

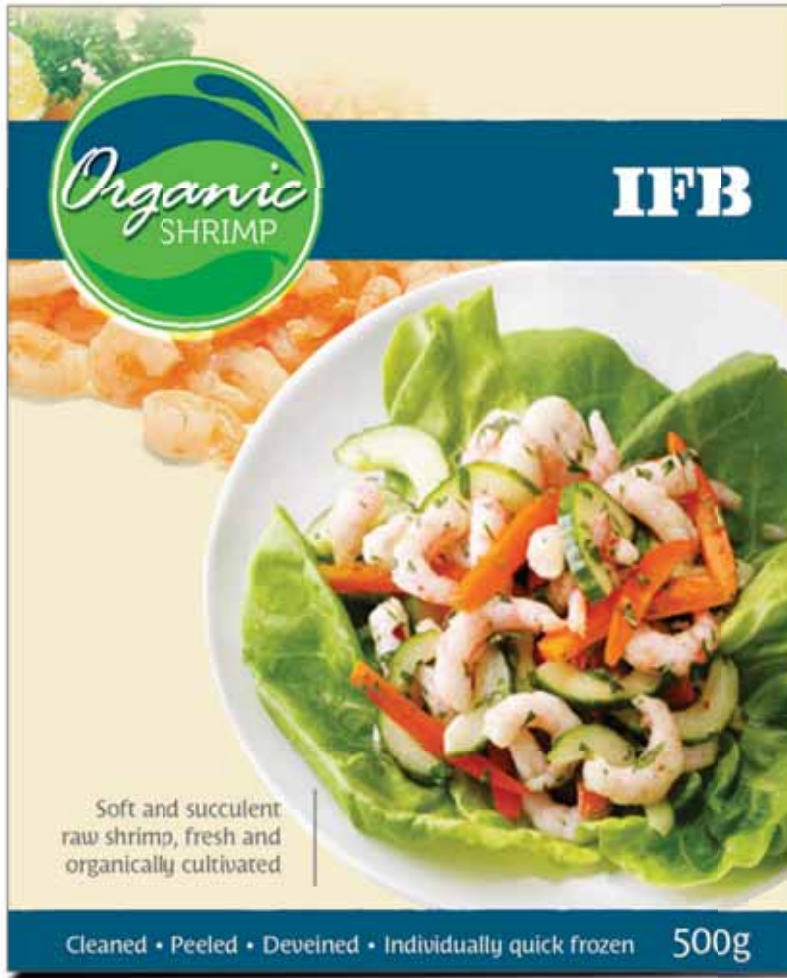
The logo for IFB AGRO is displayed in a bold, blue, sans-serif font. The letters 'IFB' are stacked above 'AGRO', with a thin horizontal line separating the two words. The logo is centered within a light blue circular background.

IFB AGRO



IFB AGRO INDUSTRIES LIMITED

30th Annual Report 2011 - 2012



■ BOARD OF DIRECTORS

Mr. Bijon Nag *Chairman*
Mr. Bikram Nag *Joint Executive Chairman*
Mr. Arup Kumar Banerjee *Managing Director*

DIRECTORS

Mr. Nandan Bhattacharya
Mr. Amitabha Kumar Nag
Mr. H R Agarwal
Mr. M K Vijay
Mr. S K Mukherji

■ VP- FINANCE & COMPANY SECRETARY

Mr. Rahul Choudhary
Tel : 033-3984-9627
E-mail : complianceifbagro@ifbglobal.com

■ AUDITORS

Haribhakti & Co.
Chartered Accountants

■ BANKERS

Indian Overseas Bank
IDBI Bank Ltd.

■ REGISTERED OFFICE

Plot No. IND-5, Sector-1
East Kolkata Township, Kolkata - 700 019
Website : www.ifbagro.in

■ REGISTRAR & SHARE TRANSFER AGENT

(For both Physical & Dematerialised Shares)
CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel : 4011 6700/11, 4011 6718/23
Fax No.: 4011 6739
E-mail: rta@cbmsl.com

■ WORKS

Noorpur, P.S. Diamond Harbour
Dist. : South 24-Parganas
West Bengal

Serampore
Dist. : Hooghly
West Bengal

Panagarh Bazar
Bud Bud, Burdwan
West Bengal

Maheshtala
Dist. : South 24-Parganas
West Bengal

Dankuni
Dist. : Hooghly
West Bengal

Marine Product Processing Plant
Kasba Industrial Estate
East Kolkata Township
Kolkata - 700 107

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Ten Years' Financial Summary

Rs in lacs

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Sales	16,059.61	16,536.41	19010.83	22,579.94	26,671.46	32,146.58	37,512.86	39,517.88	55,640.42	74,012.40
Profit before Interest and Tax (after extraordinary items)	364.68	288.51	350.80	260.70	569.58	1,241.62	2,187.18	826.43	2,807.01	3,852.73
Profit after Tax and Extraordinary Items	104.35	138.07	183.08	187.31	281.60	786.90	1,290.34	442.45	1,782.41	2,654.70
Net Worth*	4,334.64	4,398.92	4,628.43	4,715.71	4,846.51	5,693.87	7,336.15	7,806.00	9,498.64	11,980.53
Total Debts	521.62	360.02	500.02	530.46	1,230.34	2,746.37	905.73	3,141.38	448.62	18.56
Net Fixed Assets	3,938.58	3,454.30	3354.73	3,522.61	4,898.19	5,380.03	7,223.47	6,775.45	7,103.44	7,831.35
Net Working Capital	1,337.13	1,382.55	1821.14	1,790.17	1,567.63	3,080.18	1,050.36	3,875.76	2,547.65	4,202.95
Dividend (%)	—	—	—	—	—	—	—	—	—	—
Earnings per share (Rs.)	1.35	1.79	2.38	2.43	3.65	10.21	16.40	5.53	22.26	33.15
Book value per share (Rs.)*	56.24	57.08	60.05	61.19	62.88	73.88	91.62	97.49	118.63	149.62
Key Ratios:										
Return on Capital Employed	7.51	6.06	6.84	4.97	9.37	15.48	28.55	7.55	28.22	32.87
Return on Sales (after Tax)(%)	0.65	0.83	0.96	0.83	1.06	2.45	3.44	1.12	3.20	3.59
Fixed Assets Turnover	4.08	4.79	5.67	6.41	5.45	5.98	5.19	5.83	7.83	9.45
Working Capital Turnover	12.01	11.96	10.44	12.61	17.01	10.44	35.71	10.20	21.84	17.61
Debt Equity Ratio	0.12	0.08	0.11	0.11	0.25	0.48	0.12	0.45	0.05	0.00
Current Ratio	1.27	1.63	1.53	1.59	1.28	2.07	1.21	2.04	1.66	2.06

* Includes deferred tax liability, which is a reserve for payment of income tax in future, if any.

Notice to the Members

Notice is hereby given that the Thirtieth Annual General Meeting of IFB Agro Industries Limited will be held on Monday, the 30th day of July, 2012, at 10.30 AM at Ecohub Conclave Club, Eco Space (IT Park), Plot No. 2F/11, New Town, Rajarhat, North 24 Parganas, Kolkata - 700 156 to transact the following:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts together with Reports of Auditors and Directors thereon for the year ended 31st March 2012.
2. To appoint a Director in place of Mr AK Nag, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nandan Bhattacharya, who retires by rotation and being eligible offers himself for re-appointment.
4. **Appointment of Auditors**

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution :

RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Walker, Chandiook & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting in place of retiring auditors, M/s Haribhakti & Co., Chartered Accountants, to examine and audit the accounts of the Company for the Financial Year 2012-13, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

By Order of the Board

Registered Office:
Plot No. IND-5, Sector - 1
East Kolkata Township
Kolkata - 700 107
Date: 29th May, 2012.

Rahul Choudhary
VP-Finance & Company Secretary

NOTES:

1. The Register of Members and Share Transfer Registers of the Company will remain closed from 23rd July, 2012 to 30th July, 2012 (both days inclusive).
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**
3. Proxies, in order to be effective, must be received at the Registered Office of the Company at least 48 hours before the meeting.
4. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting only.

5. Consequent upon the amendment to Sec 205A, read with Sec 205C of the Companies Act 1956, the amount of applications money, Dividends etc remaining unclaimed for a period of seven years from the dates that they first became due for payment have been duly transferred to Investor Education and Protection Fund with Department of Company Affairs.
6. Members are requested to bring their copy of Annual Report to the Annual General Meeting.
7. Members/Proxies should bring the Attendance slip sent herewith, duly filled in, for attending the Annual General Meeting.
8. Members are requested to :
 - a) notify immediately any change in their address to the Company.
 - b) bring their copy of Annual Report in the meeting.
 - c) bring duly filled in attendance slips sent herewith for attending the meeting
 - d) members holding shares in identical order of names in more than one Folio are requested to write to the Company's Registrar & Share Transfer Agent, CB Management Services (P) Limited enclosing their share certificates for consolidation of all such shareholdings into one folio for better investor service. CB Management Services (P) Limited is the Share Transfer Agent for shares in physical as well as dematerialized forms.
 - e) provide their e-mail address to the Registrar.
9. A route guide map of the AGM venue is given in the last page of this Annual Report.

By Order of the Board

Registered Office:
Plot No. IND-5, Sector - 1
East Kolkata Township
Kolkata - 700 107
Date: 29th May, 2012.

Rahul Choudhary
VP-Finance & Company Secretary

Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956

As required by section 173 of the Companies Act, 1956("Act"), the following explanatory statements set out all material facts relating to the business mentioned under items nos. 2, and 3 of the accompanying Notice dated 29th May 2012.

1. Item No 2 & 3

Details of Directors seeking reappointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of the Director	Mr. Nandan Bhattacharya	Mr. A K Nag
Date of Birth	02.09.1940	23.06.1956
Nationality	Indian	Indian
Date of Appointment on the Board	03.09.1996	26.07.2003
Qualification	Electronic & Telecommunications Engineer	B.Com (H), M.Com., FCA
Experience in functional areas	Experience of over 35 years in different Industries. He was Managing Director of the West Bengal Electronics Industry Development Corporations Limited. He has also served on the Board of many reputed companies.	29 years of experience in Finance function
Shareholding in the Company	Nil	Nil
List of Directorship held in other Companies	Cadworld Infosystems Ltd Titagarh Wagons Ltd Flourish Securities & Finance Pvt Ltd Qualitas PE Services Pvt Ltd	Thai Automotive and Appliance Ltd
Committee Membership	Nil	Nil

2. Item No. 4

Presently the Company's accounts are being audited by M/s Haribhakti & Co.. M/s Haribhakti & Co. have informed the Company that they do not wish to seek re-appointment as statutory auditors of the Company for the financial year 2012-13.

In view of the above, and based on the recommendation of the Audit Committee, Board of Directors has, at its meeting held on 29th May 2012, proposed the appointment of M/s Walker, Chandiok & Co. as statutory auditors in place of the retiring auditors.

