cost.
- iii. Rapid increase in minimum wages.
- iv. High cost for new machinery & technology
- v. Timely Raw material availability
- vi. Fluctuation in volumes resulting in inventory and debtors.

The Fine Blanking Division achieved net turnover of Rs. 27,196 lacs and registered a growth of 15.09% as compared to last year. The operating PBIDT for the division achieved Rs 3,434 lacs and registered an increase of 1.4%.

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 usage.
- 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 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 PWC & KPMG , renowned firm of consultants to ensure compliance and effectiveness of the Internal Control Systems at various locations.

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 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 taking 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 Operational Performance are given below :

(Rs. In lacs)

SN.	Particulars	2015-16	2014-15
1	Total Revenue	151,425	127,658
2	Total Expenditure (Before interest)	147,687	121,557
3	PBDIT	8,275	10,165
4	PBDIT %	5.46%	7.96%
5	Profit After Tax	3,136	4,973
6	Return on Capital Employed	7.5%	13%
7	Inventory holding in days	41	53
8	Current Ratio (Current Assets/ Current Liabilities)	1.41	1.43
9	Head counts	1626	1537

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 acquiring, 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 and Canteen Facility.

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.

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
Date : 18 May 2016

SECRETARIAL AUDIT REPORT

ANNEXURE - A

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31 March 2016

*[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, 2016 ("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 31 March 2016 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;
 - 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 of India Limited & Bombay Stock Exchange Limited;**

I further report that

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.

All decisions are carried through unanimously

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) The Company has obtained members approval pursuant to Section 180(1)(a) of the Companies Act, 2013, at its 39th Annual General Meeting held on 31 July 2015 with regard to creation of charge on the assets of the Company.
- (ii) The Members have authorised the Board of Directors u/s 180(1)(c) of the Companies Act, 2013 to borrow, any sum(s) of money which, together with the monies already borrowed by the Company, may exceed the aggregate of paid-up share capital and free reserves of the Company, provided that the total amount so borrowed and outstanding shall not, at any time exceed Rs. 425 crores.

Other than the above 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

FCS No. 5045, CP No. 3102

Place : Kolkata

Date : 10 May 2016

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 :

<p>(A) Conservation of Energy :</p> <p>(i) steps taken or impact on conservation of energy.</p> <p>(ii) the steps taken by the company for utilising alternate source of energy</p> <p>(iii) the capital investment on energy conservation equipments.</p>	<p>All our factories continued their efforts to improve energy usage efficiencies.</p> <p>Some of the energy conservation measures adopted in the factories are: We have implemented measures to maintain the power factor in excess of 0.97 to reduce power losses Installation of TOD meters to reduce the impact of peak hour power consumption. Steps have been taken in Goa factory for energy savings related to lighting loads- through motion sensor LED lights.</p> <p>Replacement of opaque overhead sheets with translucent sheets to allow more natural light in factories.</p> <p>Not Significant</p>
<p>(B) Technology absorption :</p> <p>(i) The efforts made towards technology absorption.</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.</p>	<p>Technology is absorbed through continual visits to suppliers dealing with technology, interaction with design teams of key component and part suppliers in countries like Korea, Germany, China, Japan, Singapore etc</p> <p>In addition, the company has partnerships with design houses in Korea etc. which drive new design thinking and technology learning</p> <p>The company has benefited by way of cost reduction initiatives in key areas like electronic component sourcing, high end designs as released on the new range of top loaders and also in import substitution as the company is now localizing high cost import areas like electronics into India</p>

<p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p>The details of technology imported</p> <p>The year of import</p> <p>Whether the technology been fully absorbed</p> <p>If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</p> <p>(iv) the expenditure incurred on Research and Development.</p>	<p>Designs in top loaders, manufacturing technology in areas like injection molding, testing and validation technology led testing equipments, 3D printing technology.</p> <p>2010 - 2016 and ongoing.</p> <p>Yes</p> <p>Not applicable</p> <p>Expenditure on Research and Development :</p> <p style="text-align: right;">(Rs. In lacs)</p> <table border="1" data-bbox="725 929 1362 1141"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">For the year ended</th> </tr> <tr> <th>31 March 2016</th> <th>31 March 2015</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>452</td> <td>1,390</td> </tr> <tr> <td>Recurring</td> <td>1,648</td> <td>1,007</td> </tr> <tr> <td>Total</td> <td>2,100</td> <td>2,397</td> </tr> </tbody> </table>	Particulars	For the year ended		31 March 2016	31 March 2015	Capital	452	1,390	Recurring	1,648	1,007	Total	2,100	2,397
Particulars	For the year ended														
	31 March 2016	31 March 2015													
Capital	452	1,390													
Recurring	1,648	1,007													
Total	2,100	2,397													
<p>(C) Foreign exchange earnings and Outgo :</p>	<p>The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note 36 under notes to the Financial Statements.</p>														

Registered Office :
14, Taratala Road
Kolkata - 700 088
Date : 18 May 2016

On behalf of the Board
Bikram Nag
*Joint Executive Chairman
& Managing Director*
Dr. Rathindra Nath Mitra
Director

ANNEXURE - C

CORPORATE SOCIAL RESPONSIBILITY

During last year the Company constituted Corporate Social Responsibility Committee (CSR) 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 providing skill development programme and promoting education during the year 2015-16 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. 4,213.07 lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	Rs. 84.26 lacs
5. Details of CSR spent during the financial year 2015-16 (a) Total amount to be spent for the financial year 2015-16 (b) Amount un spent, if any	Rs. 84.26 lacs Rs. 75.62 lacs

(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.	Repairing/ constn of school building	Education	Local / Others. Gangarampur	70.44	4.82	4.82	Direct
2.	Skill development programme	Skill development programme	In and around Kolkata	13.82	3.82	3.82	Through implementing agency, Karma kutir.
Total				84.26	8.64	8.64	

Registered Office :
14, Taratala Road
Kolkata - 700 088
Date : 18 May 2016

On behalf of the Board
Bikram Nag
Joint Executive Chairman
& Managing Director
Dr. Rathindra Nath Mitra
Director

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March 2016
[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
- ii) 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 the Registered office and contact details :
14, Taratala Road
Kolkata - 700 088, India
Tel : (033) 3048 9219
Fax : (033) 3048 9230
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
CB Management Services Private Ltd.
P-22 Bondel Road, Kolkata - 700 019
Tel : (033) 4011 6700 / 2280 6692 / 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 and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Engineering Manufacture of diverse parts and accessories for motor vehicles, etc.	29301	18.12
2.	Home Appliance Products	27501	81.88

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable section
1.	N.A	N.A	N.A	N.A	N.A

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

i) Category-wise Shareholding

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) Individuals/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/FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub Total (A)(1) :	30373199	-	30373199	74.96	30373199	-	30373199	74.96	-
2. Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
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	1929932	37763	1967695	4.85	3522716	35763	3558479	8.78	+3.93
b) Banks / FI	5021	1647	6668	0.02	6577	1647	8224	0.02	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

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	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	744463	17712	762175	1.88	-	-	-	-	-1.88
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	-	-	-	-	382281	17512	399793	0.99	+0.99
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1) :	2679416	57122	2736538	6.75	3911574	54922	3966496	9.79	+3.04
2. Non-institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i. Indian	2645115	40120	2685235	6.63	2255236	39120	2294356	5.66	-0.97
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	2182052	910663	3092715	7.63	1781474	861701	2643175	6.52	-1.11
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1472706	10690	1483396	3.66	1018008	10447	1028455	2.54	-1.12
c) Other (specify)									
i) NRI	116184	1999	118183	0.29	54397	1999	56396	0.14	-0.15
ii) Foreign Body Corporate	-	-	-	-	-	-	-	-	-
iii) Clearing member	29530	-	29530	0.07	156719	-	156719	0.39	+0.32
iv) Trust	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	6445587	963472	7409059	18.29	5265834	913267	6179101	15.25	-3.04
Total Public Share holding (B)=(B)(1)+(B)(2)	9125003	1020594	10145597	25.04	9177408	968189	10145597	25.04	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	39498202	1020594	40518796	100.00	39550607	968189	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	IFB Automotive Pvt.Ltd	18856833	46.54	-	18856833	46.54	-	-
2	Nurpur Gases Pvt. Ltd	6010416	14.83	-	6010416	14.83	-	-
3	Asansol Bottling & Packaging Co. Pvt. Ltd.	3366428	8.31	-	3366428	8.31	-	-
4	MAC Consultants Pvt. Ltd	706197	1.74	-	706197	1.74	-	-
5	CPL Projects Ltd	523535	1.29	-	523535	1.29	-	-
6	Shubh Engineering Ltd.	260723	0.64	-	260723	0.64	-	-
7	IFB Agro Industries Ltd.	172733	0.43	-	172733	0.43	-	-
8	Bijon Nag	157869	0.39	-	157869	0.39	-	-
9	Priyambada Nag	131902	0.33	-	131902	0.33	-	-
10	CPL Industries Ltd	74813	0.19	-	74813	0.19	-	-
11	Lupin Agencies Pvt. Ltd	37600	0.09	-	37600	0.09	-	-
12	ZIM Properties Pvt. Ltd	34300	0.09	-	34300	0.09	-	-
13	Windsor Marketiers Pvt Ltd	19600	0.05	-	19600	0.05	-	-
14	Special Drinks Pvt Ltd.	17250	0.04	-	17250	0.04	-	-
15	Bikram Nag	3000	-	-	3000	-	-	-
	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
1					
	At the beginning of the year	30373199	74.96	30373199	74.96
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons 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 share of the company	No. of Shares	% of total shares of the company
1	TATA BALANCED FUND						
	a) At the beginning of the year	01/04/2015		550000	1.3574	550000	1.3574
	b) Changes during the year	22/05/2015	Buy	39000	0.0963	589000	1.4536
		29/05/2015	Buy	57000	0.1407	646000	1.5943
		05/06/2015	Buy	104000	0.2567	750000	1.8510
		10/07/2015	Buy	40000	0.0987	790000	1.9497
		24/07/2015	Buy	10000	0.0247	800000	1.9744
		28/08/2015	Buy	140000	0.3455	940000	2.3199
		04/09/2015	Buy	30000	0.0740	970000	2.3940
		06/11/2015	Buy	30000	0.0740	1000000	2.4680
c) At the end of the year	31/03/2016					1000000	
2	DSP BLACK ROCK MICRO CAP FUND						
	a) At the beginning of the year	01/04/2015		0	0.0000	0	0.0000
	b) Changes during the year	16/10/2015	Buy	55773	0.1376	55773	0.1376
		23/10/2015	Buy	34150	0.0843	89923	0.2219
		30/10/2015	Buy	23398	0.0577	113321	0.2797
		06/11/2015	Buy	146787	0.3623	260108	0.6419
		13/11/2015	Buy	13354	0.0330	273462	0.6749
		20/11/2015	Buy	19089	0.0471	292551	0.7220
		27/11/2015	Buy	11360	0.0280	303911	0.7500
		04/12/2015	Buy	52925	0.1306	356836	0.8807
		11/12/2015	Buy	33195	0.0819	390031	0.9626
		18/12/2015	Buy	45215	0.1116	435246	1.0742
		31/12/2015	Buy	751	0.0019	435997	1.0760
		01/01/2016	Buy	975	0.0024	436972	1.0784
		08/01/2016	Buy	46772	0.1154	483744	1.1939
15/01/2016	Buy	316175	0.7803	799919	1.9742		
c) At the end of the year	31/03/2016					799919	1.9742
3	CHATTERJEE MANAGEMENT SERVICES PRIVATE LIMITED						
	a) At the beginning of the year	01/04/2015		680260	1.6789	680260	1.6789
	b) Changes during the year		NIL				
	c) At the end of the year	31/03/2016					680260

