

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**


**TO THE BOARD OF DIRECTORS OF  
IFB INDUSTRIES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **IFB INDUSTRIES LIMITED** ("the Company"), for the Quarter and six months ended September 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

  
Abhijit Bandyopadhyay  
Partner  
(Membership No. 054785)

Kolkata, October 30, 2017

**IFB INDUSTRIES LIMITED**  
**CIN: L51109WB1974PLC029637**  
**REGISTERED OFFICE: 14, TARATOLLA ROAD, KOLKATA-700088**  
**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS**

| Particulars   | Quarter ended |               |               | Six months ended |               | Rs. lacs |
|---|---------------|---------------|---------------|------------------|---------------|----------|
|   | 30.09.2017    | 30.06.2017    | 30.09.2016    | 30.09.2017       | 30.09.2016    |          |
| <b>1 Revenue from operations</b>  | <b>60,278</b> | <b>53,102</b> | <b>48,181</b> | <b>113,380</b>   | <b>93,549</b> |          |
| <b>2 Other income</b>   | <b>334</b>    | <b>342</b>    | <b>441</b>    | <b>676</b>       | <b>619</b>    |          |
| <b>3 Total Income (1+2)</b>   | <b>60,612</b> | <b>53,444</b> | <b>48,622</b> | <b>114,056</b>   | <b>94,168</b> |          |
| <b>4 Expenses</b>   |               |               |               |                  |               |          |
| (a) Cost of materials consumed  | 24,575        | 17,057        | 18,704        | 41,632           | 34,780        |          |
| (b) Purchase of stock- in- trade  | 7,483         | 12,351        | 6,078         | 19,834           | 15,148        |          |
| (c) Changes in inventories of finished goods, stock-in-trade and work-in progress | 3,084         | (701)         | 161           | 2,383            | (565)         |          |
| (d) Excise duty on sale of goods  | 83            | 3,931         | 4,246         | 4,014            | 7,845         |          |
| (e) Employee benefit expenses   | 5,297         | 5,163         | 3,918         | 10,460           | 7,780         |          |
| (f) Finance costs   | 110           | 113           | 136           | 223              | 206           |          |
| (g) Depreciation and amortisation expense   | 1,287         | 1,247         | 1,091         | 2,534            | 2,144         |          |
| (h) Other expenses  | 13,624        | 13,209        | 11,659        | 26,833           | 22,523        |          |
| <b>Total expenses</b>   | <b>55,543</b> | <b>52,370</b> | <b>45,993</b> | <b>107,913</b>   | <b>89,861</b> |          |
| <b>5 Profit before tax (3-4)</b>  | <b>5,069</b>  | <b>1,074</b>  | <b>2,629</b>  | <b>6,143</b>     | <b>4,307</b>  |          |
| <b>6 Tax expense</b>  |               |               |               |                  |               |          |
| (a) Current tax   | 1,296         | 313           | 559           | 1,609            | 928           |          |
| (b) Deferred Tax  | 116           | 23            | 152           | 139              | (99)          |          |
| <b>7 Profit for the period (5 - 6)</b>  | <b>3,657</b>  | <b>738</b>    | <b>1,918</b>  | <b>4,395</b>     | <b>3,478</b>  |          |
| <b>8 Other Comprehensive Income</b>   |               |               |               |                  |               |          |
| A (i) Items that will not be reclassified to profit or loss                       | (210)         | (211)         | (127)         | (421)            | (225)         |          |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 73            | 73            | 44            | 146              | 78            |          |
| B (i) Items that will be reclassified to profit or loss                           | -             | -             | -             | -                | -             |          |
| (ii) Income tax relating to items that will be reclassified to profit or loss     | -             | -             | -             | -                | -             |          |
| <b>9 Total comprehensive income for the period (7+8)</b>                          | <b>3,520</b>  | <b>600</b>    | <b>1,835</b>  | <b>4,120</b>     | <b>3,331</b>  |          |
| <b>10 Paid-up equity share capital</b><br>(Face Value - Rs. 10/- each)            | <b>4,128</b>  | <b>4,128</b>  | <b>4,128</b>  | <b>4,128</b>     | <b>4,128</b>  |          |
| <b>11 Earnings Per Share (of Rs. 10/-each) -Basic and Diluted * - In Rs.</b>      | <b>9.03</b>   | <b>1.82</b>   | <b>4.73</b>   | <b>10.85</b>     | <b>8.58</b>   |          |