The Company has received a special notice from a member of the Company, in terms of the provisions of the Act, signifying its intention to propose the appointment of M/s Walker, Chandiok & Co., as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company. M/s Walker, Chandiok & Co. have expressed its willingness to act as auditors of the Company, if appointed, and have further confirmed that the said appointment will be in conformity with the provisions of section 224(1)(B) of the Act.

The Members approval is being sought for the appointment of M/s Walker, Chandiok & Co. as the Statutory Auditors and to authorize the Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Directors recommend the Resolution at item No. 4 of the Notice.

By Order of the Board

Registered Office:
Plot No. IND-5, Sector - 1
East Kolkata Township
Kolkata - 700 107
Date: 29th May, 2012.

Rahul Choudhary
VP-Finance & Company Secretary

Directors' Report

To the Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report of the Company and the Audited Financial Statements for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
Sales and Other Income (incl. Excise Duty)	75627.03	58471.24
Profit prior to Finance charges & Depreciation, amortization and impairment	5116.58	3627.58
Less: Finance charges	36.12	184.11
Depreciation	1263.85	820.57
Profit before Taxation	3816.61	2622.90
Less: Provision for Taxation:		
Current Tax	1334.74	930.14
Deferred Tax	(172.81)	(89.76)
Less: Income Tax adjustment for earlier years	(0.02)	0.11
Profit after Tax	2654.70	1782.41
Balance carried to Balance Sheet	2654.70	1782.41

2. MANAGEMENT DISCUSSION & ANALYSIS

OVERALL PERFORMANCE

During the year under review your Company has recorded gross turnover of Rs.756.27 crores (as against Rs.584.71 crores in 2010-11) recording a growth of 29.34%.

The Company has achieved profit before tax of Rs 38.16 crore as against Rs 26.23 crore, and net profit of Rs 26.55 crore as against Rs 17.82 crore in the previous year. During the year, the Durgapur bottling plant of the Company was closed down based on the Government directive to relocate for which the company has incurred Rs 2.85 crore towards Employees Separation scheme. The assets of the molasses distillery have been impaired based on its realizable value and a loss of Rs 3.48 crore has been charged to the accounts.

Better working capital management and ploughing back of profits has reduced the interest cost during the year. The company is almost debts free now.

Earning per equity share is Rs.33.15 as compared to Rs.22.26 per share in previous year.

REVIEW OF DIVISIONAL PERFORMANCES

Alcohol and Bottling:

The molasses distillery operated only for few days in the year with small quantity of local molasses available in the State of West Bengal. Pursuant to discontinuation of the molasses transportation cost reimbursement policy by the State Government and operation of the Distillery becoming un-viable, it was planned to convert the molasses distillery into multi feed distillery subject to

the approval of the State Government. Pending such approval the machineries are lying idle and un-utilized for more than a year. The assets of the molasses plant which will not be used on conversion have been impaired at its realizable value.

The grain distillery operated at 110% of the capacity and with efficient purchase of raw material and reduction in overhead, the margins improved during the year. Further storage capacity has been built up at Noorpur for storing grains which will reduce the storage cost as well as the wastage. Investment has also been made in the distillery by enhancing the capacity of the turbines to generate more cheap power. The Company could not obtain CDM benefits due to non availability of rice husk within the state.

After abolition of Privilege area by the State Government in the Country Spirit segment, the production capacity was enhanced by setting up a new bottling plant, with two bottling lines, at Panagarh in West Bengal. Further capacity expansion at Panagarh is under process and will be completed in financial year 2012-13. The bottling plant at Durgapur was closed during the year and the workmen were given a separation scheme which costed Rs 2.85 cr to the company.

On IMFL, your Company has suffered due to increase in the duties and taxes in the state of West Bengal, the demand in the regular segment has declined. Margins are declining due to high input cost and unable to increase the prices due to stiff competition. New brands viz., 'Jubilation' Rum, 'Leonov' luxury Vodka in Bengal and "Benjamin' brandy in Orissa was launched but could not achieve the desired volume due to stiff competition. Widespread market promotions are being held to re-build the position in the market.

Marine:

The Marine Division has performed well during the year. To increase export of value added products the Company has modernised its plant with new IQF Machines and other freezing equipment.

The Shrimp Feed trading business has recorded a growth of 26% in value and has a market share of 48% in West Bengal. "Aqua Shops" have been opened by the company for providing one window service to the farmers in terms of supply of feed, medicine, technology, finance, training etc. More such aqua shops are being planned to provide service to the farmers in the State of West Bengal.

"IFB ROYAL" Retail Brand of frozen Marine Products are now available in major METROS in the country, sale recorded a growth of 33% in value. The Company is in the process of developing more value added products for the Retail Consumers in the country.

OPPORTUNITIES & CHALLENGES:

The current accounting year will again be another year of tough challenges. The bumper sugarcane production in Uttar Pradesh will reduce the spirit cost during the year leading to lower margins on sale of spirit from the distillery. Setting up of new distilleries in neighboring states and new bottling plants in West Bengal is likely to bring about stiff challenge in future. The increase in Excise Duty in Country liquor segment is likely to reduce the margins in the current year.

The increased bottling capacity, once becoming fully operational will bring good opportunity to the Company by way of volume growth and market share in the Country Liquor segment.

The Company is continuing its efforts to attain further efficiencies in fermentation and distillation, improve upon its bio-gas generation to reduce fuel cost, and to further improve power generation to reduce the cost of production. The Company is giving continuous emphasis to cut costs on inputs, minimise wastages and make optimal use of human resources on all fronts.

In IMFL, the Company being a regional player in the industry faces a stiff competition from large Indian as well as multinational companies. Widespread promotion is being planned to make the newly launched brands, successful.

The Company targets to export more value added products and with the favorable currency rates, expects to be a good year for export market. With the overall global economic growth and better demand for frozen sea food it expects to have better demand for its Marine products in the domestic market. The Company plans to focus on aggressive marketing of its products in order to penetrate into householders' as well as retail segment in India.

Human Resources:

For the development of the human resources number of training programmes was organized during the year with outside faculties. Employees were also sent to the renowned technical institutes for continuous update on its knowledge and skill. However, the same is not sufficient considering the complexity of the today's business environment. The Company plans to organize more such

training programmes for the overall development of people.. Total number of employees in the Company was 384 as on 31st March 2012 as against 430 as on 31st March 2011.

Internal Control System:

The Company maintains a system of internal control designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, compliance with applicable laws and regulations.

Cautionary Statement:

Statements in the Management's discussion and analysis describing the Company's projections, expectations or predictions may be 'forward - looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include raw material prices, changes in government regulations, tax regimes and economic developments within the country and weather patterns.

3. DIVIDEND

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

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr A K Nag and Mr Nandan Bhattacharya retire by rotation and being eligible, offer themselves for re-appointment.

The details about their qualification, other directorships etc. as per Clause 49 of the Listing Agreement are provided separately and annexed to the notice.

5. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors, having ensured through the Officer designated for the purpose, hereby confirm:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements 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 that year.
- iii. That the Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- iv. That the Directors have prepared the annual accounts on a going concern basis.

6. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance and the Auditors' Certificate in this regard form part of this report and are annexed herewith.

7. AUDITORS & AUDITORS' REPORT

The Auditors of the Company M/s Haribhakti & Co., Chartered Accountants retire at the ensuing Annual General Meeting of the Company and have expressed their unwillingness to be re-appointed. M/s Walker, Chandiook & Co., Chartered Accountants has given their consent for appointment and have also confirmed that their appointment, if made, would be within the limits prescribed under Section 224(1)(B) of the Companies Act, 1956.

Observations made in the Auditors Reports have been adequately dealt with in the notes to the financial statements annexed to the Balance Sheet and Profit & Loss Account.

8. SUBSIDIARY

The Company has no subsidiary as at the end of financial year.

9. HUMAN RESOURCE

The Board of Directors expresses its appreciation for sincere efforts made by the employees of your Company at all levels during the year and for their co-operation.

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report.

10. ENVIRONMENT, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has in place a system for controlling and monitoring pollutants at all factories in order to comply with environmental standards and legislation. Your Company is committed to ensuring green and pollution free environment as well as clean and safe workplace at all the plant locations.

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the relevant particulars are given in the Annexure to this report.

11. ACKNOWLEDGEMENT

Your Directors express their sincere thanks and place on record their deep appreciation for the patronage extended by the shareholders, valued customers, financial institutions, bankers, government authorities and the investors for their continued support and confidence in the Company.

On behalf of the Board

Bikram Nag

Joint Executive Chairman

A. K. Banerjee

Managing Director

Kolkata, 29th May, 2012

Annexure I to the directors' report

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) rules 1975, and forming part of the directors' report for the year ended March 31, 2011

Employee Name	Designation	Qualification	Age	Joining Date	Experience (Years)	Gross remuneration (Rs)	Previous Employment - Designation
Arup Kumar Banerjee	Managing Director	B.Com (H), Diploma in General Management	60	28.07.2001	38	88,63,901	IFB Industries Ltd GM Commercial

Note :

Remuneration includes basic salary, allowances, taxable value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund and Superannuation Fund. The term remuneration has the meaning assigned to it in the Explanation to section 198 of the Companies Act, 1956.

None of the employees are related to any of the directors of the Company.

None of the employees own more than 2% of the outstanding shares of the Company as on March 31, 2012.

The nature of employment is contractual in the above case.

On behalf of the Board

Kolkata, 29th May, 2012

Bikram Nag A. K. Banerjee
Joint Executive Chairman Managing Director

Annexure II to Directors' Report

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

[A] CONSERVATION OF ENERGY

a) Energy conservation measures taken:

1. Successfully continued Very High Gravity (VHG) Fermentation process using special yeast strain in the distillery. This has led to substantial reduction in electricity cost (10.7%), reduction in steam consumption by 17.0%, reduction in fuel consumption by 29.7% and 7% reduction in water usage over last year.
2. Incorporation variable frequency drives (VFD) controls for liquefied grain slurry transfer, which has resulted into 25-30% savings in slurry pumping power usage.
3. Up-gradation of two single stage turbines to multistage turbines has helped in additional power generation by 2.0 MWH per day, and in spite of long shutdown of molasses plant, distillery has recorded 3951.0MWH of incidental power generation. Contribution of incidental power has been maintained to 0.17KWH per BL of finished product which is 43% of total power requirement.
4. Optimizing the generation of Biogas using grain based effluent derived out of VHG fermentation for ultimate savings in fuel consumption.
5. Part replacement of SON lamps with LED lamps (49% less power consumption), and installation of 'high mast' lighting system has contributed to power savings.
6. Installation of high efficient decanter centrifuge machine of 30MT capacity has contributed positively in production of by-product consuming less energy.
7. Continuous up gradation of power bank capacitor mechanism has resulted into further improvement of power factor from 0.96(09-10), 0.98(10-11) and 0.9825(11-12) for the distillery division.
8. New insulation of hot water recycling line has helped in additional annual savings of 600MT of steam equivalent energy.
9. Installation of over bed Biogas burning system has helped to improve utilization efficiency.

b) Additional investment proposals, if any, being implemented for further reduction of Energy Consumption:

1. Incorporation variable frequency drives (VFD) controls for decanter centrifuge section for saving pumping energy cost.
2. Continuation of replacing of street lights inside factory premises with new generation CFL/ LED lamps, and 'high mast' lighting poles.
3. Incorporation of improved version of 'WESMAN' make biogas burner system for the second boiler, to save more fuel compared to current situation.
4. Incorporation of self propelled power free "Turbo ventilator" system for effective cooling of spirit storage godowns and energy saving.

c) Impact of measures of (a) & (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

The impact of above measures undertaken for reduction of energy consumption through the optimization of production process is Rs 10.0 crores (approximately).

