

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
IFB INDUSTRIES LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **IFB INDUSTRIES LIMITED** ("the Company") for the year ended 31 March 2018 ("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 5 July 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

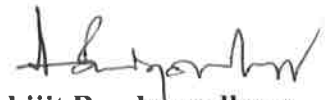
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:



Deloitte Haskins & Sells

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended 31 March 2018.
5. The Statement includes the results for the Quarter ended 31 March 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Abhijit Bandyopadhyay
Partner
(Membership No. 054785)



Place: Kolkata
Date: 29 May 2018

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

Particulars	Quarter ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Audited(@)	Unaudited	Audited(@)	Audited	Audited
1 Revenue from operations	52,311	53,174	46,586	2,18,865	1,89,906
2 Other income	750	419	406	1,845	1,283
3 Total Income (1+2)	53,061	53,593	46,992	2,20,710	1,91,189
4 Expenses					
(a) Cost of materials consumed	21,499	24,899	17,023	88,030	71,186
(b) Purchases of stock-in-trade	11,907	6,693	10,255	38,434	30,734
(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	(5,316)	(3,083)	(2,432)	(6,016)	(1,378)
(d) Excise duty on sale of goods	-	-	3,669	4,014	15,841
(e) Employee benefits expense	5,152	5,502	4,370	21,114	16,146
(f) Finance costs	101	106	110	430	435
(g) Depreciation and amortisation expense	1,288	1,316	1,137	5,138	4,359
(h) Other expenses	15,295	15,504	12,546	57,632	47,048
Total expenses	49,926	50,937	46,678	2,08,776	1,84,371
5 Profit before tax (3-4)	3,135	2,656	314	11,934	6,818
6 Tax expense					
(a) Current tax	1,191	855	73	3,655	1,489
(b) Deferred Tax	(123)	(62)	(162)	(46)	(184)
7 Profit for the year/period (5 - 6)	2,067	1,863	403	8,325	5,513
8 Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss	(47)	(211)	(87)	(679)	(439)
(ii) Income tax relating to items that will not be reclassified to profit or loss	16	73	30	235	152
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	-	-	-	-	-
Total other comprehensive income	(31)	(138)	(57)	(444)	(287)
9 Total comprehensive income for the year/period (7+8)	2,036	1,725	346	7,881	5,226
10 Paid-up equity share capital (Face Value - Rs. 10/- each)	4,128	4,128	4,128	4,128	4,128
11 Reserves excluding revaluation reserves					
12 Earnings Per Share (of Rs. 10/- each) -Basic and Diluted * - In Rs.	5.10	4.60	0.99	50.901	43.020
				20.55	13.61

* Figures for quarters are not annualised

@ The figures for the 3 months ended 31.03.2018 and corresponding 3 months ended 31.03.2017 are the balancing figures between the audited figures in respect of the full financial year and the reviewed year to date figures upto the third quarter of the respective financial years

SEGMENT WISE STANDALONE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. in lacs

Particulars	Quarter ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Audited (@)	Unaudited	Audited (@)	Audited	Audited
1 Segment Revenue					
(a) Home appliances	42,344	43,582	38,309	1,80,835	1,56,541
(b) Engineering	10,076	9,592	8,277	38,139	33,365
(c) Unallocated	-	-	-	-	-
Total	52,420	53,174	46,586	2,18,974	1,89,906
Less: Inter-segment revenue	(109)	-	-	(109)	-
Revenue from operations	52,311	53,174	46,586	2,18,865	1,89,906
2 Segment Results - Profit before interest and tax					
(a) Home appliances	2,208	2,073	335	9,675	6,478
(b) Engineering	1,234	1,059	445	3,987	2,105
Total	3,442	3,132	780	13,662	8,583
Less:					
(i) Finance costs	101	106	110	430	435
(ii) Eliminations	29	-	-	29	-
(iii) Other un-allocable expenditure net off un-allocable income	177	370	356	1,269	1,330
Total Profit before tax	3,135	2,656	314	11,934	6,818
3 Segment Assets					
(a) Home appliances	71,986	77,073	58,188	71,986	58,188
(b) Engineering	24,526	24,826	22,856	24,526	22,856
(c) Unallocable assets	11,688	12,099	7,078	11,688	7,078
Total Segment Assets	1,08,200	1,13,998	88,122	1,08,200	88,122
4 Segment Liabilities					
(a) Home appliances	41,064	48,153	30,707	41,064	30,707
(b) Engineering	9,122	10,199	8,739	9,122	8,739
(c) Unallocable liabilities	2,985	2,654	1,528	2,985	1,528
Total Segment Liabilities	53,171	61,006	40,974	53,171	40,974

@ The figures for the 3 months ended 31.03.2018 and corresponding 3 months ended 31.03.2017 are the balancing figures between the audited figures in respect of the full financial year and the reviewed year to date figures upto the third quarter of the respective financial years