(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
4	BENGAL VIPANAPAN PVT. LTD.						
	a) At the beginning of the year	01/04/2015		648543	1.6006	648543	1.6006
	b) Changes during the year	03/04/2015	Sale	20000	0.0494	628543	1.5512
		10/04/2015	Sale	60000	0.1481	568543	1.4032
		17/04/2015	Sale	2000	0.0049	566543	1.3982
		24/04/2015	Sale	18036	0.0445	548507	1.3537
		01/05/2015	Sale	854	0.0021	547653	1.3516
		22/05/2015	Sale	49000	0.1209	498653	1.2307
		16/10/2015	Sale	1126	0.0028	497527	1.2279
c) At the end of the year	31/03/2016				497527	1.2279	
5	KOTAK SELECT FOCUS FUND						
	a) At the beginning of the year	01/04/2015		450000	1.1106	450000	1.1106
	b) Changes during the year	19/06/2015	Buy	4397	0.0109	454397	1.1214
		08/01/2016	Buy	4858	0.0120	459255	1.1334
		15/01/2016	Buy	745	0.0018	460000	1.1353
c) At the end of the year	31/03/2016				460000	1.1353	
6	UTI-MID CAP FUND						
	a) At the beginning of the year	01/04/2015		385848	0.9523	385848	0.9523
	b) Changes during the year	06/11/2015	Buy	4658	0.0115	390506	0.9638
		11/12/2015	Buy	20000	0.0494	410506	1.0131
c) At the end of the year	31/03/2016				410506	1.0131	
7	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD						
	a) At the beginning of the year	01/04/2015		224481	0.5540	224481	0.5540
	b) Changes during the year	10/04/2015	Buy	56719	0.1400	281200	0.6940
		17/04/2015	Buy	57619	0.1422	338819	0.8362
		08/05/2015	Sale	3434	0.0085	335385	0.8277
		15/05/2015	Sale	2664	0.0066	332721	0.8212
		22/05/2015	Buy	55014	0.1358	387735	0.9569

Sl. No.	Name	Date	Reason	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		29/05/2015	Sale	387	0.0010	387348	0.9560
		05/06/2015	Sale	363	0.0009	386985	0.9551
		26/06/2015	Buy	9218	0.0227	396203	0.9778
		30/06/2015	Sale	183	0.0005	396020	0.9774
		03/07/2015	Sale	3949	0.0097	392071	0.9676
		10/07/2015	Sale	1484	0.0037	390587	0.9640
		24/07/2015	Sale	825	0.0020	389762	0.9619
		31/07/2015	Sale	1111	0.0027	388651	0.9592
		07/08/2015	Sale	1410	0.0035	387241	0.9557
		14/08/2015	Sale	2891	0.0071	384350	0.9486
		21/08/2015	Sale	6543	0.0161	377807	0.9324
		04/09/2015	Buy	2619	0.0065	380426	0.9389
		18/09/2015	Sale	443	0.0011	379983	0.9378
		25/09/2015	Sale	1331	0.0033	378652	0.9345
		30/09/2015	Sale	56	0.0001	378596	0.9344
		16/10/2015	Sale	2009	0.0050	376587	0.9294
		23/10/2015	Sale	489	0.0012	376098	0.9282
		30/10/2015	Sale	493	0.0012	375605	0.9270
		27/11/2015	Sale	971	0.0024	374634	0.9246
		04/12/2015	Buy	1973	0.0049	376607	0.9295
		11/12/2015	Sale	3210	0.0079	373397	0.9215
		18/12/2015	Sale	2043	0.0050	371354	0.9165
		31/12/2015	Sale	1340	0.0033	370014	0.9132
		08/01/2016	Sale	2685	0.0066	367329	0.9066
		15/01/2016	Sale	2694	0.0066	364635	0.8999
		22/01/2016	Sale	158	0.0004	364477	0.8995
		29/01/2016	Sale	100	0.0002	364377	0.8993
		05/02/2016	Sale	665	0.0016	363712	0.8976
		26/02/2016	Sale	545	0.0013	363167	0.8963
		04/03/2016	Buy	10291	0.0254	373458	0.9217
		18/03/2016	Sale	72	0.0002	373386	0.9215
	c) At the end of the year	31/03/2016				373386	0.9215

Sl. No.	Name	Date	Reason	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	DOLLY KHANNA						
	a) At the beginning of the year	01/04/2015		281008	0.6935	281008	0.6935
	b) Changes during the year	24/04/2015	Buy	490	0.0012	281498	0.6947
		12/06/2015	Buy	594	0.0015	282092	0.6962
		07/08/2015	Sale	850	0.0021	281242	0.6941
		18/12/2015	Sale	2000	0.0049	279242	0.6892
		22/01/2016	Sale	700	0.0017	278542	0.6874
	c) At the end of the year	31/03/2016				278542	0.6874
9	TATA TRUSTEE CO. LTD.A/C TATA MUTUAL FUND A/C TATA MID CAP GROWTH FUND						
	a) At the beginning of the year	01/04/2015		202000	0.4985	202000	0.4985
	b) Changes during the year	05/06/2015	Buy	23000	0.0568	225000	0.5553
	c) At the end of the year	31/03/2016				225000	0.5553
10	MERLIN RESOURCES PRIVATE LIMITED						
	a) At the beginning of the year	01/04/2015		186673	0.4607	186673	0.4607
	b) Changes during the year		NIL				
	c) At the end of the year	31/03/2016				186673	0.4607
11	KOTAK EMERGING EQUITY SCHEME						
	a) At the beginning of the year	01/04/2015		172182	0.4249	172182	0.4249
	b) Changes during the year	24/04/2015	Buy	14145	0.0349	186327	0.4599
		5/06/2015	Buy	14886	0.0367	201213	0.4966
		12/06/2015	Buy	10000	0.0247	211213	0.5213
		17/07/2015	Buy	3782	0.0093	214995	0.5306
		24/07/2015	Sale	33620	0.0830	181375	0.4476
		7/08/2015	Sale	58	0.0001	181317	0.4475
c) At the end of the year	31/03/2016				181317	0.4475	

(v) Shareholding of Directors and Key Managerial Personnel :

(Rs.)

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.	Mr. Bijon Nag (Whole-time Director)				
	At the beginning of the year	157869	0.39	157869	0.39
	Changes during the year	-	-		
	At the end of the year			157869	0.39
2.	Bikram Nag (Managing director)				
	At the beginning of the year	3000	0.00	3000	0.00
	Changes during the year	-	-		
	At the end of the year			3000	0.00
3.	Prabir Chatterjee				
	At the beginning of the year	25000	0.06	25000	0.06
	Changes during the year	-	-		
	At the end of the year			25000	0.06
4.	Goutam Ray Chowdhury (Company Secretary)				
	At the beginning of the year	20500	0.06	20500	0.06
	Changes during the year	-	-		
	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.)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	34,44,95,234	-	-	34,44,95,234
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,88,729	-	-	5,88,729
Total (i+ii+iii)	34,50,83,963	-	-	34,50,83,963
Change in Indebtedness during the financial year				
Addition	1,00,00,000	-	-	1,00,00,000

(Rs.)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Reduction	(19,03,90,987)	-	-	(19,03,90,987)
Net Change	(18,03,90,987)	-	-	(18,03,90,987)
Indebtedness at the end 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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs.)

	Particulars of Remuneration	Particulars of Remuneration				Total Amount
		Mr. Bijon Nag (WTD)	Mr. Sudam Maitra (WTD)	Mr. Bikramjit Nag (MD)	Mr. Prabir Chatterjee	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,40,775	86,80,900	Nil	68,45,076	1,95,66,751
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	89,900	3,20,000	Nil	3,78,650	7,88,550
	(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	-	-	-	-	-
6	Total (A)	41,30,675	90,00,900	Nil	72,23,726	2,03,55,301
	Ceiling as per the Act					3,72,66,231

B. Remuneration to other directors :

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Rathindra Nath Mitra	Mr. Ranganatharao Muralidhar	Dr. Tridibesh Mukherjee	Mr. Radharaman Bhattacharya	Ms. Sangeeta Sumesh	Mr. Sudip Banerjee	
1.	Independent Directors							
	Fee for attending board committee meetings	2,21,000	20,000	90,000	1,40,000	90,000	-	5,61,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	2,21,000	20,000	90,000	1,40,000	90,000	-	5,61,000

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Rathindra Nath Mitra	Mr. Ranganathrao Muralidhar	Dr. Tridibesh Mukherjee	Mr. Radha raman Bhattacharya	Ms. Sangeeta Sumesh	Mr. Sudip Banerjee	
2.	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	1,05,000	1,05,000
	Commission	-	-	-	-	-	Nil	
	Others, please specify	-	-	-	-	-	Nil	
	Total (2)	-	-	-	-	-	1,05,000	1,05,000
	Total (B)=(1+2)	2,21,000	20,000	90,000	1,40,000	90,000	1,05,000	6,66,000
	Total Managerial Remuneration							6,66,000
	Overall Ceiling as per the Act							37,26,623

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

(Rs.)

Sl. No.	Particulars of Remuneration	Goutam Ray Chowdhury (Company Secretary)	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,61,538	50,61,538
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,46,075	1,46,075
	(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	52,07,613	52,07,613

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

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.

Name	Designation	Remuneration paid in FY 2015-16 Rs. in Lacs	Remuneration paid in FY 2014-15 Rs. in Lacs	% Increase in remuneration from previous year	Ratio of remuneration to Median remuneration of employee (Including whole time directors)
Mr. Bijon Nag	Executive Chairman	41.31*	35.99	Nil	8.40
Mr. Bikram Nag	Joint Executive Chairman & Managing Director	-	-	-	Not Applicable
Mr. Sudam Maitra	Deputy Managing Director	90.01	51.55 [#]	Nil	18.29
Mr. Prabir Chatterjee	Director & CFO	72.24	64.70	11.65	14.68

*There was no increase in salary. The increase was mainly due to claims of earlier year entitlement made in the year of reporting.

[#]Employed during part of the year & not comparable.

The number of permanent employees on the role of the Company as on 31 March 2016 is 1,626 nos.

Percentage increase in remuneration of each Director, Chief Financial Officer(CFO), Company Secretary in the financial year 2015-16

Name	Designation	% increase in remuneration in the Financial Year
Mr. Bijon Nag	Executive Chairman	Nil
Mr. Sudam Maitra	Deputy Managing Director	Nil
Mr. Prabir Chatterjee	Director and CFO	11.65
Mr. G Ray Chowdhury	Company Secretary	59.31

Percentage increase in the median remuneration of employees in the financial year 2015-16 :

The median remuneration of employees (including whole time directors) was Rs. 4.92 lacs and Rs.3.95 lacs in financial year 2015-16 and 2014-15 respectively. The increase in median remuneration was 24.56%.