[B] TECHNOLOGY ABSORPTION

a) Efforts made in technology absorption as per Form B

1. Research & Development (R&D)

- 1.1 In house R&D has successfully developed one new Vodka blend 'LEONOV' which is being sold in premium category.
- 1.2 The R&D Department has successfully conducted laboratory and pilot trials for cold liquefaction process. The same will be transmitted to plant scale, with priority to effectively use of waste grain particles for better value realization of the waste.
- 1.3 Plant scale R&D was done successfully to produce high grade-low impurity special extra neutral grain spirit (GNS) for premium Vodka blend.
- 1.4 R&D work was carried out successfully to introduce use of waste grain cake in organic manure production, thus finding a value added route for waste grain cake disposal.

2. Benefits derived as a result of R&D:

- 2.1 Improved efficiency and yield irrespective of grain quality.
- 2.2 Improved productivity by 20% over last year.
- 2.3 Better product quality and market acceptability.
- 2.4 Cost saving.
- 2.5 Generation of wealth utilizing various plant wastes.

3. Projects under Implementation to Improve Productivity, Water Conservation, Environmental Protection & Safety:

- 3.1 Waste heat recovery and energy savings using plate heat exchangers and high grade insulation of hot surfaces.
- 3.2 Usage of River water for preservation of ground water.
- 3.3 Generation of captive power to achieve power free situation for the distillery.
- 3.4 DWGS/DDGS production for optimum by product recovery.
- 3.5 Installation of 'Ring main' hydrant system and fire extinguishers for added area in both distillery and bottling units.

4. Expenditure on R&D:

- | | | |
|---------------|---|---------------|
| 4.1 Capital | : | Rs Nil |
| 4.2 Recurring | : | Rs 2.28 lakhs |
| 4.3 Total | : | Rs 2.28 lakhs |

Technology Absorption, Adaptation & Innovation
1. Efforts:

- (a) Adoption of genetically modified high yielding imported yeast strain to support high gravity fermentation.
- (b) Adoptions of M/s Thermax make bag filter system to successfully mitigate air pollution requirement of boiler chimney stack for 20TPH boiler.
- (c) Adoption of M/s Macwbre make pneumatic ash conveying and storage silo system, for total control of air pollution against boiler ash generation.
- (d) Introduction of new generation genetically modified whole broth enzymes of bacterial origin for cost effective conversion of the grain.

2. Benefits:

- (a) Improvement in fermentation & Distillation efficiencies and overall yield (increased by 2.7% compared to last year).
- (b) Reduction in conversion cost in respect to chemical consumption.
- (c) Improved quality, productivity (higher by 20%) in grain distillery operation.
- (d) Better utilization and development of value added by-products.
- (e) Lowering of steam, water and power consumption through very high gravity fermentation technique.
- (f) Ground Water conservation.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:
1. Total Foreign Exchange earned and used:

	31.03.2012	31.03.2011
a) Foreign Exchange Earnings (FOB value)	3454.03	3821.93
– Exports (FOB Value)	3454.03	3821.93
b) Foreign Exchange Outgo:		
– Raw Materials	112.60	—
– Capital equipment, & Spare Parts	194.28	0.15
– Traveling & consultancy	4.32	6.40
	311.20	6.55

On behalf of the Board

Kolkata, 29th May, 2012

Bikram Nag
Joint Executive Chairman

A. K. Banerjee
Managing Director

Annexure III to Directors' Report

Report on Corporate Governance

(Pursuant to Clause 49 of Listing Agreement)

1) Company's philosophy on code of Governance

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, empowerment, accountability, motivation in all operations and all interactions with its shareholders, investors, lenders, employees and customers.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

2) Board of Directors

A) The composition of the Board of Directors as at 31st March 2012 is as follows:

Sl. No.	Name of Director	Category	Number of other*	
			Directorship	Committee Membership
1.	Mr Bijon Nag (Chairman)	Non-Executive	1	–
2.	Mr Bikram Nag (Joint Executive Chairman)	Executive Director	3	–
3.	Mr N. Bhattacharya	Non-Executive & Independent	2	–
4.	Mr A.K. Banerjee	Managing Director	–	–
5.	Mr A.K. Nag	Non-Executive	1	–
6.	Mr H R Agarwal	Non-Executive & Independent	1	–
7.	Mr M K Vijay	Non-Executive & Independent	3	–
8.	Mr S K Mukherji	Non-Executive & Independent	–	–

*Number includes only public limited companies.

B) Composition of the Board of Directors:

The Board comprises of four Independent Directors.

No Director is a member of more than ten Committees or Chairman of more than five Committees across all companies in which they are Directors.

C) Meetings held in the financial year 2011-2012 and attendance of Directors

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 4 months.

The Company held four Board Meetings in the year 2011-12 that is on 26th May 2011, 28th July 2011, 31st October, 2011 and 25th January, 2012. The attendance of each Director at these meetings was as follows:

Sl. No.	Name of the Director	No. of Board Meeting attended	Attendance at the last AGM
1	Mr. Bijon Nag (Chairman)	2	Not Present
2	Mr. Bikram Nag	4	Present
3	Mr. N. Bhattacharya	4	Present
4	Mr. A.K. Banerjee	4	Present
5	Mr. A.K. Nag	4	Present
6	Mr. H.R. Agarwal	4	Present
7	Mr. M.K. Vijay	4	Present
8	Mr. S K Mukherji	4	Present

3) Audit Committee

Composition of Audit Committee and attendance of each Director during meetings held in financial year 2011-12:

Sl. No.	Name of Members of the Audit Committee	No. of meeting attended
1	Mr. N. Bhattacharya	4
2	Mr. A.K. Nag	4
3	Mr. HR Agarwal	4
4	Mr S. K. Mukherji	4

Mr. Rahul Choudhary, Company Secretary acts as Secretary to the Committee. During the year 2011-12, the Committee met four times viz. 26th May 2011, 28th July 2011, 31st October, 2011 and 25th January, 2012

Mr. Nandan Bhattacharya acts as Chairman of the Committee.

Brief description of the terms of reference to the Audit Committee:-

- i) Overview of Company's Financial Reporting process & disclosure of its Financial Information to ensure that Financial Statements reflect true and fair position and that sufficient and credible information is disclosed.
- ii) Recommending the appointment, re-appointment of and removal of external auditor, fixation of audit fees and approval for payment of other services.
- iii) Reviewing with the management, (a) cost records, (b) performance of the Statutory & Internal auditors and (iii) adequacy of Internal Control System.
- iv) Reviewing the adequacy of internal audit functions.
- v) To review the un-audited quarterly/half yearly and annual financial statements before submission to the Board, focusing on
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft Audit Report
 - Disclosure of related party transactions.
 - Significant adjustments arising out of audit.
 - The Going Concern assumption.
 - Compliance with Accounting Standards.
 - Matters required to be included in Directors' Responsibility Statement to be included in the Boards' report as per section 217(2AA) of the Companies Act, 1956.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
- vi) Reviewing the Company's financial and risk management policies.

4) Remuneration Committee:

Brief Description and terms of reference:- Remuneration Committee of the Board, recommends to the Board, the compensation terms of Executive and Whole-time Directors.

Composition of Remuneration Committee:

Sl. No.	Name of Members of the Remuneration Committee	Member/ Chairman
1	Mr. N. Bhattacharya	Chairman
2	Mr. A K Nag	Member
3	Mr. M K Vijay	Member
4	Mr. H R Agarwal	Member

The Committee has reviewed and recommended the remuneration package for Executive and Managing Director including annual increments, pension rights, compensation payments, if any. Two meetings were held during the year.

Remuneration Policy : The Company's remuneration policy is market driven and takes into account the competitive circumstances so as to attract and retain quality talent.

Remuneration/ Commission paid to Directors during the financial year 2011-12 :

(In Rupees)

Name of Director	Sitting Fees			Shareholders Grievance Committee	Salary & Perquisites	Guarantee Commission	Total
	Board Meeting	Audit Committee	Remuneration Committee				
Mr. Bijon Nag	10000	-	-	-	-	1751252	1761252
Mr. Nandan Bhattacharya	20000	20000	2000	1000	-	-	43000
Mr. A.K. Nag	20000	20000	2000	1000	-	-	43000
Mr H.R Agarwal	20000	20000	2000	-	-	-	42000
Mr M.K.Vijay	20000	-	2000	1000	-	-	23000
Mr S.K.Mukherji	20000	20000	-	-	-	-	40000
Mr. Bikram Nag	-	-	-	-	1097333	-	1097333
Mr. A. K. Banerjee	-	-	-	-	8863901	-	8863901

5) Shareholders/Investors Grievance Committee :

The Shareholders/Investors Grievance Committee comprises of the following members:

Sl. No.	Name of the Director	Member/Chairman
1	Mr. Nandan Bhattacharya	Chairman
2	Mr. A. K. Nag	Member
3	Mr. M.K. Vijay	Member

In view of compulsory trading of shares in Demat 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. One meeting was convened during the year.

No. of shareholders complaints received so far & resolved	-	3
No. of complaints not solved to the satisfaction of shareholders	-	Nil
No. of pending complaints	-	Nil

Name, Designation & Address of the Compliance Officer:

Mr. Rahul Choudhary

Company Secretary

IFB Agro Industries Limited

Plot No- IND 5, Sector-1,

East Kolkata Township, Kolkata-700 107

Tel: 033 39849627 • Fax: 033 24421003

E-Mail: complianceifbagro@ifbglobal.com

6) Code of Conduct for Board members and Senior Management:

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

7) General Body Meetings:

a. Location & time where last 3 AGMs were held:

For the year	Date	Venue of the AGM	Time
2010-11 (29th AGM)	28.7.2011	Eastern Zonal Cultural Centre Bidhannagar , 1A-290, Sector-III, Salt Lake, Kolkata - 700 091	3.00 P.M.
2009-10 (28th AGM)	31.7.2010	Eastern Zonal Cultural Centre, Bidhannagar, 1A-290, Sector-III, Salt Lake, Kolkata - 700 091	10.00 A.M
2008-09 (27th AGM)	3.8.2009	Eastern Zonal Cultural Centre, Bidhannagar , 1A-290, Sector-III, Salt Lake, Kolkata - 700 091	10.00 A.M.

b. Whether any special resolution passed in the previous 3 AGMs : Yes

c. Whether any special resolution during last year:

Passed through postal ballot : No

Details of voting pattern : N.A.

Person who conducted the postal ballot exercise : N.A.

d. Whether any special resolution is proposed to be conducted through postal ballot: No

e. Procedure for postal ballot: Your 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 (Passing of Postal Ballot) Rules, 2001.

8) Disclosure:

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. 30 "Notes to Financial Statements" annexed to the Financial Statements for the year.