\* Figures for quarters are not annualised

**SEGMENT WISE STANDALONE REVENUE, RESULTS, ASSETS AND LIABILITIES**

| Particulars   | Rs. lacs                  |                           |                           |                           |                           |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|   | Quarter ended             |                           | Six months ended          |                           |                           |                           |
|   | 30.09.2017<br>(Unaudited) | 30.06.2017<br>(Unaudited) | 30.09.2016<br>(Unaudited) | 30.09.2017<br>(Unaudited) | 30.09.2016<br>(Unaudited) | 30.09.2016<br>(Unaudited) |
| <b>1 Segment Revenue</b>  |                           |                           |                           |                           |                           |                           |
| (a) Home appliances   | 51,125                    | 43,784                    | 39,450                    | 94,909                    | 76,693                    |                           |
| (b) Engineering   | 9,153                     | 9,318                     | 8,731                     | 18,471                    | 16,856                    |                           |
| (c) Unallocated   | -                         | -                         | -                         | -                         | -                         |                           |
| <b>Total</b>  | <b>60,278</b>             | <b>53,102</b>             | <b>48,181</b>             | <b>113,380</b>            | <b>93,549</b>             |                           |
| Less: Inter-segment revenue                                     | -                         | -                         | -                         | -                         | -                         |                           |
| <b>Revenue from operations</b>                                  | <b>60,278</b>             | <b>53,102</b>             | <b>48,181</b>             | <b>113,380</b>            | <b>93,549</b>             |                           |
| <b>2 Segment Results- Profit before interest and tax</b>        |                           |                           |                           |                           |                           |                           |
| (a) Home appliances   | 4,629                     | 765                       | 2,436                     | 5,394                     | 4,028                     |                           |
| (b) Engineering   | 969                       | 725                       | 605                       | 1,694                     | 1,114                     |                           |
| <b>Total</b>  | <b>5,598</b>              | <b>1,490</b>              | <b>3,041</b>              | <b>7,088</b>              | <b>5,142</b>              |                           |
| Less:   |                           |                           |                           |                           |                           |                           |
| (i) Finance costs   | 110                       | 113                       | 136                       | 223                       | 206                       |                           |
| (ii) Other un-allocable expenditure net off un-allocable income | 419                       | 303                       | 276                       | 722                       | 629                       |                           |
| <b>Total Profit before Tax</b>                                  | <b>5,069</b>              | <b>1,074</b>              | <b>2,629</b>              | <b>6,143</b>              | <b>4,307</b>              |                           |
| <b>3 Segment Assets</b>   |                           |                           |                           |                           |                           |                           |
| (a) Home appliances   | 74,749                    | 63,150                    | 60,486                    | 74,749                    | 60,486                    |                           |
| (b) Engineering   | 23,717                    | 23,194                    | 21,251                    | 23,717                    | 21,251                    |                           |
| (c) Unallocable assets  | 98,466                    | 86,344                    | 81,737                    | 98,466                    | 81,737                    |                           |
| <b>Total Segment Assets</b>                                     | <b>107,168</b>            | <b>94,405</b>             | <b>88,839</b>             | <b>107,168</b>            | <b>88,839</b>             |                           |
| <b>4 Segment Liabilities</b>                                    |                           |                           |                           |                           |                           |                           |
| (a) Home appliances   | 44,194                    | 35,633                    | 32,385                    | 44,194                    | 32,385                    |                           |
| (b) Engineering   | 9,178                     | 8,980                     | 8,963                     | 9,178                     | 8,963                     |                           |
| (c) Unallocable liabilities                                     | 53,372                    | 44,613                    | 41,348                    | 53,372                    | 41,348                    |                           |
| <b>Total Segment Liabilities</b>                                | <b>55,901</b>             | <b>46,658</b>             | <b>43,586</b>             | <b>55,901</b>             | <b>43,586</b>             |                           |

## STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES

Rs. lacs

| Particulars |   | As at<br>30.09.2017 |
|-------------|---|---------------------|
| <b>A</b>    | <b>ASSETS</b>                               |                     |
|             | <b>1. Non-current assets</b>                |                     |
|             | (a) Property, Plant and Equipment           | 28,353              |
|             | (b) Capital work-in-progress                | 763                 |
|             | (c) Investment Property                     | 11                  |
|             | (d) Other Intangible assets                 | 1,570               |
|             | (e) Intangible assets under development     | 618                 |
|             | (f) Financial Assets                        |                     |
|             | (i) Investments                             | 3,200               |
|             | (ii) Loans                                  | 828                 |
|             | (iii) Others                                | 9                   |
|             | (g) Deferred tax assets                     | 7                   |
|             | (h) Income tax assets (net)                 | 255                 |
|             | (i) Other non-current assets                | 3,386               |
|             | <b>Total Non - Current Assets</b>           | <b>39,000</b>       |
|             | <b>2. Current assets</b>                    |                     |
|             | (a) Inventories                             | 23,029              |
|             | (b) Financial Assets                        |                     |
|             | (i) Investments                             | 5,351               |
|             | (ii) Trade receivables                      | 23,809              |
|             | (iii) Cash and cash equivalents             | 8,771               |
|             | (iv) Other Bank balances                    | 219                 |
|             | (v) Loans                                   | 70                  |
|             | (vi) Others                                 | 146                 |
|             | (c) Other current assets                    | 6,773               |
|             | <b>Total Current Assets</b>                 | <b>68,168</b>       |
|             | <b>Total assets (1 + 2)</b>                 | <b>107,168</b>      |
| <b>B</b>    | <b>EQUITY AND LIABILITIES</b>               |                     |
|             | <b>EQUITY</b>                               |                     |
|             | <b>1. Equity</b>                            |                     |
|             | (a) Equity Share Capital                    | 4,128               |
|             | (b) Other Equity                            | 47,139              |
|             | <b>Total Equity</b>                         | <b>51,267</b>       |
|             | <b>LIABILITIES</b>                          |                     |
|             | <b>2. Non-current liabilities</b>           |                     |
|             | (a) Financial Liabilities                   |                     |
|             | (i) Borrowings                              | 1,375               |
|             | (ii) Other financial liabilities            | 25                  |
|             | (b) Provisions                              | 3,697               |
|             | (c) Other non-current liabilities           | 885                 |
|             | <b>Total Non - Current Liabilities</b>      | <b>5,982</b>        |
|             | <b>3. Current liabilities</b>               |                     |
|             | (a) Financial Liabilities                   |                     |
|             | (i) Borrowings                              | 4,250               |
|             | (ii) Trade payables                         | 35,687              |
|             | (iii) Other financial liabilities           | 1,344               |
|             | (b) Provisions                              | 578                 |
|             | (c) Other current liabilities               | 8,060               |
|             | <b>Total Current Liabilities</b>            | <b>49,919</b>       |
|             | <b>Total Liabilities (2+3)</b>              | <b>55,901</b>       |
|             | <b>Total equity and liabilities (1+2+3)</b> | <b>107,168</b>      |