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.

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 2015-16	Rs. 255.64 lacs
Total Revenue	Rs. 151,425 lacs
Aggregate Remuneration of KMPs as a % of Total Revenue	0.17%

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 2016	31 March 2015	% Variation
Market Capitalisation (Rs. Lacs)	128,809	237,400	-45.74
Price Earnings Ratio	41.07	47.75	-13.99

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 2016 was Rs. 317.90 and Rs. 317.35 respectively, representing a 189.00% (NSE) and 188.50% (BSE) increase over the last public offer in December 1993.

Average percentage increase in salaries of employees other than managerial personnel in the last Financial year and its comparison with the percentile 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 2015-16	21.61%
The percentage increase in the Managerial Remuneration	14.62%

Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company :

Name	Designation	Remuneration for FY 2015-16 Rs. in Lacs	Remuneration as a % of Total Revenue	Remuneration as a % of Profit before tax
Mr. Bijon Nag	Executive Chairman	41.31	0.03%	1.17%
Mr. Bikram Nag	Managing Director	-	Not Applicable	Not Applicable
Mr. Sudam Maitra	Deputy Managing Director	90.01	0.06%	2.56%
Mr. Prabir Chatterjee	Director and CFO	72.24	0.05%	2.05%
Mr. G Ray Chowdhury	Company Secretary	52.08	0.03%	1.48%

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

No variable component of remuneration was availed by the directors :

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 2015-16 (Rs. Lacs)	Ratio to the highest paid director
Mr. Seungki Bae	223.41	2.48
Mr. Hak Kim	93.87	1.04

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 by the Members at the corporate office of the Company during business hours on working days, except Saturdays of the Company 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.

Registered Office :
14, Taratala Road
Kolkata - 700 088
Date : 18 May 2016

On behalf of the Board
Bikram Nag
*Joint Executive Chairman
& Managing Director*
Dr. Rathindra Nath Mitra
Director

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 have been made in this Annual Report.

2. Board of Directors

A) Composition of the Board of Directors as on 31 March 2016 is as follows :

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises ten Directors that includes one Woman Director.

Category	No. of Directors	%
Executive Directors	4	40.00
Non Executive & Independent Directors	5	50.00
Non Executive & Non Independent Director	1	10.00
Total	10	100.00

B) Particulars of Directorships & Committee Chairmanship/Membership of other Companies & Attendance at the Board Meetings & last AGM held on 31 July 2015.

Name of Directors	Executive/ Non-Executive	Independent/ Non-Independent	No. of Board Meetings attended during 2015-16	Last AGM Attended	No. of Directorships in other Indian Public Limited Companies as on 31st March 2016*	No. of Committee position held in other Indian public limited Companies as on 31st March 2016**	
						Chairman	Member
Mr Bijon Nag (Executive Chairman)	Executive	Non-Independent	4	Yes	1	NIL	NIL
Mr Bikram Nag (Joint Executive Chairman & MD)	Executive	Non-Independent	4	Yes	2	NIL	NIL
Mr Probir Chatterjee	Executive	Non-Independent	4	Yes	1	NIL	NIL
Mr Sudam Maitra	Executive	Non-Independent	4	Yes	2	NIL	NIL
Mr Sudip Banerjee	Non-Executive	Non-Independent	4	Yes	2	NIL	1
Dr Tribidesh Mukherjee	Non-Executive	Independent	4	No	4	NIL	3
Mr Raganath Rao Muralidhar	Non Executive	Independent	1	No	-	NIL	NIL
Mr Radharaman Bhattacharya	Non Executive	Independent	3	Yes	-	NIL	NIL
Ms. Sangeeta Shankaran Sumesh	Non Executive	Independent	4	Yes	-	NIL	NIL
Dr RathindraNath Mitra	Non Executive	Independent	4	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 2015-2016

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 four meetings were held on following dates :

29 May 2015, 30 July 2015, 30 October 2015, 29 January 2016

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 orientation 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 www.ifbindustries.com under **Legal/investors Relations/ independent director's letters link**.

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 23 March 2016, without the attendance of Non-Independent Directors and members of Management. Three out of five Independent Directors were present at the meeting.

iv) Familiarisation program for Independent Directors

The familiarisation of the Independent Directors is done by the Company. 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 presentations / programmes 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/programme familiarizes the Independent Directors with their role, right and responsibilities specified under the Companies Act and the SEBILODR. The Web link of the familiarisation 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 programme 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 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. 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 SEBILODR:

- 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 Directors Responsibility Statement;
- iii) Monitoring the auditor's independence and performance, and effectiveness of audit processes;
- 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 2015-16 :

Name of Members	Members / 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 :

29 May 2015, 30 July 2015, 29 October 2015 and 28 January 2016.

M/s Deloitte Haskins & Sells, Statutory Auditors, KPMG & PWC, Internal Auditors & in house Internal Auditor 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 & Remuneration Committee

A) Terms of Reference

This Committee identifies the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board 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 2015-16 :

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

C) No. of Meetings held during the year

During the year under review two meeting was held on 29 July 2015 & 30 October 2015.

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 the Directors for the year ended 31 March 2016 are as follows :

(Rs.)

Name of the Director	Sitting Fees	Salary & perquisites	Total	Stock Option granted
Mr. Bijon Nag	-	41,30,675	41,30,675	-
Mr. Bikram Nag	-	-	-	-
Mr. Probir Chatterjee	-	72,23,726	72,23,726	-
Mr. Sudam Maitra	-	90,00,900	90,00,900	-
Dr.Rathindra Nath Mitra	2,21,000	-	2,21,000	-
Dr.Tridibesh Mukherjee	90,000	-	90,000	-
Mr. Ranganathrao Muralidhar	20,000	-	20,000	-
Mr Radharaman Bhattacharya	1,40,000	-	1,40,000	-
Ms. Sangeeta Shankaran Sumesh	90,000	-	90,000	-
Mr. Sudip Banerjee	1,05,000	-	1,05,000	-
Total	6,66,000	2,03,55,301	2,10,15,301	-

- No severance fee is payable, no stock option has been given & 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 Committee (CSR)

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/legal/policies>.

B) No. of Meetings held during the year

During the year the Committee had one meeting i.e. on 23 March 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 RTA / Company Secretary.
- 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.
- To take action of all grievances and complaints lodged by stock exchange, shareholder associations and other bodies.
- To review grievances of other Stakeholders of the Company given in their individual capacity.
- Overview activities relating to Share maintenance and related work.

B) Composition and attendance of the Stakeholder's Grievance Committee during the financial year 2015-16 :

Name of Members	Executive/ Non-Executive	Member/ Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Non-Executive	Chairman	26	26
Mr. Probir Chatterjee	Executive	Member	26	26

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 sufficiently addressed to at the level of the Compliance Officer and CB Management Services (P) Ltd., the Registrar & 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 Six meetings were held on the following dates :

2 April 2015, 13 April 2015, 24 April 2015, 6 May 2015, 15 May 2015, 27 May 2015, 12 June 2015, 24 June 2015, 8 July 2015, 15 July 2015, 1 August 2015, 12 August 2015, 28 August 2015, 8 September 2015, 28 September 2015, 9 October 2015, 23 October 2015, 6 November 2015, 1 December 2015, 11 December 2015, 23 December 2015, 11 January 2016, 25 January 2016, 24 February 2016, 11 March 2016 & 31 March 2016.

D) Complaints

No. of shareholders complaints received so far	5
No. of complaints not solved to the satisfaction of shareholders	0
No. of pending complaints	0
No. of Complaint disposed off	5

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

Mr. Goutam Ray Choudhury, 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
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, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata - 700 156.	1
37th Annual General Meeting	26 July 2013	10.00 A.M.	Ecohub Conclave Club, Ecospace (IT Park), Plot No. 2F/11, Rajarhat, New Town, Kolkata - 700 156	4

- 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). No presentation was made to the institutional investors/analysts during the year 2015-2016. However Investors calls were duly attended and redressed for each quarter.

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

10. General Shareholder Information

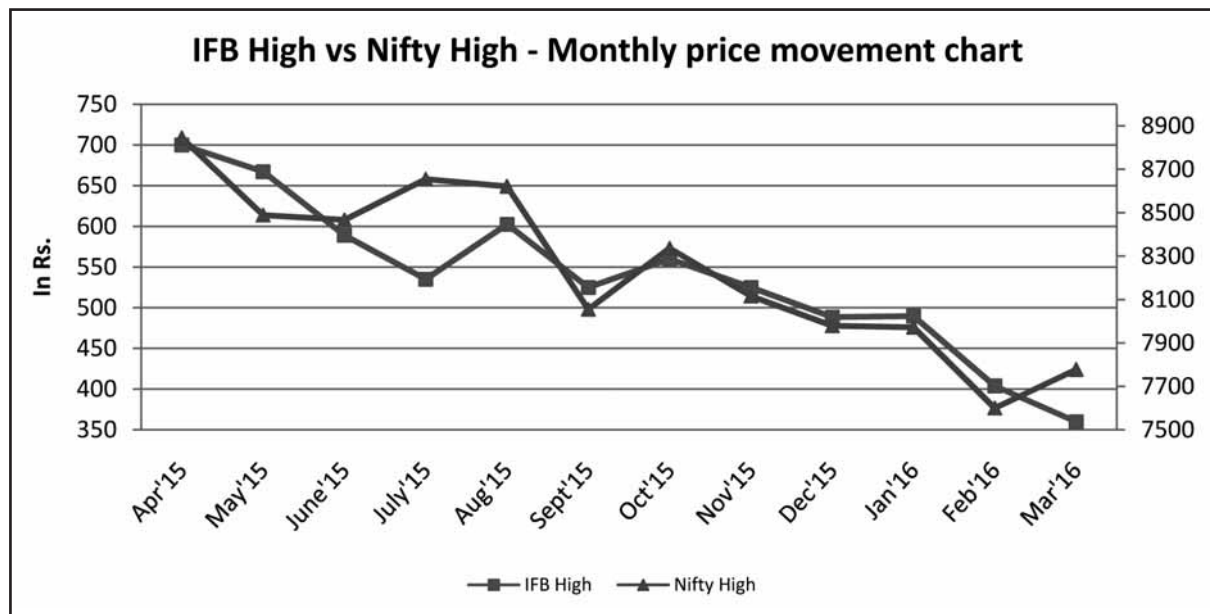
- i) 40thAGM date, time and venue** : 22 July 2016
At. 9.30 A.M.
Club Ecovista, Ecospace Business Park,
Premises No. 2F/11, Action Area II, Rajarhat,
New Town, Kolkata - 700 156.
- ii) Financial Year** : 01 April 2015 to 31 March 2016.
- iii) Book Closure date** : 16 July 2016 to 22 July 2016 (both days 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 Exchanges** : The listing fees for NSE, BSE & CSE has been paid within time limit for the year 2016-17. DSE has been derecognised by SEBI.
- vi) Stock Code** : BSE : 505726
NSE : IFB IND
CSE : 10019067

vii) 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 2015-16.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
Period	Monthly Low (Rs.)	Monthly High (Rs.)	Monthly Volume
Apr-15	575.25	700.00	836278
May-15	537.55	667.25	848478
Jun-15	426.00	589.00	1163905
Jul-15	446.00	535.00	1093099
Aug-15	401.50	602.55	1040239
Sep-15	432.30	525.00	389270
Oct-15	475.00	559.95	336175
Nov-15	450.00	525.00	295680
Dec-15	390.00	488.50	526202
Jan-16	398.80	489.80	101918
Feb-16	280.10	403.90	141685
Mar-16	283.40	360.00	248718