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 2011-12 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. Public, Rights and other Issues : Nil.

e. 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.

f. Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

g. The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimise risk.

h. Secretarial Audit

A Qualified Practicing Company Secretary carried out Secretarial Audit during the year 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 secretarial Audit Report confirms that the Total Paid up 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.

9) **Means of communication:**

The quarterly and half yearly results of the Company are forthwith communicated to the stakeholders 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 The Financial Express/ Business Standard (English) and Sambad Pratidin (Bengali). No presentation was made to the institutional investors or analysts during the year.

The quarterly, half-yearly and annual financial results and Official News releases are posted in respective Stock Exchange websites.

10) **General Shareholder information:**

i) Thirtieth Annual General Meeting

Date : 30th July, 2012

Time : 10.30 A.M.

Venue : Ecohub Conclave Club, Eco Space (IT Park), Plot No. 2F/11, New Town, Rajarhat, North 24 Parganas, Kolkata - 700 156.

ii) Financial year - Year 2011-2012. Following are its highlights:

Event	Date when approved by the Board for publication
First Quarter Results ended 30.6.2011	28th July 2011
Half Yearly Results - ended 30.9.2011	31st October 2011
Third Quarter Results - ended 31.12.2011	25th January 2012
Final Audited Results - ended 31.3.2012	29th May 2012

iii) Book Closure date – 23rd July, 2012 to 30th July, 2012 (both days inclusive)

iv) Dividend payment date – Not Applicable.

v) Profile of Directors retiring on rotation: Enclosed separately

vi) Listing on Stock Exchanges:

The Company's Equity Shares are listed on the Stock Exchanges in Mumbai and on National Stock Exchange. Listing fees for the period 2011-12 have been paid to these Stock Exchanges.

The Company has already filed the requisite papers and in the process of de-listing from Delhi Stock Exchange.

vii) Stock Code:

- The Bombay Stock Exchange Ltd – 507438
- National Stock Exchange of India Ltd. – IFB Agro EQ
- ISIN No. allowed by NSDL and CDSL – INE 076CO1018
- for shares in demat Mode

viii) Market Price Data

Month	Stock Exchange, Mumbai		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2011	83.95	72.00	85.00	71.20
May 2011	83.90	64.10	85.90	64.00
June 2011	92.30	70.20	88.70	71.60
July 2011	103.80	74.10	104.25	73.50
August 2011	173.30	106.05	172.95	106.00
September 2011	154.55	129.00	155.00	129.05
October 2011	156.65	126.50	156.50	123.55
November 2011	181.95	125.05	179.85	125.10
December 2011	177.80	126.50	174.00	126.00
January 2012	170.85	135.15	175.00	136.30
February 2012	237.70	159.00	237.35	159.50
March 2012	196.80	167.00	197.10	163.50

ix) Share price performance in comparison to broad based indices BSE Sensex and NSE Nifty

Month	Stock Exchange, Mumbai		National Stock Exchange	
	Price	Sensex	Price	Nifty
April 2011	75.35	19135.96	77.35	5,749.50
May 2011	82.60	18503.28	83.00	5,560.15
June 2011	76.45	18845.87	75.55	5,647.40
July 2011	103.80	18197.20	104.25	5,482.00
August 2011	152.65	16676.75	151.80	5,001.00
September 2011	134.00	16453.76	134.80	4,943.25
October 2011	153.25	17705.01	153.00	5,326.60
November 2011	155.55	16123.46	155.30	4,832.05
December 2011	137.65	15454.92	138.15	4,624.30
January 2012	160.00	17193.55	160.65	5,199.25
February 2012	184.85	17752.68	185.40	5,385.20
March 2012	182.70	17404.20	181.65	5,295.55

x) Registrar & Share Transfer Agent –

P-22, Bondel Road, Kolkata - 700 019
 Tel : 40116700/11, 40116718/23
 Fax : 4011 6739
 E-mail : rta@cbmsl.com

xi) Share Transfer System

M/s CB Management Services (P) Ltd. of P-22, Bondel Road, Kolkata - 700 019, a SEBI registered Registrar is the Registrar of the Company both in physical and dematerialised segment.

Since the Company's shares can be traded only in demat mode, shareholders would be required to send their physical shares certificates, Demat Request Forms (DRF) etc. directly to the Share Transfer Agent, CB Management Services (P) Ltd. Shareholders would also have to ensure that their respective Depository participant do not delay in sending the DRF and physical share certificates to the aforesaid Share Transfer Agents so that no Demand requests from any shareholder remains pending with the Share Transfer Agent beyond a period of 30 days.

xii) Distribution of Shareholding & Shareholding Pattern:

(a) *Distribution of Shareholding as on 31st March, 2012:*

Range		No. of Shareholders	% of total	No. of Shares	% of total
From	To				
1	500	5881	92.57	737588	9.21
501	1000	243	3.83	186954	2.33
1001	2000	105	1.65	162275	2.03
2001	3000	30	0.47	73893	0.92
3001	4000	15	0.23	54901	0.69
4001	5000	8	0.13	37330	0.47
5001	10000	26	0.41	201743	2.52
10001	9999999	45	0.71	6552427	81.83
TOTAL		6353	100.00	8007111	100.00

b) *Shareholding Pattern as on 31st March, 2012:*

	No. of Shares	% of total	% Dematerialised
Indian Promoters	4404910	55.01	55.01
Mutual Funds/UTI	9900	0.12	0.00
Banks, Financial Institutions & Insurance Companies	95864	1.20	0.00
Foreign Institutional Investors	185170	2.31	2.31
Private Corporate Bodies	854651	10.67	10.58
Indian Public	2385960	29.80	24.37
Non- Resident Indians	58084	0.73	0.26
Clearing Members	12072	0.15	0.15
Office of the Custodian Special Court	500	0.01	0.00
TOTAL	8007111	100.00	92.68

xiii) Dematerialisation of shares :

As on 31st March 2012, 92.68% of the Company's total shares representing 7420991 shares were held in dematerialised form and the balance 7.32% representing 586120 shares were held in physical form.

xiv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

xv) Plant locations :

- Alcohol plant – Noorpur, P.S. Diamond Harbour, South 24-Parganas, West Bengal
- IMFL
- 1) Maheshtala
South 24-Parganas, West Bengal
 - 2) Dankuni
Dist. Hooghly, West Bengal
- Country Spirit Bottling Plant
- 1) Serampore
Dist. Hooghly, West Bengal
 - 2) Panagarh
Dist. Burdwan, West Bengal
- Marine Product Processing plant – Kasba Industrial Estate, East Kolkata Township, Kolkata - 700 107

xvi) Address for correspondence :

Registered office

– Plot No.IND-5, Sector-1, East Kolkata Township, Kolkata - 700 107
Tel. : (033) 3984 9675 • Fax : (033) 2442 1003 • E-mail : agro@ifbglobal.com
Website : www.ifbagro.in

11) Adoption of non-mandatory requirements under Listing Agreement :

(i) *The Board :-*

The Company does not pay the expenses of the Non-Executive Chairman's office incurred in the performance of his duties. The Company has not fixed the tenure of the Independent Directors on the Board.

(ii) *Remuneration Committee :-*

The details pertaining to Remuneration Committee have been provided in point no. 4 of this Report.

(iii) *Shareholders Rights :-*

The Company's quarterly and half-yearly results are published in newspapers and no individual communications are sent to the shareholders.

(iv) *Audit Qualifications*

There are no audit qualifications in the Auditor's Report on the accounts for the year 2011-12.

(v) *Others :-*

The Company has not adopted point nos. 5, 6 and 7 (*read with Para 8F of this report*) specified in Annexure I-D to the clause 49 of the Listing Agreement.

Declaration :

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance of Code of Conduct for the year ended 31st March, 2012.

Kolkata

Date : 29th May, 2012

A. K. Banerjee
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
IFB Agro Industries Limited

We have examined the compliance of the conditions of Corporate Governance by IFB Agro Industries Limited, Plot No IND 5, Sector - 1, East Kolkata Township, Kolkata - 700 107, for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us 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 the above mentioned Listing Agreement.

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

Kolkata

Dated : 29th May, 2012

For Haribhakti & Co.
Chartered Accountants
Firm's Registration 103523W
Anand Kumar Jhunjhunwala
Partner
Membership No 56613

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To
The Board of Directors
IFB Agro Industries Limited
Kolkata

Dear Sirs,

Sub : CEO & CFO Certificate

We, A.K. Banerjee, Managing Director and Rahul Choudhary, VP-Finance & Company Secretary responsible for the finance function certify to the Board that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March 2012 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year.
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata
29th May 2012

A. K. Banerjee
Managing Director

Rahul Choudhary
VP-Finance & Company Secretary

Auditors' Report to the Members of IFB Agro Industries Limited.

1. We have audited the attached Balance Sheet of IFB AGRO INDUSTRIES LIMITED (“the Company”) as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) [the 'Order'] issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. 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;
 - iii. 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;
 - iv. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act;
 - v. On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, read with Note 33 of Notes to Financial Statements, we report that none of the Directors is prima-facie disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Kolkata
Dated : 29th May, 2012

For Haribhakti & Co.
Chartered Accountants
Firm's Registration No 103523W
Anand Kumar Jhunjhunwala
Partner
Membership No 56613

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 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) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) According to the information and explanations given to us, the inventory (excluding inventory lying with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, it has been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses 4 (iii) (a) to (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in such internal control system of the Company.
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the Register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements, exceeding the value of Rs. five lakh in respect of any party during the year, have been entered into at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder, are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act, from the current financial year in respect of the Company. Such accounts and records are in the process of being made and maintained.
- (ix) According to the books and records as produced before and examined by us and the information and explanations given to us:-
 - (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues with the appropriate authorities. There are no undisputed amounts payable in respect of above, outstanding as at 31st March, 2012, for a period of more than six months from the date they became payable.
 - (b) The dues as at 31st March, 2012, of Income tax, Sales tax/VAT, Wealth tax, Service tax, Custom duty, Excise duty and Cess, which have not been deposited on account of any dispute are as follows :

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Demand including interest & penalty	374.61	2004-05	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Sales Tax Act, 1994	Demand including interest & penalty	344.66	2005-06	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Sales Tax Act, 1994	Demand including interest & penalty	41.38	2006-07	West Bengal Commercial Taxes Appellate and Revisional Board

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Demand including interest & penalty	406.02	2007-08	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Sales Tax Act, 1994	Demand including interest & penalty	509.76	2008-09	Additional Commissioner of Commercial Taxes (Appeals)
Central Sales Tax Act, 1956	Demand including interest & penalty	9.08	2005-06	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Demand including interest & penalty	1.32	2007-08	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal VAT Act, 2003	Demand including interest & penalty	131.00	2005-06	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal VAT Act, 2003	Demand including interest & penalty	5.75	2006-07	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal VAT Act, 2003	Demand including interest & penalty	183.37	2007-08	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal VAT Act, 2003	Demand including interest & penalty	557.93	2008-09	Additional Commissioner of Commercial Taxes (Appeals)
The Bengal Excise Act, 1909	Duty against transit wastage	10.95	1998-99	Commissioner, Department of Excise, Government of West Bengal
Income Tax Act, 1961	Income Tax	914.46	2008-09	CIT (Appeals), Kolkata