STANDALONE BALANCE SHEET

Rs. in lacs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Audited	Audited	Audited
Assets			
1. Non-current assets			
(a) Property, plant and equipment	27,641	28,591	25,913
(b) Capital work-in-progress	227	801	1,258
(c) Investment property	11	11	11
(d) Intangible assets	1,726	1,885	1,275
(e) Intangible assets under development	447	588	1,119
(f) Financial assets			
(i) Investments	3,360	1,200	-
(ii) Loans	54	54	47
(iii) Others	854	921	765
(g) Deferred tax assets (net)	-	420	248
(h) Income tax assets (net)	289	553	457
(i) Other non-current assets	2,477	2,776	3,065
2. Current assets			
(a) Inventories	31,070	23,488	21,441
(b) Financial assets			
(i) Investments	9,267	5,148	1,758
(ii) Trade receivables	17,234	13,824	11,546
(iii) Cash and cash equivalents	6,241	4,566	4,756
(iv) Other bank balances	68	66	54
(v) Loans	55	56	46
(vi) Others	46	20	71
(c) Other current assets	7,133	3,154	2,448
Total assets	1,08,200	88,122	76,278
Equity and liabilities			
Equity			
(a) Equity share capital	4,128	4,128	4,128
(b) Other equity	50,901	43,020	37,794
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	1,000	1,875	100
(ii) Other financial liabilities	9	29	28
(b) Provisions	4,197	2,653	2,615
(c) Deferred tax liabilities (Net)	526	-	-
(d) Other non-current liabilities	1,050	857	695
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	408	348	1,540
(ii) Trade payables	36,639	26,300	22,529
(iii) Other financial liabilities	1,417	1,341	584
(b) Other current liabilities	7,473	6,997	5,701
(c) Provisions	387	574	564
(d) Income tax liabilities (net)	65	-	-
Total equity and liabilities	1,08,200	88,122	76,278

Notes:

- 1 The standalone audited financial results were reviewed by the Audit Committee on 28 May 2018 and approved at the meeting of the Board of Directors of the Company at its meeting held on 29 May 2018. This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 During the year, IFB Industries Limited entered into an agreement with IFB Automotive Private Limited towards acquisition of Global Automotive & Appliances Pte Limited (GAAL) and consideration money of Rs. 2,000 lacs was paid to acquire 100% equity capital of GAAL. Also, an investment of Rs. 160 lacs was made in GAAL for subsequent issue of ordinary shares by them, still retaining the 100% equity 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 01 April 2017.
- 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 31 March 2016) as deemed cost at the date of transition i.e. 01 April 2016.
- 5 Reconciliation of the standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	Notes	Rs. in lacs	
		Quarter ended 31.03.2017	Year ended 31.03.2017
Profit after tax as reported under previous GAAP		268	5,097
1. Impact of measuring current investments at fair value through profit or loss (FVTPL)	Refer note a	70	166
2. Impact of measuring derivative financial instruments at FVTPL	Refer note b	(2)	(5)
3. Impact of unwinding of discount on provision for warranty	Refer note c	53	37
4. Reclassification of re-measurement losses, arising in respect of defined benefit obligation, to other comprehensive income (OCI)	Refer note d	87	439
Tax adjustments		(73)	(221)
Profit for the year/period as reported under Ind AS		403	5,513
Other comprehensive income (net of tax)		(57)	(287)
Total comprehensive income as reported under Ind AS		346	5,226

6 Reconciliation of equity as reported under previous GAAP are summarised as follows:

Particulars	Notes	Rs. in lacs	
		As at 01.04.2016	As at 31.03.2017
Equity as reported under previous GAAP		41,660	46,757
1. Impact of measuring current investments at FVTPL	Refer note a	73	239
2. Impact of measuring derivative financial instruments at FVTPL	Refer note b	(5)	(11)
3. Impact of unwinding of discount on provision for warranty	Refer note c	333	370
Tax adjustments		(139)	(207)
Equity as reported under Ind AS		41,922	47,148

- 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 recognised 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 profit or loss in the reporting period in which the exchange rates changed. Under Ind AS, such derivative financial instruments are to be recognised 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 in the profit or loss.
- d. Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit and loss. Under Ind AS, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the defined benefit liability are recognised in other comprehensive income instead of profit or loss. Consequently, the tax effect of the same has also been recognised in other comprehensive income instead of profit or loss.
- 7 Under previous GAAP, all the lands were presented as fixed assets. Under Ind AS, the Company has reclassified lands given on operating lease and the lands held for a currently undetermined future use as investment property. Such reclassification has resulted in decrease in the value of property, plant and equipment by Rs. 11 lacs as at 01 April 2016 and 31 March 2017 and a corresponding increase in the value under Investment property as at respective dates.

- 8 Under previous GAAP, leasehold land were presented as fixed assets and depreciated over the period of lease. Under Ind AS, such properties have been classified as other assets and have been amortised over the period of the lease. This has resulted in decrease in net book value of property, plant and equipment by Rs. 18 lacs as at 01 April 2016 and by Rs. 14 lacs as at 31 March 2017 and a corresponding increase in other assets by Rs. 18 lacs as at 01 April 2016 and by Rs. 14 lacs as at 31 March 2017.
- Such reclassification has resulted in decrease in depreciation and amortization expense by Rs. 4 lacs for the year ended 31 March 2017 and a corresponding increase in other expenses by Rs. 4 lacs but does not affect profit before tax and profit after tax for the year ended 31 March 2017.
- 9 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, revenue for the quarter and year ended 31 March 2018 are not comparable with corresponding period of the previous year.
- 10 The Company is primarily engaged in business of fine blanked components and home appliances. Accordingly the Company considers the above business segment as the primary segment. 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 : 29 May 2018

On behalf of the Board of Directors



Bikram Nag

Joint Executive Chairman and Managing Director