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



ix) **Registrars and Share Transfer Agents :**

CB Management Services (P) Ltd.
P 22 Bondel Road, Kolkata 700 019
Tel : (033) 4011 6700/2280 6692/ 22823643
Fax : (033) 40116739
E-mail : rta@cbmsl.com
Website : www.cbmsl.com

x) **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	2015-16	2014-15
Shares Transferred	15,519	10,498
Total No. of Shares	4,05,18,796	4,05,18,796
% on Share Capital	0.04	0.03

xi) **Distribution of Shareholding & Shareholding Pattern :**

A) Distribution of Shareholding as on 31 March 2016 :

No. of Equity Shares Held	As on 31 March 2016				As on 31 March 2015			
	No. of Share holders	% of Share holders	No. of Shares	% of Share holding	No. of Share holders	% of Share holders	No. of Share	% of Share holding
1-500	15739	94.14	14,70,568	3.63	15,421	92.53	15,71,118	3.88
501-1000	469	2.81	3,65,904	0.90	594	3.56	4,72,824	1.17
1001-2000	204	1.22	3,13,045	0.77	281	1.69	4,21,060	1.04
2001-3000	91	0.54	2,36,045	0.58	112	0.67	2,85,154	0.70
3001-4000	37	0.22	1,32,370	0.33	52	0.31	1,85,354	0.46
4001-5000	28	0.17	1,34,015	0.33	39	0.23	1,87,440	0.46
5001-10000	61	0.37	4,47,642	1.11	66	0.40	4,88,687	1.20
10001 and above	89	0.53	3,74,19,207	92.35	101	0.61	3,69,07,159	91.09
Total	16,718	100.00	4,05,18,796	100.00	16,666	100.00	4,05,18,796	100.00

B) Shareholding Pattern as on 31 March 2016

Category	No of Share	% of total
Indian Promoters	3,03,73,199	74.96
Mutual Funds/UTI	35,58,479	8.78
Banks, Financial Institutions & Insurance companies	8,224	0.02
Foreign Portfolio Investor	3,99,793	0.99
Private Corporate Bodier	22,94,356	5.66
Indians Public	36,71,630	9.06
Non - Resident Indians	56,396	0.14
Cleaning Members	1,56,719	0.39
Total :	4,05,18,796	100.00

xii) Dematerialization of shares :

As on 31st March 2016, 97.61% of the Company's total shares representing 39550607 shares were held in dematerialised form and the balance 2.39% representing 968189 shares were held in physical form.

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

The Company is exposed to foreign currency risk for the raw materials 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.

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

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

xv) Plant locations

- : a) 14 Taratolla Road, Kolkata - 700 088
b) JL-71, P. O. Bishnupur, Gangarampur, West Bengal
c) L-1, Verna Electronic City, Verna, Selcete, Goa - 403 722
d) 62, 64 & 66 Corlim Indl. Estate, Corlim II has, Goa - 403 110
e) 16/17, Visveswariah Ind I, Estate, Whitefield Road, Bangalore - 560 048

xvi) 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 : g_raychowdhury@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 2015-16 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 2015-16.
- 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 2015-16 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.

This Corporate Governance Report of the Company for the year 2015-2016 as on 31st March, 2016 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**

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 send to the Shareholders. However the Company furnishes the financial results on receipt of request from the shareholders.

iii) **Modified opinion in Audit Report**

The Company, at present, does not have any audit qualification pertaining to the financial statements.

iv) **Seperate post of Chairman and Chief Executive Officer**

The Compnay has appointed seperate persons as Chairman and Managing Director

v) **Reporting of Internal Auditor**

KPMG, PWC & the Company's Internal Auditor report directly to the Audit Committee.

INDEPENDENT AUDITOR'S CERTIFICATE

To the Members of **IFB INDUSTRIES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **IFB INDUSTRIES LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in :
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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 : 18 May 2016

10 YEAR HIGHLIGHTS

(Rs. In Lacs)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Financial Highlights										
Total revenue	33,599	43,672	45,682	55,683	69,754	81,440	92,760	102,896	127,658	151,425
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,809	4,691	32,385	6,645	7,948	5,114	6,193	5,335	10,165	8,275
Depreciation and amortisation	1,282	845	756	868	1,041	1,488	1,832	2,259	4,064	4,537
Exceptional expense / (income)	(4,577)	(2,338)	(27,808)	-	-	150	-	-	-	-
Profit after tax	3,527	3,735	31,508	5,376	5,031	3,054	3,145	2,160	4,973	3,136
Equity share capital	1,804	1,804	2,963	3,552	3,622	3,628	4,128	4,128	4,128	4,128
Reserves and surplus	(34,189)	(29,671)	6,655	11,825	17,498	20,591	27,436	29,596	34,569	37,705
Net worth	(37,119)	(32,916)	437	4,593	10,336	13,435	20,780	22,940	27,913	31,049
Gross fixed assets	37,441	37,986	38,837	41,050	44,691	41,619	38,775	44,743	51,979	57,787
Net fixed assets	8,649	7,101	7,206	8,472	13,884	16,061	19,503	24,038	27,873	29,767
Total assets	17,606	20,323	21,485	29,039	38,911	44,112	53,834	64,121	77,092	79,136
Market capitalisation	2,962	6,262	7,245	31,193	49,409	28,095	32,739	32,091	237,400	128,809
Number of employees (nos)	705	877	988	986	1,173	1,286	1,390	1,453	1,537	1,626
Key indicators										
Earnings per share (Rs.) (before extraordinary items)	(6.79)	7.55	19.05	16.87	14.24	8.61	7.95	5.33	12.27	7.74
Earnings per share (Rs.) (after extraordinary items)	20.20	21.08	165.94	16.87	14.24	8.61	7.95	5.33	12.27	7.74
Total revenue per share (Rs.)	194.51	252.83	158.27	160.22	196.73	229.29	228.93	253.95	315.06	373.72
Book value per share (Rs.)	(187.48)	(161.33)	33.32	44.24	59.57	68.19	77.90	83.23	95.50	103.24
Current ratio	1.05	1.09	1.39	1.57	1.57	1.61	1.76	1.54	1.43	1.41
EBITDA / Total revenue	14.3%	10.7%	70.9%	11.9%	11.4%	6.3%	6.7%	5.2%	8.0%	5.5%
Net profit margin	10.5%	8.6%	69.0%	9.7%	7.2%	3.8%	3.4%	2.1%	3.9%	2.1%
Return on net worth	(9.5%)	(11.7%)	7237.8%	125.2%	66.6%	26.8%	20.9%	12.8%	21.2%	11.3%
Return on capital employed (ROCE)	(10.9%)	(13.4%)	327.6%	35.0%	23.8%	12.6%	10.0%	6.4%	12.9%	7.5%

INDEPENDENT AUDITOR'S REPORT to the Members of IFB Industries Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, 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 that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of 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, 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 financial statements in accordance with the generally accepted accounting practice - also Refer Note 32(b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
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 the "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 : 18 May 2016

ANNEXURE “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for 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 2016, 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 : 18 May 2016

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 are held in the name of the Company based on the confirmations directly received by us from lenders. 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 asset 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 2016 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 2016 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	284
Central Excise Act, 1944	Excise duty including penalty	Commissioner Appeals	2010-11 to 2013-14	31
		Central Excise and Service Tax Appellate Tribunal	2004-05 to 2009-10	43 [^]
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
		Assistant Commissioner	2002-03	1
		Additional Commissioner	2008-2009 and 2009-10	10
		Commissioner Appeal	2011-12	12
		Deputy Commissioner (Appeals)	2009-10	1 ^{^^}
		Deputy Commissioner	2013-14	1 ^{^^^}
		Trade Tax Tribunal	1999-2000	1 [#]
		Deputy Excise and Taxation Commissioner	2006-07 and 2007-08	24 ^{##}
		Commercial Tax Appellate Board	2009-10	42 ^{###}
		Appellate & Revision Board	1996-97	10 [*]
		Appellate Tribunal	2002-03 to 2005-06	15 ^{**}
High Court	2001-02 to 2002-03 and 2007-2008 to 2013-2014	435 ^{***}		
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
		Commissioner (Appeal)	2008-2012	9
		Central Excise and Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2011-12	536

^Net of Rs. 6 Lacs paid under protest
^^Net of Rs. 0.78 Lacs paid under protest
^^^Net of Rs. 0.21 Lacs paid under protest
#Net of Rs. 0.47 Lacs paid under protest
##Net of Rs. 8 Lacs paid under protest
###Net of Rs. 16 Lacs paid under protest
*Net of Rs. 0.42 Lacs paid under protest
**Net of Rs. 56 Lacs paid under protest
***Net of Rs. 83 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 : 18 May 2016

BALANCE SHEET as at 31 March 2016

	Notes	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,128	4,128
Reserves and surplus	3	<u>37,705</u>	<u>34,569</u>
		41,833	38,697
Non-current liabilities			
Long-term borrowing	4	100	–
Deferred tax liabilities (net)	5	2,580	2,585
Other long-term liabilities	6	915	761
Long-term provisions	7	<u>2,925</u>	<u>2,717</u>
		6,520	6,063
Current liabilities			
Short-term borrowings	8	1,540	3,445
Trade payables	9		
(A) Total outstanding dues of micro and small enterprises		283	398
(B) Total outstanding dues of creditors other than micro and small enterprises		22,380	22,269
Other current liabilities	10	5,993	5,676
Short-term provisions	7	<u>587</u>	<u>544</u>
		<u>30,783</u>	<u>32,332</u>
		<u>79,136</u>	<u>77,092</u>
ASSETS			
Non-current assets			
Fixed assets			
– Tangible assets	11	26,115	25,698
– Intangible assets	12	1,275	1,601
– Capital work-in-progress		1,258	261
– Intangible assets under development		1,119	313
Long-term loans and advances	13	7,279	5,935
Other non-current assets	14	<u>1</u>	–
		37,047	33,808
Current assets			
Current investments	15	1,685	5,165
Inventories	16	21,441	22,313
Trade receivables	17	11,546	9,071
Cash and bank balances	18	4,816	4,450
Short-term loans and advances	13	2,520	2,261
Other current assets	14	<u>81</u>	<u>24</u>
		<u>42,089</u>	<u>43,284</u>
		<u>79,136</u>	<u>77,092</u>
Significant accounting policies	1		