- (x) The Company has neither accumulated losses as at 31st March, 2012 nor it has incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) The Company has not defaulted during the year in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

- (xiv) In respect of dealing or trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures and accordingly, clause 4 (xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money during the year by public issues.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata
Dated : 29th May, 2012

For Haribhakti & Co.
Chartered Accountants
Firm's Registration No 103523W
Anand Kumar Jhunjhunwala
Partner
Membership No 56613

Balance Sheet as at 31st March, 2012

	Note No.	31st March, 2012	Rs in lacs 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	800.71	800.71
Reserves and Surplus	3	10,519.85	7,865.15
		11,320.56	8,665.86
Non-Current Liabilities			
Deferred Tax Liabilities (net)	4	659.97	832.78
Other Long Term Liabilities	5	400.02	400.02
Long - Term Provisions	6	60.97	50.67
		1,120.96	1,283.47
Current liabilities			
Short-Term Borrowings	7	18.56	208.60
Trade Payables	8	1,328.62	1,094.39
Other Current Liabilities	9	2,619.28	2,561.70
Short - Term Provisions	10	7.82	5.08
		3,974.28	3,869.77
TOTAL		16,415.80	13,819.10
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	7,759.16	7,069.31
Capital Work-in-Progress		72.19	34.13
Non - Current Investments	12	296.17	296.17
Long - Term Loans and Advances	13	9.90	111.92
Other Non - Current Assets	14	101.15	184.18
		8,238.57	7,695.71
Current Assets			
Inventories	15	3,737.91	2,712.87
Trade Receivables	16	1,988.36	1,087.17
Cash and Cash Equivalents	17	1,349.40	802.67
Short - Term Loans and Advances	18	1,101.56	1,520.68
		8,177.23	6,123.39
TOTAL		16,415.80	13,819.10

Significant accounting policies and notes to financial statements 1-35

The notes referred to above form an integral part of the Balance Sheet.

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

For Haribhakti & Co.

Chartered Accountants

Firm's Registration No. 103523W

Anand Kumar Jhunjunwala

Partner

Membership No : 056613

Kolkata, 29th May, 2012

For and on behalf of the

Board of Directors

Bikram Nag Joint Executive Chairman

A. K. Banerjee Managing Director

Rahul Choudhary VP-Finance &

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2012

	Note No.	2011-12	Rs in lacs 2010-11
INCOME			
Revenue from operations(gross)	19	75,417.89	58,356.28
Less: Excise Duty		16,954.96	13,358.02
Revenue from operations(net)		58,462.93	44,998.26
Other income	20	209.14	114.96
		58,672.07	45,113.22
EXPENSES			
Cost of materials consumed	21	21,298.94	18,886.15
Purchases of stock-in-trade	22	8,095.17	5,331.47
Changes in inventories of finished goods, work in progress and stock-in-trade	23	(203.92)	(339.88)
Employee benefit expenses	24	2,150.29	1,417.04
Finance costs	25	36.12	184.11
Depreciation, amortisation and impairment expenses	11	1,263.85	820.57
Other expenses	26	22,215.01	16,190.86
		54,855.46	42,490.32
Profit before tax		3,816.61	2,622.90
Tax expenses :			
Current tax		1,334.74	930.14
Deferred tax		(172.81)	(89.76)
Income Tax adjustment in respect of earlier years		(0.02)	0.11
Profit after tax		2,654.70	1,782.41
Earnings per equity share (in Rs.)	27	33.15	22.26
Basic & diluted			

Significant accounting policies and notes to financial statements 1-35

The notes referred to above form an integral part of the statement of Profit and Loss.

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

For Haribhakti & Co.
Chartered Accountants
Firm's Registration No. 103523W

Anand Kumar Jhunjhunwala
Partner
Membership No : 056613
Kolkata, 29th May, 2012

For and on behalf of the
Board of Directors

Bikram Nag Joint Executive Chairman
A. K. Banerjee Managing Director
Rahul Choudhary VP-Finance &
Company Secretary

Cash Flow Statement for the Year ended 31st March, 2012

	2011-2012		2010-2011	
	Rs.in lacs	Rs.in lacs	Rs.in lacs	Rs.in lacs
Cash flow from Operating Activities :				
Net Profit Before Tax		3,816.61		2,622.90
<i>Adjustment for :</i>				
Depreciation	914.88		820.57	
Impairment of Assets	348.97		—	
Bad Debts Written Off	0.40		2.49	
Profit on sale of Fixed Assets (Net)	(40.08)		18.75	
Profit on sale of Investment	(71.05)		—	
Dividend received	(0.57)		(0.23)	
Provision for leave encashment	23.34		15.92	
Foreign exchange gain/loss (Net)	—		(7.46)	
Liability no longer required written back	(44.24)		(28.35)	
Interest income	(53.05)		(82.28)	
Finance cost	36.12		184.11	
		1,114.72		923.52
Operating Profit Before Working Capital Changes		4,931.33		3,546.42
<i>Adjustment for :</i>				
Inventories	(1,025.04)		141.74	
Trade & Other Receivables	(151.60)		395.30	
Trade & Other Payable	325.77		158.73	
		(850.87)		695.77
Cash Generated from Operation		4,080.46		4,242.19
Direct Tax Paid(net of refund)		(1,482.25)		(850.00)
Net Cash from Operating Activities-A		2,598.21		3,392.19
Cash flow from Investing Activities :				
Addition to Fixed Assets	(1,968.35)		(1,199.23)	
Sale of Fixed Assets	16.65		31.92	
Purchase of Investments	(3,000.00)		—	
Sale of Investments	3,071.05		—	
Interest Received	54.76		79.58	
Dividend Received	0.57		0.23	
Net cash generated from / (used) in Investing Activities-B		(1,825.32)		(1,087.50)
Cash flow from Financing Activities :				
Proceeds from Long Term Borrowing(net of repayments)	—		(954.00)	
Cash Credit (including EPC)	(190.04)		(138.34)	
Proceeds from Short Term Borrowing(net of repayments)	—		(1,600.00)	
Interest and other Finance costs	(36.12)		(184.11)	
Net Cash from/ (used) in Financing Activities-C		(226.16)		(2,876.45)
Net Increase /(Decrease) in Cash & Cash Equivalents(A+B+C)		546.73		(571.76)
Cash & Cash Equivalents as at 1st April 2011		802.67		1,374.43
Cash & Cash Equivalents as at 31st March 2012		1,349.40		802.67

NOTES:

- Cash and Cash equivalents represent cash and bank balances only (as per Note 17 to the Notes to Financial Statements).
- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3) 'Cash Flow Statement' notified by the Central Government under Companies (Accounting Standards) Rules, 2006
- Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification.

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

For Haribhakti & Co.
Chartered Accountants
Firm's Registration No. 103523W
Anand Kumar Jhunjhunwala
Partner
Membership No : 056613
Kolkata, 29th May, 2012

For and on behalf of the
Board of Directors

Bikram Nag
A. K. Banerjee
Rahul Choudhary
Joint Executive Chairman
Managing Director
VP-Finance &
Company Secretary

Significant Accounting Policies and Notes to Financial Statements

1. Significant Accounting Policies

a. Basis of Preparation

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in material respects with the notified Accounting Standards under the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on accrual basis except for export incentives and claims from Government for higher cost of molasses, which are accounted for on cash basis consistently. The accounting policies applied by the Company are consistent with those applied in the previous year, except as otherwise stated elsewhere.

b. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions, which are considered to arrive at the reported amounts of assets & liabilities and disclosure of contingent liabilities as on the date of the Financial Statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognized prospectively in the current and future years.

c. Revenue Recognition

- i. Sales including sales from Company's bottling plants in respect of tie-up arrangements is recognized in the accounts on passing of title to the goods. Gross sales are inclusive of excise duty and sales tax but net of trade discounts, where applicable.
- ii. Income from contracting charges, arising out of tie-up agreements with IMFL Companies for manufacturing their brands, is recognized in terms of the respective contracts.
- iii. Dividend income is recognized and accounted for when the right to receive the dividend is established.
- iv. Sale of Certified Emission Reduction (CER) is recognized and accounted for on the basis of execution of sale contract.

d. Fixed Assets

Fixed Assets are capitalised at cost, inclusive of installation and related expenses.

e. Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

f. Depreciation

Depreciation, after impairment if any, has been provided on written down value method, at the applicable rates specified in Schedule XIV of the Companies Act, 1956.

Depreciation on leased assets, at cost less residual value, is provided for on written down value method over the primary period of the lease.

g. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

Significant Accounting Policies and Notes to Financial Statements (Contd.)

h. Investments

Investments that are intended to be held for not more than a year are classified as “current investments” II other investments are classified as “non-current investments”.

Investments are stated at cost. Provision for diminution in value, other than temporary in nature, is made to recognize a decline in value of non-current investments on an individual basis.

i. Inventories

Raw materials, work-in-progress, stores and spares and finished goods are valued at lower of cost and net realisable value. Cost of Inventories is computed on a weighted average/FIFO basis.

j. Foreign Currency Translation

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign currency assets and liabilities covered by forward contracts are stated at the forward contract rates while those not covered by forward contracts are restated at rates ruling at the year end. Exchange differences relating to fixed assets and any other differences are dealt with in the Statement of Profit and Loss.

k. Employee Retirement Benefits:

i) Defined Contribution Plans:

The Company has Defined Contribution Plans for post-employment benefits in the form of Provident Fund & Superannuation fund and Gratuity administered by Regional Provident Fund Commissioner and Life Insurance Corporation of India, respectively. The Company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as and when incurred. Provident Fund, Superannuation fund and Gratuity are classified as defined contribution plans as the company has no further obligation beyond making the contributions.

ii) Defined Benefit Plans:

Liability for Compensated Absence is provided on the basis of valuation as at the Balance Sheet date carried out by independent actuary. Projected Unit Credit (PUC) actuarial method is used to measure the Plan's liabilities, including those for death-in-service and incapacity benefits. The Plan Liability is the actuarial present value of the 'projected accrued benefits' as at the beginning of the year for active members.

Termination benefits are recognised as an expense as and when incurred. Actuarial gains and losses arising during the year are recognised in the Statement of Profit & Loss of the year.

l. Prior Period & Extraordinary Items.

Expenses/Income (net) relating to earlier period and extraordinary items of material nature are disclosed separately.

m. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

n. Provision

A provision is recognized when there is a present obligation as a result of a past event & it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A provision is not discounted to its present value and is determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

o. Contingent Liabilities

Contingent Liabilities are not provided for in the books but are disclosed in the 'Notes to Financial Statements'.