**Notes:**

- 1 The Unaudited Standalone Financial Results and Segment Results were reviewed by the Audit Committee on 28 October 2017 and approved at the meeting of the Board of Directors of the Company at its meeting held on 30 October 2017. The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors and they have expressed an unmodified opinion.
- 2 During the quarter, IFB Industries Limited entered into an agreement with IFB Automotive Pvt. Ltd. towards acquisition of Global Automotive & Appliances Pte Ltd. (GAAL) and consideration money of Rs. 2,000 lacs was paid to acquire 100% equity capital of GAAL.
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2016. The Company adopted Ind AS from 1 April 2017, and accordingly, these financial statements along with the comparatives have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 4 Ind AS 101 - First-time adoption of Indian Accounting Standards allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. Accordingly the Company has elected the carrying amount of Property, Plant and Equipment (as on 31st March, 2016) as deemed cost at the date of transition i.e. 1 April, 2016.
- 5 Reconciliation of the standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

| Particulars   | Notes        | Rs. lacs                    |                                |
|---|--------------|-----------------------------|--------------------------------|
|   |              | Quarter ended<br>30.09.2016 | Six months ended<br>30.09.2016 |
| <b>Profit After Tax as reported under previous GAAP</b>   |              | <b>1,780</b>                | <b>3,271</b>                   |
| 1. Impact of measuring current investments at Fair Value through Profit or Loss (FVTPL)   | Refer note a | 91                          | 109                            |
| 2. Impact of measuring derivative financial instruments at fair value   | Refer note b | 12                          | (3)                            |
| 3. Impact of unwinding of discount on provision for warranty  | Refer note c | (18)                        | (14)                           |
| 4. Reclassification of re-measurement gains / losses, arising in respect of defined benefit obligation, to Other Comprehensive Income (OCI) |              | 127                         | 225                            |
| Tax adjustments   |              | (74)                        | (110)                          |
| <b>Profit After Tax as reported under Ind AS</b>  |              | <b>1,918</b>                | <b>3,478</b>                   |
| Other Comprehensive Income (net of tax)   |              | (83)                        | (147)                          |
| <b>Total Comprehensive Income as reported under Ind AS</b>  |              | <b>1,835</b>                | <b>3,331</b>                   |

- a. Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognized in profit or loss.
- b. Under previous GAAP, the premium or discount arising at the inception of forward exchange contracts entered into, to hedge existing assets/liabilities were amortised as expense or income over the life of the contracts. Exchange differences on such contracts were recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates changed. Under Ind AS, such derivative financial instruments are to be recognized at fair value and the movement is recognised in profit or loss.
- c. Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, warranty provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has discounted the provision for warranty to present value at reporting dates. Consequently, the unwinding of discount has been recognised as a finance cost.

- 6 Goods and Services Tax (GST) has been implemented with effect from 1 July, 2017. Consequently, Central Excise, Value Added Tax (VAT), Service tax etc. have been replaced by GST, VAT, Service tax etc. are not included in Revenue from operations. However, excise duty was included in Revenue from operations till 30 June, 2017. Hence, reported revenue for the period up to 30 June, 2017 are not comparable with those thereafter.
- 7 The Company currently has two business segments i.e., Home Appliances business and Engineering business. These segments have been reported in the manner consistent with the internal reporting to the Board of Directors, who are the chief operating decision makers.

Place: Kolkata  
Date : 30 October 2017

On behalf of the Board of Directors

  
Bikram Nag  
Joint Executive Chairman and Managing Director