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

for **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
18 May 2016

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director

Director

Director and Chief Financial Officer

Company Secretary

Kolkata
18 May 2016

Bikram Nag

Dr. Rathindra Nath Mitra

Prabir Chatterjee

G. Ray Chowdhury

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2016

	Notes	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
INCOME			
Sale of manufactured products (gross)	19	134,700	99,271
Sale of traded products (gross)	19	56,883	55,575
Sale of products (gross)		191,583	154,846
Less : Trade schemes and discounts		35,356	26,472
Sale of products (net of trade schemes and discounts)		156,227	128,374
Sale of services	20	5,022	4,313
Other operating revenues :			
Scrap sales		2,235	2,574
Others		69	46
Revenue from operations (gross)		163,553	135,307
Less : Excise duty on sale of manufactured products		13,219	8,882
Less : Excise duty on scrap sales		240	275
Revenue from operations (net)		150,094	126,150
Other income	21	1,331	1,508
Total revenue		151,425	127,658
EXPENSES			
Cost of raw materials consumed	22	59,035	45,300
Purchase of stock-in-trade	19	25,357	30,838
Changes in inventories of finished goods, work-in progress and stock-in-trade	23	1,679	(5,057)
Employee benefits expense	24	15,556	12,244
Finance costs	25	222	174
Depreciation and amortisation (Refer note 30)	11 & 12	4,537	4,064
Other expenses	26	41,523	34,168
Total expenses		147,909	121,731
Profit before tax		3,516	5,927
Tax expense :			
Current tax	27	385	700
Deferred tax (net)		(5)	254
Profit after tax		3,136	4,973
Earnings per equity share (face value of Rs. 10 each)	28		
– Basic		7.74	12.27
– Diluted		7.74	12.27
Significant accounting policies	1		

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

for **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
18 May 2016

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director

Director

Director and Chief Financial Officer

Company Secretary

Kolkata
18 May 2016

Bikram Nag

Dr. Rathindra Nath Mitra

Prabir Chatterjee

G. Ray Chowdhury

CASH FLOW STATEMENT for the year ended 31 March 2016

	31 March 2016	31 March 2015
	Rs. Lacs	Rs. Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,516	5,927
Adjustments for :		
Depreciation and amortisation	4,537	4,064
Gain on disposal of fixed assets	(140)	(560)
Write-off of fixed assets	27	26
Write-off of debts/advances	24	40
Write-off of capital advances	—	2
Provision for doubtful debts and advances	4	24
Dividend from current investments	(41)	(34)
Net gain on sale of current investments	(556)	(353)
Write back of liabilities no longer required	(30)	(83)
Write back of provisions no longer required	(13)	(49)
Unrealised exchange gain	(27)	(33)
Interest income on bank deposits and others	(78)	(105)
Finance costs	222	174
Operating profit before working capital changes	7,445	9,040
Increase in trade payables	116	8,621
Increase in provisions	251	291
Increase in other liabilities	504	758
Increase in trade receivables	(2,487)	(1,830)
(Increase) / Decrease in other assets	(63)	36
Increase in loans and advances	(847)	(448)
(Increase) / Decrease in inventories	872	(6,767)
Cash generated from operations	5,791	9,701
Income taxes paid	(917)	(1,463)
Net cash generated from operating activities	4,874	8,238
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(6,853)	(8,760)
Proceeds from disposal of fixed assets	269	606
Purchase of current investments	(9,804)	(12,931)
Proceeds from sale/maturity of current investments	13,881	11,881
Decrease in other bank balances	327	44
Interest received	83	129
Net cash used in investing activities	(2,097)	(9,031)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	16,715	16,179
Repayment of borrowings	(18,578)	(17,537)
Finance costs	(221)	(175)
Net cash used in financing activities	(2,084)	(1,533)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	693	(2,326)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,063	6,389
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Refer Note 18A]	4,756	4,063

Notes : 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 forming part of the financial statements
In terms of our report attached

for **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
18 May 2016

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director
Director

Director and Chief Financial Officer

Company Secretary

Kolkata
18 May 2016

Bikram Nag

Dr. Rathindra Nath Mitra

Prabir Chatterjee

G. Ray Chowdhury

NOTES to the financial statements for the year ended 31 March 2016

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 primarily engaged in the business of manufacturing and trading of home appliances. Further, the Company is also engaged in manufacturing of fine blanking components.

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") / Companies Act, 1956 ("the 1956 Act"), as applicable. The Company follows the accrual method of accounting under historical cost convention modified by revaluation of certain fixed assets as and when undertaken. The accounting policies adopted in 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 accounting policies, 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. Revision of accounting estimates, if any, 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 or at the revalued amount 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. Where a tangible fixed asset has been revalued upwards, the revalued amount is credited to revaluation reserves.

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 of 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/enhancement expenses are charged off as revenue expenditure unless they bring significant additional benefits.

NOTES to the financial statements for the year ended 31 March 2016

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.

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 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.

NOTES to the financial statements for the year ended 31 March 2016

k. 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.

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

NOTES to the financial statements for the year ended 31 March 2016

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 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Authorised		
65,000,000 (31 March 2015 : 65,000,000) equity shares of Rs. 10 each	6,500	6,500
30,000,000 (31 March 2015 : 30,000,000) cumulative redeemable preference shares of Rs. 10 each	3,000	3,000
	9,500	9,500
Issued, subscribed and paid-up		
40,518,796 (31 March 2015 : 40,518,796) equity shares of Rs. 10 each, fully paid-up	4,052	4,052
Forfeited shares		
3,050,000 (31 March 2015 : 3,050,000) equity shares of Rs. 10 each, Rs. 2.50 paid-up	76	76
	4,128	4,128

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

	31 March 2016		31 March 2015	
	Nos	Rs. Lacs	Nos	Rs. Lacs
At the beginning of the year	40,518,796	4,052	40,518,796	4,052
At the end of the year	40,518,796	4,052	40,518,796	4,052

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 2016		31 March 2015	
	%	Nos	%	Nos
1. IFB Automotive Private Limited	46.54%	18,856,833	46.54%	18,856,833
2. Nurpur Gases Private Limited	14.83%	6,010,416	14.83%	6,010,416
3. Asansol Bottling & Packaging Company Private Limited	8.31%	3,366,428	8.31%	3,366,428

NOTES to the financial statements as at

3. Reserves and surplus

	31 March 2016 Rs. Lacs	31 March 2015 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	173	173
Surplus in the statement of profit and loss		
At the beginning of the year	6,352	1,379
Add : Profit for the year	3,136	4,973
At the end of the year	<u>9,488</u>	<u>6,352</u>
	<u>37,705</u>	<u>34,569</u>

4. Long-term borrowing

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Term loan from a bank (Secured)(^)(*)	100	—
	<u>100</u>	<u>—</u>

(^) Repayable in 16 equal quarterly installments from the end of the 15th month from the date of first disbursement.

(*) For sanction of term loan amounting to Rs 3,000 lacs by DBS Bank Ltd, following charge 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.

5. Deferred tax liabilities (net)

		31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Deferred tax liabilities :			
Fixed assets : Impact of difference between tax depreciation and depreciation and amortisation charged as per books		3,044	2,964
Total	(A)	<u>3,044</u>	<u>2,964</u>
Deferred tax assets :			
Timing difference on account of :			
Provision for doubtful debts and advances		21	24
Provision for employee benefit expenses		374	286
Provision for sales tax and cess		69	69
Total	(B)	<u>464</u>	<u>379</u>
Deferred tax liabilities (net)	(A)-(B)	<u>2,580</u>	<u>2,585</u>

6. Other long-term liabilities

		31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Others :			
Income received in advance on annual maintenance contracts and extended warranty services		695	594
Security deposits		220	167
		<u>915</u>	<u>761</u>

NOTES to the financial statements as at

7. Provisions

	Long-term		Short-term	
	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
(a) Provision for employee benefits :				
Gratuity (refer note 32)	458	291	-	-
Leave encashment (refer note 32)	668	530	98	89
Sick leave	175	135	35	29
Other Leave	-	-	104	44
	<u>1,301</u>	<u>956</u>	<u>237</u>	<u>162</u>
(b) Others :				
Warranty	1,624	1,761	350	382
	<u>1,624</u>	<u>1,761</u>	<u>350</u>	<u>382</u>
	<u><u>2,925</u></u>	<u><u>2,717</u></u>	<u><u>587</u></u>	<u><u>544</u></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 :

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Provision for warranty		
As at the beginning of the year	2,143	2,331
Additional provision during the year	492	352
Less : Provision utilised during the year	661	540
As at the end of the year	<u><u>1,974</u></u>	<u><u>2,143</u></u>

8. Short-term borrowings

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Loans repayable on demand from banks (Secured)		
Capex buyers credits (#) (&) (*)	927	2,113
Working capital buyers credit (^)	-	607
Bill Discounting (*)	613	725
	<u><u>1,540</u></u>	<u><u>3,445</u></u>

(#) For sanction of capex letter of credit amounting to Rs. 2,100 lacs by Standard Chartered Bank, following charge 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

NOTES to the financial statements as at

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.

- (&) For sanction of capex letter of credit amounting to Rs 1,000 lacs by Standard Chartered Bank, following charge 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 - 403 722 or wherever else the same may be.
- (^) For sanction of working capital facility amounting to Rs. 9,000 lacs by Standard Chartered Bank, following charge have been created:
- First charge on all current assets, both present and future.
 - First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).
 - 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.
- (*) For sanction of credit facilities amounting to Rs. 3,500 lacs by DBS Bank Ltd., following charge 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, Visveswaraiyah Industrial Estate, Whitefield Road, Bangalore - 560048 (Engineering Division) or wherever else the same may be.