Notes to Financial Statements

2. Share Capital

(Rs. in Lacs)

A) Authorised

Particulars	31.03.2012	31.03.2011
1,20,00,000 (31.03.2011: 1,20,00,000) Equity Shares, Rs.10/- par value per share	1,200	1,200

B) Issued, Subscribed and Fully Paid-up

(Equity Shares, Rs.10/- par value per share)

Particulars	31.03.2012		31.03.2011	
	Number	Rs. in lacs	Number	Rs. in lacs
Equity Shares outstanding at the beginning of the year	8,007,111	800.71	8,007,111	800.71
Equity Shares issued during the year	—	—	—	—
Equity Shares outstanding at the end of the year	8,007,111	800.71	8,007,111	800.71

C) Shareholders holding more than 5% equity shares each

Name of the Shareholder	31.03.2012		31.03.2011	
	No. of Equity Shares held	Percentage	No. of Equity Shares held	Percentage
IFB Automotive Pvt. Ltd.	25,17,130	31.44	25,17,130	31.44
SICGIL India Ltd.	5,47,590	6.84	5,47,590	6.84
Nurpur Gases Pvt. Ltd.	4,23,543	5.29	4,23,543	5.29

3. Reserves and Surplus

(Rs. in Lacs)

	2011-12			2010-11		
	Opening balance	Increase/ (decrease)	Closing balance	Opening balance	Increase/ (decrease)	Closing balance
Capital Reserve	7.77	—	7.77	7.77	—	7.77
Securities Premium Reserve	832.80	—	832.80	832.80	—	832.80
Investment Allowance Reserve	4.90	—	4.90	4.90	—	4.90
General Reserve	280.04	—	280.04	280.04	—	280.04
Surplus in Statement of Profit & Loss	6,739.64	2,654.70	9,394.34	4,957.23	1,782.41	6,739.64
	7,865.15	2,654.70	10,519.85	6,082.74	1,782.41	7,865.15

4. Deferred Tax Liabilities (Net)

(Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Timing difference between Book depreciation and depreciation under the Income Tax Act.	767.97	868.08
Less: Deferred Tax Assets : VRS, Leave Encashment and other timing differences (tax effect)	108.00	35.30
	659.97	832.78

Notes to Financial Statements (Contd.)
5. Other Long-Term Liabilities (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Security Deposits	400.02	400.02

Security Deposits include Rs. 240.02 Lakh (Previous Year Rs.240.02 Lakh) on account of the Lease Agreement entered into with Rajasthan State Electricity Board (RSEB) which expired on 28th February, 2004. In terms of the said agreement, the residual value of the leased assets acquired from RSEB amounting to Rs. 240.02 Lakh is required to be adjusted against the corresponding amount of interest free security deposit obtained from RSEB. As the Company's appeal towards certain claims against RSEB is pending before the Hon'ble Jaipur High Court, consequential adjustments have not yet been considered in these financial statements.

6. Long-Term Provisions (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Provision for Employee Benefits : Leave Encashment	60.97	50.67

7. Short-Term Borrowings (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Secured: Working capital loans repayable on demand, from banks	18.56	208.60

Working capital loans from banks are secured by (i) hypothecation ranking pari passu inter-se on the Company's entire current assets, (ii) second charge ranking pari passu inter-se on the Company's fixed assets and (iii) personal guarantee of one director.

8. Trade Payables (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Due to Micro, Small and Medium Enterprises*	—	—
Others	1,328.62	1,094.39

* The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2012 as micro, small or medium enterprises. Consequently, the interest paid/payable by the company to such Suppliers, during the year is Rs. Nil (Previous year: Rs. Nil).

9. Other Current Liabilities (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Advance from Customers	184.42	120.48
Non-Trade Creditors	632.70	519.54
Security Deposits	97.21	53.50
Statutory Dues	755.96	452.85
Outstanding Liability for Expenses	593.36	875.46
Other Payables	355.63	539.87
	2,619.28	2,561.70

10. Short -Term Provisions (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Provision for Employee Benefits : Leave Encashment	7.82	5.08

Notes to Financial Statements (Contd.)

11. Fixed Assets

(Rs. in Lacs)

	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			NET BLOCK		
	As At 1.04.2011	Additions during the year	Sales/ Adjustments during the year	As at 31.03.2012	Upto 1.04.2011	For the year	Sales/ Adjustments during the year	Upto 31.03.2012	As At 1.04.2011	During the year	As at 31.03.2012	As at 31.03.2011
Tangible Assets												
Owned:												
Freehold Land	376.82	—	—	376.82	—	—	—	—	—	—	376.82	376.82
Buildings	2,386.78	304.19	11.03	2,679.94	937.98	149.89	—	1,087.87	—	42.83	1,549.24	1,448.80
Plant & Machinery	9,636.74	1,636.03	79.23	11,193.54	4,912.43	721.76	37.88	5,596.31	—	306.14	5,291.09	4,724.31
Furniture & Fixtures	161.31	12.78	0.26	173.83	112.33	12.78	0.08	125.03	—	—	48.80	48.98
Office Equipment	139.50	29.70	0.62	168.58	88.45	15.97	0.49	103.93	—	—	64.65	51.05
Motor Vehicles	91.78	29.86	27.74	93.90	46.15	14.48	23.53	37.10	—	—	56.80	45.63
Leased :												
Leasehold Land	133.70	—	1.96	131.74	—	—	—	—	—	—	131.74	133.70
Plant & Machinery	601.55	—	—	601.55	361.53	—	—	361.53	—	—	240.02	240.02
	13,528.18	2,012.56	120.84	15,419.90	6,458.87	914.88	61.98	7,311.77	—	348.97	7,759.16	7,069.31

- The factory buildings at Noorpur and Dankuni, West Bengal have been constructed on land leased/rented by associate concerns.
- Building with Gross Block of Rs. 2126.72 lacs (previous year Rs. 1940.72 lacs) has been constructed on leasehold land.
- Company's Marine Product Processing Plant at Kolkata has been erected on land obtained under lease for ninety nine years valid upto 9th August, 2093, through license from Calcutta Metropolitan Development Authority, for which formal lease deed is yet to be executed.
- Owned Plant & Machinery includes electrical installation and laboratory equipment.
- Fixed Assets of molasses distillery, having written down value of Rs 415.51 lacs has been found to be impaired as on March 31, 2012, since the operation of the distillery has become un-viable due to withdrawal of molasses transport cost reimbursement policy by the Government of West Bengal. Impairment has been recognized, as the realisable value is lower than the Net Block (carrying amount), based on the valuation done by a certified valuer.

Notes to Financial Statements (Contd.)
12. Non - Current Investments

(Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
In Equity Instruments (Non-Trade; at cost)		
Quoted - In Fully Paid-up Equity Shares		
Associates:		
90,000 shares (31.03.2011: 90,000 shares) of Rs. 10/- each in CPL Projects Ltd.	1.85	1.85
1,72,733 shares (31.03.2011: 1,72,733 shares) of Rs. 10/- each in IFB Industries Ltd.	11.31	11.31
Others:		
5,000 shares (31.03.2011: 5,000 shares) of Rs. 10/- each in Tamil Nadu Newsprint & Papers Ltd.	4.72	4.72
Aggregate amount of Quoted Investments	17.88	17.88
Unquoted - In Fully Paid up Equity Shares of Associates		
2,60,000 shares (31.03.2011: 2,60,000 shares) of Rs. 10 /- each in Zenith Investments Ltd.	2.60	2.60
23,900 shares (31.03.2011: 23,900 shares) of Rs. 100/- each in Asansol Bottling & Packaging Co. Pvt. Ltd.	23.90	23.90
1,45,000 shares (31.03.2011: 1,45,000 shares) of Rs. 10/- each in Nurpur Gases Pvt. Ltd.	14.50	14.50
9,55,998 shares (31.03.2011: 9,55,998 shares) of Rs. 10/- each in IFB Automotive Pvt. Ltd.	237.29	237.29
Aggregate amount of Unquoted Investments	278.29	278.29
Total Investments	296.17	296.17
Aggregate Market Value of Quoted Investments	141.86	246.49

13. Long-Term Loans and Advances

(Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Unsecured , considered good:		
Advance for Capital Expenditure	5.70	111.92
Pre-paid Expenses	4.20	—
	9.90	111.92

Notes to Financial Statements (Contd.)
14. Other Non-Current Assets (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Unsecured, considered good:		
Fixed Deposits under Lien	88.96	170.28
Interest accrued but not due on Fixed Deposits	12.19	13.90
	101.15	184.18

15. Inventories (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
At lower of Cost & Net Realisable Value:		
Raw Materials	2,215.57	1,513.19
Raw Material in Transit	115.84	—
Work-in-Progress	88.11	61.35
Finished Goods	1,250.83	1,073.67
Stores and Spares	67.56	64.66
	3,737.91	2,712.87

16. Trade Receivables (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Unsecured, considered good:		
Over six months	47.98	11.50
Others	1940.38	1075.67
	1,988.36	1,087.17

17. Cash and Cash Equivalents (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Balances with Banks :		
in Current Accounts	815.92	610.57
in Fixed Deposits	530.36	151.10
Cheques-on-Hand	—	35.29
Cash-on-Hand	3.12	5.71
	1,349.40	802.67

18. Short-Term Loans and Advances (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
Unsecured, considered good :		
Advances*	679.80	1,257.76
Advance payment of Income Tax (net of Provision for Tax Rs. 3187.52 Lakh, Previous Year Rs. 1872.89 Lakh)	181.08	17.85
Deposits with Port Trust, Excise Department & Others	171.85	174.44
Prepaid Expenses	68.83	70.63
	1,101.56	1,520.68

* Advances include advance paid for supplies and balance due from tie-up units in other States.

Notes to Financial Statements (Contd.)
19. Revenue from Operations (Gross) (Rs. in Lacs)

Particulars	2011-12	2010-11
Sale of Products	74,012.40	55,640.42
Other Operating Revenues	1,405.49	2,715.86
	75,417.89	58,356.28

19.1 Sale of Products (Rs. in Lacs)

Particulars	2011-12	2010-11
Alcohol	58,599.44	43,383.52
Marine Products	5,312.85	5,428.95
Marine Feed Trading Goods	9,558.19	6,368.79
Others	541.92	459.16
	74,012.40	55,640.42

19.2 Earnings in Foreign Exchange (Rs. in Lacs)

Particulars	2011-12	2010-11
FOB value of Exports	3,454.03	3,821.93

20. Other Income (Rs. in Lacs)

Particulars	2011-12	2010-11
Interest Income	53.05	82.28
Dividend Income	0.57	0.23
Profit on sale of Current Investments	71.05	—
Profit on sale of Fixed Assets (Net)	40.08	—
Insurance Claim	0.15	4.10
Liability no longer required written back	44.24	28.35
	209.14	114.96

21. Cost of Materials Consumed (Rs. in Lacs)

Particulars	2011-12	2010-11
Opening Stock	1,513.19	2,007.94
Add : Purchases	22,117.16	18,391.40
	23,630.35	20,399.34
Less : Closing Stock	2,331.41	1,513.19
	21,298.94	18,886.15

Notes to Financial Statements (Contd.)

21.1 Particulars of Consumption of Raw Materials

(Rs. in Lacs)

Particulars	2011-12	2010-11
Molasses	41.02	1,032.51
Grain	6,047.18	4,843.26
Spirit	6,520.24	4,339.23
Marine Products	5,178.58	5,232.59
Others	3,511.92	3,438.56
	21,298.94	18,886.15

21.2 Particulars of Imported and Indigenous Raw Material Consumption

Particulars	2011-12		2010-11	
	Rs. in Lacs	% of Consumption	Rs. in Lacs	% of consumption
Imported	155.68	0.73	776.95	4.11
Indigenous	21,143.26	99.27	18,109.20	95.89
	21,298.94	100.00	18,886.15	100.00

22. Purchases of Stock-in-Trade

(Rs. in Lacs)

Particulars	2011-12	2010-11
Marine Feed & Feed Supplements	8,095.17	5,331.47

23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(Rs. in Lacs)

Particulars	2011-12		2010-11	
Opening Stock				
– Finished Goods	940.09		623.85	
– Work in Progress	61.35		76.70	
– Stock of Traded Goods	133.58	1,135.02	94.59	795.14
Less : Closing Stock				
– Finished Goods	939.93		940.09	
– Work in Progress	88.11		61.35	
– Stock of Traded Goods	310.90	1,338.94	133.58	1,135.02
		(203.92)		(339.88)

Notes to Financial Statements (Contd.)
24. Employee Benefit Expenses

(Rs. in Lacs)

Particulars	2011-12	2010-11
Salaries, Wages & Bonus	1,757.57	1,039.47
Contribution to Provident and Other Funds	182.58	188.40
Staff Welfare Expenses	210.14	189.17
	2,150.29	1,417.04

24.1 The Company announced a Voluntary Retirement Scheme (VRS) for the employees of one of the units during the year. A sum of Rs. 285.95 Lakh (Previous year Rs. Nil) has been paid under VRS during the year and is included in "Salaries, Wages & Bonus"

24.2 Disclosure pursuant to Accounting Standard 15-Employee Benefits Defined Contribution Plans:

The Company has recognized as expense the following amounts:

(Rs. in Lacs)

Particulars	2011-12	2010-11
Employer's Contribution to Provident & Family Pension Fund	72.28	64.47
Employer's Contribution to Superannuation Fund	55.08	43.95
Employer's Contribution to Gratuity Fund	37.66	51.05
Employer's Contribution to ESISC	16.08	27.74
Total	181.10	187.21

Defined Benefit Plan in respect of Leave Encashment:
A. Change in Defined Benefit Obligations

(Rs. in Lacs)

Particulars	2011-12	2010-11
1 Present Value of Obligations as at the beginning of the year	55.75	49.81
2 Current Service cost	10.05	4.48
3 Interest cost	4.74	3.98
4 Curtailment cost/(credit)	—	—
5 Settlement cost/(credit)	—	—
6 Employee contribution	—	—
7 Plan amendments	—	—
8 Acquisitions	—	—
9 Actuarial (gains)/ losses	8.54	7.46
10 Benefits paid	(10.29)	(9.98)
11 Present Value of Obligations as at the end of the year	68.79	55.75

Notes to Financial Statements (Contd.)

(Rs. in Lacs)

B. Change in the Fair Value of Plan Assets		
Particulars	2011-12	2010-11
1 Plan Assets as at the beginning of the year	—	—
2 Actual return on Plan Assets	—	—
3 Actual Company contributions	10.29	9.98
4 Employee contributions	—	—
5 Benefits paid	10.29	(9.98)
6 Plan Assets as at the end of the year	—	—
C. Net Asset/ (Liability) recognized in the Balance Sheet		
I. Funded Status		
1 Present value of Defined Benefit Obligations	68.79	55.75
2 Fair value of Plan Assets	—	—
3 Funded status [Surplus/(Deficit)]	(68.79)	(55.75)
4 Effect of Balance Sheet asset limit	—	—
5 Un-recognized Past Service Costs	—	—
II. Net asset/(liability) recognized in the Balance Sheet		
1 Net asset/(liability) recognized in the Balance Sheet at the beginning of the period	(55.75)	(49.81)
2 Employer expense	23.33	15.92
3 Benefits paid	(10.29)	(9.98)
4 Net asset/(liability) recognized in the Balance Sheet at the end of the period	(68.79)	(55.75)
D. Total expense recognized in the Statement of Profit & Loss:		
I. Components of employer expense		
1 Current Service cost	10.05	4.48
2 Interest cost	4.74	3.98
3 Expected return on Plan Assets	—	—
4 Curtailment cost/(credit)	—	—
5 Settlement cost/(credit)	—	—
6 Amortization of Past Service Cost	—	—
7 Actuarial Losses/(Gains)	8.54	7.46
Total expense recognized in the Statement of Profit & Loss	23.33	15.92
II. Actual Contributions and Benefit Payments for the year		
1 Actual benefit payments	10.29	9.98
2 Actual Contributions	10.29	9.98

Notes to Financial Statements (Contd.)
E. Principal Actuarial Assumptions used as at the Balance Sheet date: (Rs. in Lacs)

Particulars	31.03.2012	31.03.2011
	%	%
Discount Rate per annum compounded	8.00	8.00
Rate of increase in salaries	5.00	5.00
Expected Average remaining working lives of employees (years)	16.42	16.06

Scheme is not funded through any trust fund and therefore, no assumption regarding expected rate of return on assets is applicable.

25. Finance Cost (Rs. in Lacs)

Particulars	2011-12	2010-11
Interest on Working Capital Loans	32.67	184.11
Other Borrowing Costs	3.45	—
	36.12	184.11

26. Other Expenses (Rs. in Lacs)

Particulars	2011-12	2010-11
Consumption of Stores & Spares	229.62	186.18
Power and Fuel	1,505.03	1,403.33
Rent	196.74	126.45
Repairs to Building	54.07	52.29
Repairs to Machinery	33.87	72.50
Repairs - Others	53.06	23.86
Insurance	86.05	84.59
Rates and Taxes	14,312.61	9,427.93
Manufacturing tie-up payments	2,174.82	2,080.96
Office Expenses	484.86	434.33
Travelling	143.53	111.63
Freight	820.16	603.59
Sales Promotion	795.82	533.60
Contract Services	785.39	537.23
Payment to Auditors	9.73	9.07
Advertisement & Publicity	5.70	5.77
Loss on Foreign Currency Translation (net)	15.39	—
Loss on Sale of Fixed Assets (net)	—	18.75
Bad Debts written off	0.40	2.49
Miscellaneous Expenses	508.16	476.31
	22,215.01	16,190.86

Notes to Financial Statements (Contd.)
26.1 Payment to Auditors (including Service Tax)

(Rs. in Lacs)

Particulars	2011-12	2010-11
As Auditor	6.74	6.62
For Taxation Matters	1.69	1.65
For Other Services	1.08	0.58
For Reimbursement of expenses	0.22	0.22
	9.73	9.07

26.2 Expenditure in Foreign Currency

(Rs. in Lacs)

Particulars	2011-12	2010-11
Value of Imports on CIF basis:		
Raw Materials	112.60	—
Components and Spare parts	—	0.15
Capital Goods	194.28	—
Travelling	4.32	6.40

27. Earnings Per Equity Share (EPS)

(Rs. in Lacs)

Particulars	2011-12	2010-11
Profit after Tax	2654.70	1782.41
Weighted average number of Equity Shares outstanding	8,007,111	8,007,111
Basic and Diluted earnings per Equity Share before exceptional items (Par Value Rs.10/- per Equity Share)	33.15	22.26
Basic and Diluted earnings per Equity Share after exceptional item (Par Value Rs.10/- per Equity Share)	33.15	22.26

Notes to Financial Statements (Contd.)
28. Segment Information :

A) Primary Business Segments for the year ended 31st March, 2012 (Rs. in Lacs)

	Spirit, Liquor, Spirituos Beverages		Marine		Unallocated		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue								
External Revenue	43,025.13	32,731.53	15,453.20	12,266.41	—	—	58,478.33	44,997.94
Total	43,025.13	32,731.53	15,453.20	12,266.41	—	—	58,478.33	44,997.94
Results								
Segment Results	2,812.74	2,105.17	846.25	586.56	—	—	3,658.99	2,691.73
Finance Cost	—	82.08	19.65	26.67	16.47	75.36	36.12	184.11
Other Income	—	—	—	—	193.74	115.28	193.74	115.28
Profit before Tax	2,812.74	2,023.09	826.60	559.89	177.27	39.92	3,816.61	2,622.90
Other Information								
Segment Assets	12,720.34	9,588.01	2,201.40	1,615.63	1,494.07	2,615.46	16,415.80	13,819.10
Segment Liabilities	3,231.99	3,214.77	445.21	171.85	1,418.04	1,766.62	5,095.24	5,153.24
Capital Expenditure	1,657.27	1,222.19	364.24	12.27	63.25	63.25	2,084.76	1,297.71
Depreciation	1,145.23	729.25	84.72	58.07	33.90	33.25	1,263.85	820.57
Non Cash exp. other than Depreciation	—	—	—	—	23.33	43.79	23.33	43.79

Notes:

- The Company's operations are diversified into two main business segments, namely :
 - Spirit, Liquor and Spirituous Beverages comprising of Rectified Spirit, Country Liquor and Indian Made Foreign Liquor.
 - Marine division comprising of Marine products processing & exports, domestic selling and Marine Feed trading.
- Segments have been identified and reported in accordance with Accounting Standard 17 Segment Reporting.
- Segment Revenue in each of the above domestic Business Segments primarily includes sales, processing charges and export incentives in the respective segments.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

B. Secondary Segment reporting (by Geographical Segments)

(Rs. in Lacs)

	Domestic		Exports		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenues	55,180.75	44,607.86	3,297.58	390.08	58,478.33	44,997.94
Total Assets	14,573.60	12,355.30	1,842.20	1,463.80	16,415.80	13,819.10
Capital Expenditure	1,720.52	1,285.44	364.24	12.27	2,084.76	1,297.71

Notes to Financial Statements (Contd.)

29. The Company has entered into arrangements with certain bottling units (“tie -up units”) in Assam, Orissa & Bihar for production and marketing of its own IMFL brands. The production in the premises of tie-up units under the said arrangements, wherein each party's obligations are stipulated, is carried out under the Company's close supervision. The marketing is entirely the responsibility of the Company. The Company is also required to ensure adequate finance to the tie-up units, whenever required. Though under the agreements, the production and sale are accounted for by and in the books of the tie-up units, the Company promotes its brands through these arrangements. Accordingly, it is considered appropriate to disclose the following quantitative and value information for the year, as furnished by the tie-up units:

- i) Profit/(Loss) from tie-up operations detailed as under is included in “Other Operating Revenues” (Note 19) and “Miscellaneous Expenses”(Note 26) respectively.

(Rs. in Lacs)

	2011-12	2010-11
Net Sales	2,798.49	2,491.31
Cost of Sales	2,217.81	2,020.44
Gross Profit	580.68	470.87
Expenses	532.47	539.37
Profit/(Loss)	48.21	(68.50)

- ii) Quantitative Information for tie-up operations: -

	2011-12		2010-11	
	Qty (cases)	Value (Rs. in Lacs)	Qty (cases)	Value (Rs. in Lacs)
a) Opening Stock	557	96.59	1,679	73.29
b) Production	210,088	—	198,367	—
c) Sales	209,985	2798.49	199,489	2,491.31
d) Closing Stock	660	91.24	557	96.59

- iii) The balance due from tie-up units, of Rs. 572.52 Lacs (31.03.2011: Rs. 402.36 Lacs) is included under “Advances” (Note 18). This is on account of the financing by the company of inventories, debtors and other current assets net of current liabilities on behalf of the units.