9. Trade payables

	31 March 2016	31 March 2015
	Rs. Lacs	Rs. Lacs
Payable for goods		
total outstanding dues of micro and small enterprises	283	398
total outstanding dues of creditors other than micro and small enterprises	13,829	15,533
Payable for expenses		
total outstanding dues of creditors other than micro and small enterprises	8,551	6,736
	<u>22,663</u>	<u>22,667</u>

10. Other current liabilities

	31 March 2016	31 March 2015
	Rs. Lacs	Rs. Lacs
Interest accrued but not due on borrowings	7	6
Income received in advance on annual maintenance contracts and extended warranty services	2,859	2,670
Other Payables :		
Security deposits	59	65
Advance from customers	580	643
Statutory liabilities	2,244	2,014
Capital creditors	244	278
	<u>5,993</u>	<u>5,676</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 1 April 2015	Additions	Adjust- ments/ disposals	As at 31 March 2016	As at 1 April 2015	For the year	Adjust- ments/ disposals	Gain for change in accounting policy (Refer note 30)	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Freehold land (@)	711	-	-	711	-	-	-	-	-	711	711
Previous year	719	-	(8)	711	-	-	-	-	-	711	719
Leasehold land	233	-	(2)	231	208	5	-	-	213	18	25
Leasehold land	220	-	(2)	218	198	5	-	-	203	15	22
R and D leasehold land	13	-	-	13	10	-	-	-	10	3	3
Previous year	233	-	-	233	203	5	-	-	208	25	30
Building	6,593	215	(387)	6,421	2,673	251	(259)	-	2,665	3,756	3,920
Building	5915	200	(387)	5,728	2,527	230	(259)	-	2,498	3,230	3,388
R and D building	678	15	-	693	146	21	-	-	167	526	532
Previous year	6,172	475	(54)	6,593	3,276	258	(17)	(844)	2,673	3,920	2,896
Plant and machinery	38,211	3,678	(267)	41,622	18,275	3,410	(248)	-	21,437	20,185	19,936
Plant and machinery	36,892	3,319	(267)	39,944	18,012	3,310	(248)	-	21,074	18,870	18,880
R and D plant and machinery	1,319	359	-	1,678	263	100	-	-	363	1,315	1,056
Previous year	32,272	6,548	(609)	38,211	14,997	3,868	(590)	-	18,275	19,936	17,275
Computers	895	175	(33)	1,037	615	141	(31)	-	725	312	280
Computers	821	146	(33)	934	556	129	(31)	-	654	280	265
R and D computers	74	29	-	103	59	12	-	-	71	32	15
Previous year	801	114	(20)	895	429	205	(19)	-	615	280	372
Furniture and fixtures	1,423	459	(76)	1,806	633	158	(71)	-	720	1,086	790
Furniture and fixtures	1,383	454	(76)	1,761	610	154	(71)	-	693	1,068	773
R and D furniture and fixtures	40	5	-	45	23	4	-	-	27	18	17
Previous year	1,158	287	(22)	1,423	492	161	(20)	-	633	790	666
Motor vehicles	60	19	(11)	68	24	8	(11)	-	21	47	36
Motor vehicles	60	-	(11)	49	24	6	(11)	-	19	30	36
R and D Motor vehicles	-	19	-	19	-	2	-	-	2	17	-
Previous year	54	22	(16)	60	29	7	(12)	-	24	36	25
Total	48,126	4,546	(776)	51,896	22,428	3,973	(620)	-	25,781	26,115	25,698
Previous year	41,409	7,446	(729)	48,126	19,426	4,504	(658)	(844)	22,428	25,698	21,983

(@) Gross Block includes an amount of Rs. 173 Lacs (31 March 2015 : Rs. 173 Lacs) resulting from revaluation in an earlier year.

R and D denotes research and development.

Additions to plant and machinery during the year includes borrowing cost capitalised amounting to Nil (31 March 2015 : Rs. 28 Lacs).

12. Intangible Assets

Rs. Lacs

Particulars of Assets	Gross Block				Amortisation				Net Block	
	As at 1 April 2015	Additions	Adjust- ments/ disposals	As at 31 March 2016	As at 1 April 2015	For the year	Adjust- ments/ disposals	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Computer software	1,145	238	(3)	1,380	938	191	(3)	1,126	254	207
Computer software	1,005	213	(3)	1,215	844	163	(3)	1,004	211	161
R and D computer software	140	25	-	165	94	28	-	122	43	46
Previous year	1,060	91	(6)	1,145	736	207	(5)	938	207	324
Technical knowhow	2,134	-	-	2,134	740	373	-	1,113	1,021	1,394
R and D technical knowhow	2,134	-	-	2,134	740	373	-	1,113	1,021	1,394
Previous year	814	1,320	-	2,134	543	197	-	740	1,394	271
Total	3,279	238	(3)	3,514	1,678	564	(3)	2,239	1,275	1,601
Previous year	1,874	1,411	(6)	3,279	1,279	404	(5)	1,678	1,601	595

R and D denotes research and development.

NOTES to the financial statements as at

13. Loans and advances

	Long-term		Short-term	
	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Unsecured, considered good				
Capital advances	715	483	-	-
Security deposits	922	637	29	70
Loans and advances to related parties :				
Deposits with related parties	219	219	-	-
Loans and advances to related parties	-	-	139	88
Other Loans and advances :				
Minimum alternate tax credit entitlement	2,966	2,607	-	-
Advances income-tax (net of provision for income tax)	457	284	-	-
Other loans and advances (*)	2,000	1,705	2,352	2,103
	<u>7,279</u>	<u>5,935</u>	<u>2,520</u>	<u>2,261</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 : Provision for doubtful advances	(28)	(28)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,279</u>	<u>5,935</u>	<u>2,520</u>	<u>2,261</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	49	54

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

14. Other assets

	Non-current		Current	
	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Interest accrued on fixed deposits	1	-	2	8
Unamortised premium of forward contracts	-	-	28	16
Others (#)	-	-	51	-
	<u>1</u>	<u>-</u>	<u>81</u>	<u>24</u>

(#) Restatement of forward contracts.

NOTES to the financial statements as at

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

	31 March 2016		31 March 2015	
	Nos.	Rs. Lacs	Nos.	Rs. Lacs
Investments in mutual fund (unquoted)				
1. ICICI Prudential Money Market Fund Option - Direct Plan Daily Dividend (face value Rs. 100/-)	647,645	649	310,137	310
2. Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option (face value Rs. 10/-)	2,780,694	506	11,998,113	2,130
3. ICICI Prudential Liquid - Direct Plan - Daily Dividend - Reinvest (face value Rs. 100/-)	30,413	30	-	-
4. Reliance Fixed Horizon Fund - XXX - Series 9 - Direct Growth Plan (face value Rs. 10/-)	5,000,000	500	-	-
5. ICICI Prudential Regular Saving Fund - Regular Plan - Growth (face value Rs. 10/-)	-	-	3,280,840	400
6. ICICI Prudential Money Market Fund - Regular Plan Daily Dividend (face value Rs. 100/-)	-	-	38,670	39
7. ICICI Prudential Savings Fund - Regular Plan - Growth (face value Rs. 100/-)	-	-	970,922	1,936
8. Kotak Treasury Advantage Fund - Regular Plan - Growth (face value Rs. 10/-)	-	-	1,578,450	350
		<u>1,685</u>		<u>5,165</u>

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

	31 March 2016	31 March 2015
	Rs. Lacs	Rs. Lacs
Raw materials	5,226	4,350
Work-in-progress (refer note 23)	1,051	893
Finished goods (refer note 23)	6,110	5,145
Stock-in-trade (refer note 23)	6,569	9,371
Stores and spare parts	2,383	2,396
Gifts and point of purchase materials	102	158
	<u>21,441</u>	<u>22,313</u>
Inventories in transit included in Note 16 are as under :		
Raw materials	910	496
Stock-in-trade	1,565	2,926
Stores and spare parts	69	69
	<u>2,544</u>	<u>3,491</u>

NOTES to the financial statements as at

17. Trade receivables

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
	<u> </u>	<u> </u>
Unsecured :		
Outstanding for a period exceeding six months from the date they are due for payment :		
Considered good	170	163
Considered doubtful	<u>31</u>	<u>40</u>
	201	203
Less : Provision for doubtful receivables	<u>(31)</u>	<u>(40)</u>
(A)	<u>170</u>	<u>163</u>
 Others :		
Considered good	11,376	8,908
Considered doubtful	<u>2</u>	<u>2</u>
	11,378	8,910
Less : Provision for doubtful receivables	<u>(2)</u>	<u>(2)</u>
(B)	<u>11,376</u>	<u>8,908</u>
(A + B)	<u>11,546</u>	<u>9,071</u>
 Trade receivables include :		
Dues from a private limited company in which the Company directors are directors (refer note 35(a))	409	454

18. Cash and bank balances

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
	<u> </u>	<u> </u>
Cash and cash equivalents:		
Balances with bank :		
Current accounts	4,482	3,884
Deposit accounts	20	28
Cheques on hand	201	108
Cash on hand	<u>53</u>	<u>43</u>
(A)	<u>4,756</u>	<u>4,063</u>
 Other bank balances (*)		
Balance with bank in deposit accounts	39	320
Margin money deposits	<u>21</u>	<u>67</u>
(B)	<u>60</u>	<u>387</u>
(A + B)	<u>4,816</u>	<u>4,450</u>

(*) Other bank balances includes Rs. 6 Lacs (31 March 2015 : Rs. 1 Lac) with a maturity term of more than 12 months.

NOTES to the financial statements for the year ended

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

	Gross sales		Purchases	
	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Finished goods :				
Press tools and dies	487	480	-	-
Fine blanked components and others	28,917	24,089	-	-
Motor	9	32	-	-
Home appliances :				
- Washing machines	103,795	73,248	-	-
- Dryers	1,432	1,356	-	-
- Dishwashers	11	18	-	-
- Others	49	48	-	-
Stock-in-trade :				
Home appliances :				
- Microwave ovens	19,723	16,908	9,210	7,877
- Washing machines	254	6,321	-	3,358
- Accessories and additives	11,203	9,024	5,698	4,627
- Dishwashers	4,615	4,477	2,648	2,331
- Air conditioners	16,799	14,019	6,375	11,432
- Others	2,426	2,441	1,426	1,213
- Spares	1,863	2,385	-	-
	<u>191,583</u>	<u>154,846</u>	<u>25,357</u>	<u>30,838</u>

20. Sale of services

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Annual maintenance/service contracts income	4,608	3,952
Extended warranty income	46	37
Others	368	324
	<u>5,022</u>	<u>4,313</u>

21. Other income

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Interest income on bank deposits and others	78	105
Dividend from current investments	41	34
Net gain on sale of current investments	556	353
Insurance claims received	34	23
Rental income	50	51
Gain on disposal of fixed assets	140	560
Write back of liabilities no longer required	30	83
Write back of provision no longer required	13	49
Miscellaneous income	389	250
	<u>1,331</u>	<u>1,508</u>

NOTES to the financial statements for the year ended

22. Cost of raw materials consumed

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Raw material stock as at the beginning of the year	4,350	2,682
Add : Purchases during the year	59,911	46,968
	<u>64,261</u>	<u>49,650</u>
Less : Raw material stock as at the end of the year	5,226	4,350
Cost of raw materials consumed	<u>59,035</u>	<u>45,300</u>
Details of cost of raw materials consumed (refer note 37) :		
Imported steel	587	597
Imported others	17,201	11,974
Indigenous steel	13,779	12,501
Indigenous others	27,468	20,228
	<u>59,035</u>	<u>45,300</u>
Expenditure related to research and development at Verna, Goa included in Note 22 are :		
Cost of raw materials consumed	110	106
	<u>110</u>	<u>106</u>

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

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Inventories as at the end of the year :		
Stock-in-trade	6,569	9,371
Work-in-progress (@)	1,051	893
Finished goods	6,110	5,145
	<u>13,730</u>	<u>15,409</u>
Inventories as at the beginning of the year :		
Stock-in-trade	9,371	6,187
Work-in-progress (@)	893	767
Finished goods	5,145	3,398
	<u>15,409</u>	<u>10,352</u>
	<u>1,679</u>	<u>(5,057)</u>
Details of Inventories :		
Stock-in-trade		
- Microwave ovens	1,648	1,534
- Washing machines	55	320
- Accessories and additives	346	337
- Dishwashers	825	560
- Air conditioners	2,780	5,987
- Others	915	633
	<u>6,569</u>	<u>9,371</u>
Finished goods :		
- Washing Machines	4,829	4,046
- Dryers	88	83
- Dishwashers	6	13
- Fine blanked components	842	669
- Press tools and dies	326	315
- Others	19	19
	<u>6,110</u>	<u>5,145</u>