30. Related Party Disclosures

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, disclosures in respect of “Related Parties” are as follows :

A. List of Related Parties:

Associates:

Nurpur Gases Private Limited	Travel Systems Limited
IFB Automotive Private Limited	IFB Industries Limited
Asansol Bottling & Packaging Co. Private Limited	Special Drinks Private Limited
CPL Industries Limited	Zenith Investments Limited
CPL Projects Limited	

Notes to Financial Statements (Contd.)
Management Personnel:

Mr. Bijon Nag, Chairman
 Mr. Bikram Nag, Joint Executive Chairman
 Mr. A. K. Banerjee, Managing Director
 Dr. J. A. Gore, President - Distillery
 Mr. Rahul Choudhary, Vice President - Finance & Company Secretary
 Mr. Santanu Ghosh, Head Operations & Safety - Distillery
 Mr. S. K Bayen, Incharge New Project - Distillery
 Mr. R Purkayastha, GM Finance & Commercial - IMFL operations
 Mr. Dhiman Saha, AVP - IMFL Operations
 Mr. AK Palit, GM - IMFL Sales
 Mr. Pratap Mukherjee, COO - Marine Business
 Mr. D Deb, Sr Manager - Marine Exports
 Mr. Abhijit Banerjee, Business Head - Marine Foods
 Mr. Soumen Basu Chowdhury, Sr Manager - Marine Feed
 Mr. Debojyoti Bandopadhyay, Plant Head - IMFL Dankuni
 Mr. Debasish Ghosh, Head Bottling plants (Division -I)
 Mr. Saptarshi Bhattacharya, AGM (Operation & Safety) - Panagarh
 Mr. Subhasis Bal, Plant Manager (Operation & Safety) - Serampore
 Mr. Somen Bal, Sr. Vice President
 Mr. Rana Chatterjee, Head Internal Audit
 Mr. Kanak Ghose, AVP-HR

Note: Related parties as aforesaid have been identified by the Company and relied upon by the Auditors.

B. During the year, the Company entered into transactions with related parties. Those transactions along with related balances as at the balance sheet date are presented in the following table:-

(i) With Associates

(Rs. in Lacs)

Particulars	2011-12	2010-11
Nurpur Gases Pvt. Ltd.		
Purchase of Goods	7.87	8.01
Sale of Goods	140.99	93.93
Income from rent & other services	21.30	27.34
Loan taken and repaid including interest	—	139.65
Amount payable for purchase of goods	6.25	0.79
Asansol Bottling & Packaging Co. Pvt. Ltd.		
Sale of Goods	326.59	521.17
Income from rent & other services	9.00	9.00
Amount receivable for sale of goods	28.21	—

Notes to Financial Statements (Contd.)

(Rs. in Lacs)

Particulars	2011-12	2010-11
IFB Industries Ltd.		
Purchase of Goods	1.05	1.19
Purchase of Capital Goods	—	3.69
Income from rent & other services	278.42	3.42
Payment of rent & other services	9.82	10.13
Security deposits payable	160.00	160.00
Rent Receivable	0.28	—
Amount payable for purchase of goods	—	1.59
Travel Systems Ltd.		
Purchase of Services	13.33	13.23
Income from rent	8.06	3.14
Amount payable for services received	0.06	0.04
Special Drinks Pvt. Ltd.		
Recovery of bad debts	14.00	—
Payment of rent	1.20	1.20
Rent Receivable	—	1.20

(ii) With Key Management Personnel

(Rs. in Lacs)

Particulars	2011-12	2010-11
Remuneration	473.84	365.30
Guarantee Commission	17.51	17.51

Notes to Financial Statements (Contd.)
31. Contingent Liabilities and Commitments (to the extent not provided for) (Rs. in Lacs)

	31.03.12	31.03.11
Contingent Liabilities:		
A) Claims against the company not acknowledged as debts		
i) Show Cause Notice issued by Customs Department against the Marine Division of the Company. The Company had filed suitable reply and also faced personal hearing. The adjudication order is still awaited. The Company is of the considered view that the demand is not sustainable.	210.53	210.53
ii) Demand raised by Excise Department for payment of duty not acknowledged by the company, being not sustainable in the Company's considered view. Matter pending with Commissioner of Excise, Government of West Bengal.	10.95	10.95
iii) Demand raised by Sales Tax Department under West Bengal Sales Tax Act 1994 for the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09, Central Sales Tax Act 1956 for 2005-06 and 2007-08 and under West Bengal VAT Act, 2003 for the years 2005-06, 2006-07, 2007-08 and 2008-09 for payment of duty including interest and penalty, not acknowledged by the company being not sustainable in the Company's considered view. Matters pending under appeal with West Bengal Commercial Taxes Appellate and Revisional Board/Additional Commissioner of Commercial Taxes, West Bengal	2564.88	906.47
Total	2,786.36	1,127.95
B) Other moneys for which the company is contingently liable		
i) Letters of Credit issued by Bankers	1.60	114.91
ii) ESI liability for the period April 1997 - March 2011, pending renewal of exemption at Noorpur Factory	—	15.97
Total	1.60	130.88

- C) Disputed income tax demand outstanding for the Assessment year 2009-10 is Rs. 914.46 Lacs (31.03.2011: Rs. Nil) which is not acknowledged as debt by the Company and the appeal is pending for adjudication before CIT (Appeals). Based on certain decisions of the appellate authorities and the interpretation of the relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Commitments:

Estimated amount of Capital Contracts remaining to be executed and not provided for (net of advances) Rs. 14.99 Lacs (previous year Rs 770.55 Lacs).

32. Trade Receivables, Advances, Deposits and Trade Payables are subject to confirmation.
33. In terms of Article 76 of the Article of Association of the Company, Mr. Bijon Nag is a permanent Director of the Company. As he does not seeks re-appointment by rotation, the Company is of the opinion that the provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable to him.
34. As notified by the Ministry of Corporate Affairs of the Government of India, revised Schedule VI under the Companies Act, 1956 is applicable to all financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended 31st March, 2012 are prepared in accordance with the aforesaid revised Schedule VI.
35. Previous year's figures have been regrouped/reclassified to conform to the current year's classification, wherever considered necessary.

Signatories to Notes 1 to 35.

As per our attached report of even date.

For Haribhakti & Co.

Chartered Accountants

Firm's Registration No. 103523W

Anand Kumar Jhunjunwala

Partner

Membership No : 056613

Kolkata, 29th May, 2012

For and on behalf of the

Board of Directors

Bikram Nag Joint Executive Chairman

A. K. Banerjee Managing Director

Rahul Choudhary VP-Finance &

Company Secretary



IFB AGRO INDUSTRIES LIMITED

Regd. Office : Plot No. IND-5, Sector-1, East Kolkata Township, Kolkata - 700 107

ATTENDANCE SLIP

Annual General Meeting on Monday, 30th July, 2012 at 10.30 A.M. at Ecohub Conclave Club, Eco Space (IT Park), Plot No. 2F/11, New Town, Rajarhat, North 24-Parganas, Kolkata - 700 156

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DPID* :
Client ID* :

Registered Folio No. :

FULL NAME OF THE MEMBER (in Block Letters) :

No. of Share(s) held :

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company at Ecohub Conclave Club, Eco Space (IT Park), Plot No. 2F/11, New Town, Rajarhat, North 24-Parganas, Kolkata - 700 156 on Monday, 30th July, 2012.

Signature of the Member/Proxy

*Applicable for members holding shares in electronic form.

(TEAR HERE)

IFB AGRO INDUSTRIES LIMITED

Regd. Office : Plot No. IND-5, Sector-1, East Kolkata Township, Kolkata - 700 107

PROXY FORM

DPID* :
Client ID* :

Registered Folio No. :

I/We of

..... being a member/members of IFBAGRO INDUSTRIES

LIMITED hereby appoint of

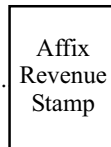
or failing him/her of as my/our Proxy

to attend and vote for me/us on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 30th July, 2012 at 10.30 A.M. and at any adjournment thereof.

Signed day of 2012.

Place

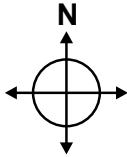
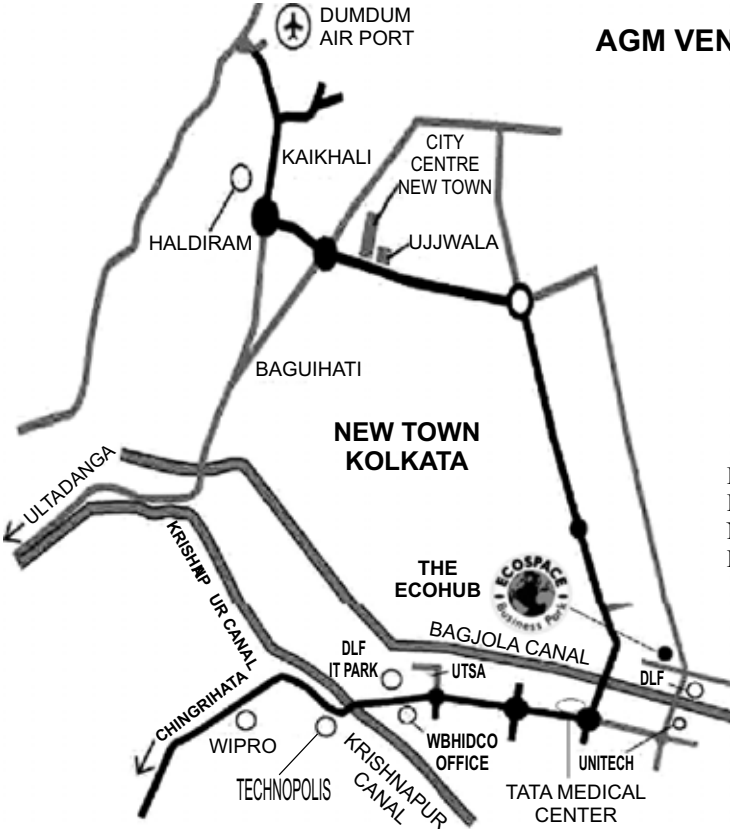
Signature



*Applicable for Members holding shares in electronic form

- Note: a) The form should be signed across the stamp as per specimen signature registered with the Company.
 b) The Proxy Form duly completed must be deposited at the Company's Registered Office not less than 48 hours before the time fixed for holding the aforesaid meeting.
 c) The proxy need not be a member of the Company.

AGM VENUE ROUTE MAP



Ecohub Conclave Club,
Eco Space (IT Park),
New Town, Rajarhat,
Kolkata - 700 156

Map not to scale

BOOK POST

If undelivered, please return to :

IFB AGRO INDUSTRIES LIMITED
Plot No. IND-5, Sector-1
East Calcutta Township
Kolkata - 700 107