(@) Includes semi finished fine blanked components and semi finished press tools and dies amounting to **Rs. 931 Lacs** (31 March 2015 : Rs. 761 Lacs)

NOTES to the financial statements for the year ended

24. Employee benefits expense

	<u>31 March 2016</u>	<u>31 March 2015</u>
	Rs. Lacs	Rs. Lacs
Salaries and wages	12,734	10,014
Contribution to provident and other funds	1,405	1,074
Staff welfare expenses	1,417	1,156
	<u>15,556</u>	<u>12,244</u>
Expenditure related to research and development at Verna, Goa included in Note 24 are :		
Salaries and wages	1,076	528
Contribution to provident and other funds	79	46
Staff welfare expenses	66	24
	<u>1,221</u>	<u>598</u>

25. Finance costs

	<u>31 March 2016</u>	<u>31 March 2015</u>
	Rs. Lacs	Rs. Lacs
Interest expense	222	174
	<u>222</u>	<u>174</u>

26. Other expenses

	<u>31 March 2016</u>	<u>31 March 2015</u>
	Rs. Lacs	Rs. Lacs
Consumption of stores and spare parts	7,463	5,706
Rent (refer note 29)	1,305	898
Insurance	136	127
Freight, octroi and carriage	4,902	3,804
Power and fuels	1,690	1,535
Ancillary cost	4,151	3,743
Rates and taxes	740	842
Expenditure on Corporate Social Responsibility	9	5
Office expenses	2,837	2,447
Advertisement and sales promotion	9,210	7,123
Travelling	2,686	2,518
Repairs :		
Buildings	45	43
Plant and machinery	501	448
Others	439	359
Excise duty on differential stock	-	67
Loss on exchange fluctuation	436	259
Write-off of fixed assets	27	26
Write-off of debts / advances	24	40
Write-off of capital advances	-	2
Provision for doubtful debts and advances	4	24
Bank charges	92	80
Directors' sitting fees	7	8
Service expenses	2,847	2,324
Warranty expenses	492	352
Miscellaneous expenses	1,480	1,388
	<u>41,523</u>	<u>34,168</u>

NOTES to the financial statements for the year ended 31 March 2016

	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Payment to statutory auditors included under office expenses (excluding service tax)		
As auditors :		
Audit fees	39	37 (*)
Tax audit fees	14	10 (*)
Others	10	2 (*)
Reimbursement of expenses	3	-
	<u>66</u>	<u>49</u>
(*) Includes payments made to erstwhile statutory auditors		
Payment to political party included under Miscellaneous expenses		
Payment to Bharatiya Janata Party	-	8
	<u>-</u>	<u>8</u>
Expenditure on Corporate Social Responsibility		
(a) Gross Amount required to be spent by the company during the year	84	72
(b) Amount spent during the year on purpose other than construction/ acquisition of assets in cash	9	5
Expenditure related to research and development at Verna, Goa included in Note 26 are :		
Rent	12	2
Power and fuels	31	29
Ancillary cost	8	8
Office expenses	142	145
Travelling	109	93
Repairs :		
Building	-	3
Plant and machinery	-	1
Others	2	3
Miscellaneous expenses	13	19
	<u>317</u>	<u>303</u>
27. Current Tax		
	31 March 2016 Rs. Lacs	31 March 2015 Rs. Lacs
Income tax for the year	744	1,230
Income tax related to earlier years	-	3
Minimum Alternate Tax Credit for the year	(360)	(384)
Minimum Alternate Tax Credit related to earlier years	1	(149)
	<u>385</u>	<u>700</u>
28. Earnings per share		
	31 March 2016	31 March 2015
(a) Profit after taxes available to equity shareholders (Rs. Lacs)	3,136	4,973
(b) Weighted average number of equity shares outstanding	40,518,796	40,518,796
(c) Basic and Diluted earnings per equity share of face value Rs. 10 each (in Rs.)	7.74	12.27

NOTES to the financial statements for the year ended 31 March 2016

29. Leases

The Company is obligated under cancellable leases for residential, office premises, warehouses, etc. Total rental expense under cancellable operating lease amounted to **Rs. 1,305 Lacs** (31 March 2015 : Rs. 898 Lacs).

30. Changes in Accounting Policy and Accounting Estimates

Pursuant to the notification of Schedule II to the Companies Act, 2013, with effect from 1 April 2014, the Company had changed the policy of providing depreciation of buildings from written down value (WDV) method to straight line method (SLM) thereby resulting in a surplus of Rs. 844 Lacs for the year ended 31 March 2015.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013 and its subsequent amendment by Ministry of Corporate Affairs, the Company charged off the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on 1 April 2014 to the Statement of Profit and Loss. Thereby for such assets, the Company has charged an amount of Rs. 1,196 Lacs as depreciation in the Statement of Profit and Loss for the year ended 31 March 2015.

As a result of change in estimated useful life as prescribed in Schedule II of the Companies Act, 2013, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 1,496 Lacs.

31. Dues to Micro and Small 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 2016 has been made in the financial statements based on information received and available with the Company. A sum of **Rs. 283 lacs** is payable to Micro and Small Enterprises as at 31 March 2016 (31 March 2015 : Rs. 398 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 employees' gratuity fund scheme, determined as post-employment benefit, is managed through Insurance Companies under a defined benefit plan. The present value of obligation is determined based on an actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for unfunded leave encashment determined as other long-term benefit plan is recognized in the same manner as gratuity.

NOTES to the financial statements for the year ended 31 March 2016

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 (Funded)		Leave Encashment (Unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Defined benefit obligation at the beginning of the year	1,512	1,082	619	435
Current Service Cost	142	100	39	45
Interest Cost	113	99	42	37
Acquisitions Cost / (Credit)	(3)	9	(3)	4
Actuarial losses	257	259	215	165
Benefits Paid	(132)	(37)	(146)	(67)
Defined Benefit obligation at the end of the year	1,889	1,512	766	619

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

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Fair value of plan assets at beginning of the year	1,221	1,049	-	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	104	84	-	-
Contributions	291	33	-	-
Actuarial gain/(loss)	(53)	92	-	-
Benefits settled	(132)	(37)	-	-
Fair value of plan assets at the end of year	1,431	1,221	-	-
Actual return on plan assets	51	176	-	-

III. Reconciliation of fair value of assets and obligations : Rs. Lacs

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Net liability at the beginning of the year	(291)	(33)	(619)	(435)
Employer expense	(461)	(282)	(296)	(247)
Contributions	291	33	146	67
Acquisitions/business combinations	3	(9)	3	(4)
Net liability at the end of the year	(458)	(291)	(766)	(619)

NOTES to the financial statements for the year ended 31 March 2016

IV. Expense recognized during the year :

Rs. Lacs

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Current service cost	142	100	39	45
Interest cost	113	99	42	37
Expected return on plan assets	(104)	(84)	-	-
Actuarial losses	310	167	215	165
Net gratuity/leave encashment expense	461	282	296	247

V. Actuarial assumptions :

Rs. Lacs

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Discount rate	7.70%	7.80%	7.70%	7.80%
Expected return on assets	8.00%	8.00%	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (IALM) (2006-08) ult. modified	Indian Assured Lives Mortality (IALM) (2006-08) ult. modified	Indian Assured Lives Mortality (2006-08) ult.	Indian Assured Lives Mortality (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.

VI. Percentage of each category of plan assets to the fair value of plan assets as at 31 March 2016

The plan assets of the fund has been invested 100% (31 March 2015 : 100%) with the schemes of insurance companies.

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

Rs. Lacs

	Gratuity (Funded)					Leave Encashment (Unfunded)				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Experience gain / (loss) adjustments on plan liabilities	(247)	(155)	(5)	(70)	(47)	(211)	(121)	(54)	(103)	(23)
Experience gain / (loss) adjustments on plan assets	(53)	92	7	48	(26)	-	-	-	-	-
Defined benefit obligation at end of the period	(1,889)	(1,512)	(1,082)	(1,045)	(744)	(766)	(619)	(435)	(437)	(300)
Plan assets at end of the period	1,431	1,221	1,049	812	617	-	-	-	-	-
Excess of obligation over plan assets	(458)	(291)	(33)	(233)	(127)	(766)	(619)	(435)	(437)	(300)

Best estimate of Employer's expected contribution for the next year is **Rs. 458 Lacs** (31 March 2015 : Rs. 291 Lacs)

NOTES to the financial statements for the year ended 31 March 2016

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

The company contributed **Rs. 944 Lacs** (31 March 2015 : Rs. 785 Lacs) to defined contribution scheme (Provident Fund, superannuation fund and others) during the year ended 31 March 2016.

33. Commitments and contingent liabilities :

(A) **Commitments :**

Rs. Lacs

		31 March 2016	31 March 2015
i)	Outstanding capital commitments for tangible assets	1,050	1,391
ii)	Outstanding capital commitments for intangible assets	490	353

(B) **Contingent Liabilities :**

Rs. Lacs

		31 March 2016	31 March 2015
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.)	1,956	1,653
ii)	Other claims against the Company not acknowledged as debts (#)	16	16
iii)	Custom duty and interest obligation for advance licenses (*)	705	681

(#) 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 2016 and 31 March 2015.

(*) Pursuant to direction from DGFT dated 24 Feb 2010, the period for fulfilment of export obligations against 11 advance licenses was extended by 5 years with effect from 29 Sept 2009 which are remaining outstanding as at 31 March 2015. The Company has filed an application on 9 Sept 2014 before the 'Policy Interpretation Committee', DGFT to clarify the ambiguity regarding the date of fulfilment of export obligation. Simultaneously the Company has also applied before the 'Policy Relaxation Committee', DGFT (PRC, DGFT), on 31 July 2014 for clubbing of the referred advance licenses. Against adverse order of PRC, DGFT, the Company filed writ petition before the Hon'ble Delhi High Court challenging the order of PRC, DGFT. The matter is pending before the Hon'ble Delhi High Court.

NOTES to the financial statements for the year ended 31 March 2016

34. Segment reporting- Information pursuant to Primary Business segment

Rs. Lacs

	Year ended 31 March 2016			
	Engineering	Home Appliances	Unallocated	Total
Revenue from Operations - external	27,196	122,898	–	150,094
	23,629	102,521	–	126,150
Other income - external	212	527	592	1,331
	822	266	420	1,508
Total revenue	27,408	123,425	592	151,425
	24,451	102,787	420	127,658
Segment results before finance cost	2,065	2,661	(988)	3,738
	2,523	4,488	(910)	6,101
Less : finance cost				222
				174
Profit before tax				3,516
				5,927
Segment assets	20,493	53,133	5,510	79,136
	17,357	50,732	9,003	77,092
Segment liabilities	6,533	26,477	4,293	37,303
	4,988	29,568	3,839	38,395
Other segment information :				
Depreciation and amortisation	1,368	3,080	89	4,537
	862	3,107	95	4,064
Tangible capital expenditure	2,787	2,744	12	5,543
	1,458	6,051	7	7,516
Intangible capital expenditure	16	972	56	1,044
	5	450	–	455
Non cash expenditure other than depreciation/amortisation	23	32	–	55
	24	60	6	90

(figures for the previous year, 31 March 2015, have been shown below each item)

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.

NOTES to the financial statements for the year ended 31 March 2016

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.
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.
Key Management Personnel (KMP) :	<p>Mr. Bijon Nag, <i>Executive Chairman</i></p> <p>Mr. Bikram Nag, <i>Joint Executive Chairman and Managing Director</i></p> <p>Mr. Sudam Maitra, <i>Deputy Managing Director</i></p> <p>Mr. Prabir Chatterjee, <i>Director and CFO</i></p> <p>Mr. Gautam Dasgupta, <i>Mentor (retired w.e.f. 31 May 2015)</i></p> <p>Mr. A K Nag, <i>President</i></p> <p>Mr. Rahul Choudhary, <i>Vice President, Corporate affairs and banking</i></p> <p>Mr. Rajshankar Ray, <i>CEO, Home Appliances Division</i></p> <p>Mr. A.S. Negi, <i>National Service Head, Home Appliances Division</i></p> <p>Mr. Jayanta Chanda, <i>Service Accounts Head, Home Appliance Division</i></p> <p>Mr. Govindaraj Collegal, <i>Head, Goa factory (resigned w.e.f. 15 September 2015)</i></p> <p>Mr. Partha Sen, <i>CEO, Kolkata Engineering Factory</i></p> <p>Mr. K.R.Krishna Prasad, <i>CEO, Bangalore Engineering Factory</i></p> <p>Mr. B.M. Shetye, <i>Vice President, R&D, Home Appliances Division</i></p> <p>Mr. G. Ray Chowdhury, <i>Company Secretary</i></p> <p>Mr. Susanta Das, <i>Head of Personnel and Administration</i></p> <p>Mr. Uma Shankar Ghosh Dastidar, <i>Head - Taxation</i></p> <p>Mr. Arup Das, <i>Head Marketing , Engineering Division</i></p> <p>Mr. Diptanil Saha, <i>GM, Corporate Affairs</i></p> <p>Mr. Sukhdev Nag, <i>Regional Manager, Home Appliances Division, South</i></p> <p>Mr. T.R. Ramesh, <i>Regional Manager, Home Appliances Division, East</i></p> <p>Mr. Ranjan Mohan Mathur, <i>Regional Manager, North</i></p> <p>Mr. Soumitra Goswami, <i>DGM, Accounts and Finance</i></p> <p>Mr. Ashok Hazra, <i>AGM - Accounts, Bangalore Engineering Factory</i></p> <p>Mr. R. Anand, <i>Head, Motor Division</i></p>

NOTES to the financial statements for the year ended 31 March 2016

35(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		Key Management Personnel (KMP)		Total	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
		i)	Sales, service and other income	2,429	2,663	36	12	-	-	2	4
ii)	Purchases of raw materials	28	26	59	55	-	-	-	-	87	81
iii)	Purchase of duty entitlement pass book licence	-	-	-	83	-	-	-	-	-	83
iv)	Purchase of fixed assets	-	-	1	-	-	-	-	-	1	-
v)	Remuneration	-	-	-	-	-	-	1,150	956	1,150	956
vi)	Expenditures on other services	91	79	1,384	1,265	4,767	3,690	-	1	6,242	5,035
vii)	Reimbursement of expenses	32	26	-	1	-	-	-	-	32	27
viii)	Debts written off	1	-	-	-	-	-	-	-	1	-
ix)	Outstanding balances :										
	Trade receivables	409	454	1	-	-	-	-	-	410	454
	Deposits given	50	50	168	168	-	-	1	1	219	219
	Advances given	49	54	36	30	51	-	3	4	139	88
	Trade payables	2	9	31	12	278	151	-	-	311	172
	Advance taken	13	-	-	-	-	-	-	-	13	-
	Deposits taken	-	-	1	1	-	-	-	-	1	1

35(b) Disclosure in respect of material transactions / balances with related parties :

Rs. Lacs

		31 March 2016	31 March 2015
i)	Purchase of raw materials Thai Automotive and Appliances Limited	59	55
(ii)	Purchase of duty entitlement pass book licence IFB Agro Industries Limited	-	83
(iii)	Purchase of Fixed assets Travel Systems Limited	1	-
(iv)	Expenditure on other services Travel Systems Limited	1,104	1,091
(v)	Outstanding balances : Deposits given IFB Agro Industries Limited	168	168
(vi)	Outstanding balances: Advances given IFB Agro Industries Limited	36	29
(vii)	Outstanding balances : Deposits taken IFB Agro Industries Limited	1	1

NOTES to the financial statements for the year ended 31 March 2016

36 Other Information

Rs. Lacs

	31 March 2016	31 March 2015
a) Value of imports on CIF basis :		
Raw materials	16,257	11,556
Stores and spares	1,114	1,001
Capital goods	2,817	2,870
b) Expenditure in foreign currency (on accrual basis) on account of :		
Foreign travel	115	217
Professional fees	277	283
Others	12	20
c) Earnings in foreign currency (on accrual basis) on account of :		
FOB value of exports	1,757	581

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

	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	% of total Consumption	Rs. Lacs	% of total Consumption	Rs. Lacs
Imported :				
Raw materials	30.13%	17,788	27.75%	12,571
Stores and spares	13.17%	983	30.06%	1,715
Indigenous				
Raw materials	69.87%	41,247	72.25%	32,729
Stores and spares	86.83%	6,480	69.94%	3,991
Total				
Raw materials	100.00%	59,035	100.00%	45,300
Stores and spares	100.00%	7,463	100.00%	5,706

NOTES to the financial statements for the year ended 31 March 2016

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 :

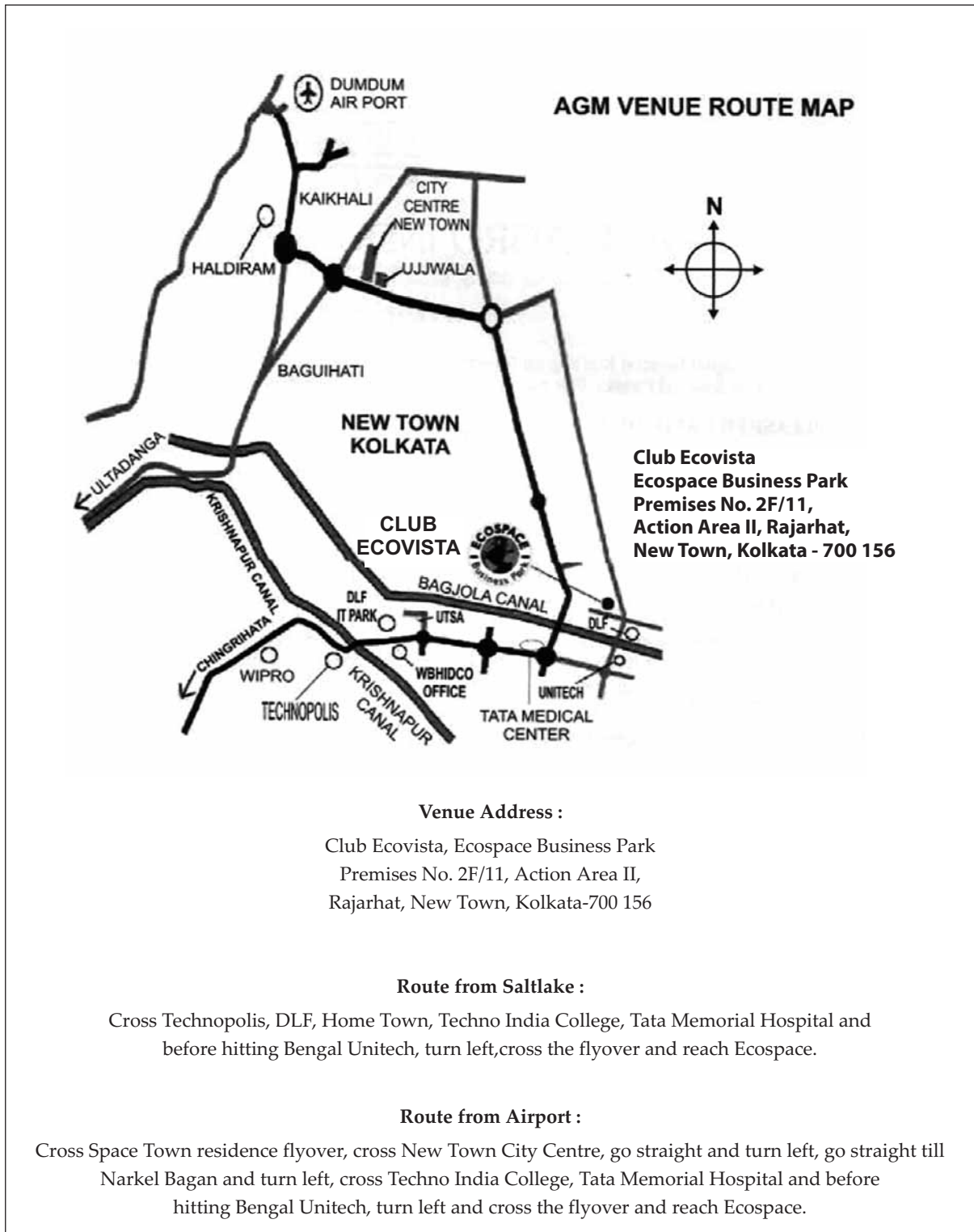
Particulars	No. of Contracts	USD (Lacs)	Rs. (Lacs)	No. of Contracts	EURO (Lacs)	Rs (Lacs)	No. of Contracts	JPY (Lacs)	Rs. (Lacs)
Amount Payables									
31 March 2016	27	45	2,981	8	6	452	-	-	-
31 March 2015	9	39	2,453	-	-	-	-	-	-
Buyers credit									
31 March 2016	-	-	-	-	-	-	1	825	487
31 March 2015	4	10	615	-	-	-	-	-	-

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

Particulars	USD	Rs	EURO	Rs	RMB	Rs	JPY	Rs	CHF	Rs	Total Rs
	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs
Amount Receivable											
31 March 2016	3	177	-	20	-	-	-	-	-	-	197
31 March 2015	1	80	1	55	-	-	-	-	-	-	135
Amount Payable											
31 March 2016	34	2,281	4	316	7	74	139	82	0	1	2,754
31 March 2015	108	6,751	10	677	10	93	-	-	-	-	7,521

39. 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
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
 18 May 2016





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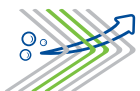
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Fastest Cooling



6 Stage Bio Clean Air Filter

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Titanium Coated Evaporator Repels Water, Dust

LONG THROW

Fastest Cooling



High Power Blower for 30 Feet Air Throw

COPPER TUBING

Fastest Cooling



100% Copper Tubes and Connectors

HD COMPRESSOR

Fastest Cooling



Cools even when the Temperature goes up to 52°C



Microwave Oven

Built in Oven

Dishwasher

Cooker Hood | Built in Hob

Top Loader

Front Loader

100% Clothes Dryer

Air Conditioner

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IFB Industries Limited

Plot No IND-5, Sector 1, East Kolkata Township, Kolkata 700107