

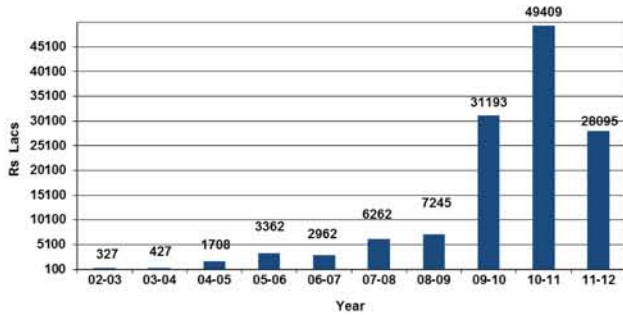
IFB



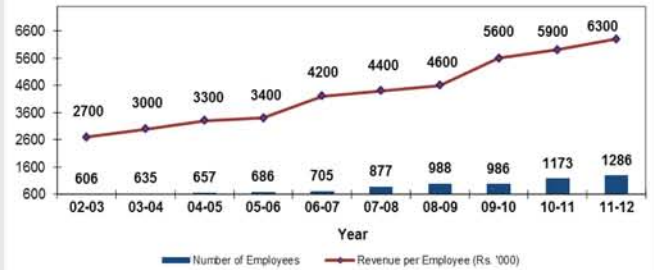
IFB Industries Limited
Annual Report 2011-2012

10 YEAR HIGHLIGHTS

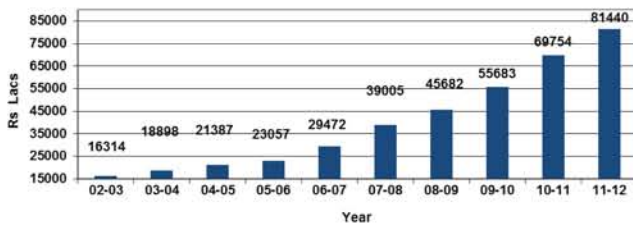
MARKET CAPITALISATION (Rs in lacs)



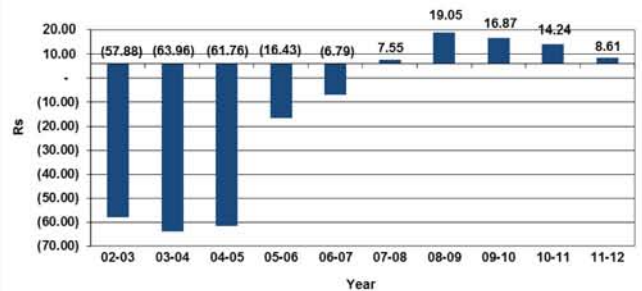
EMPLOYEES AND PRODUCTIVITY



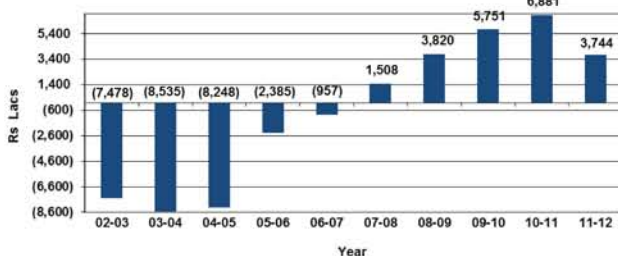
REVENUES (Rs in lacs)



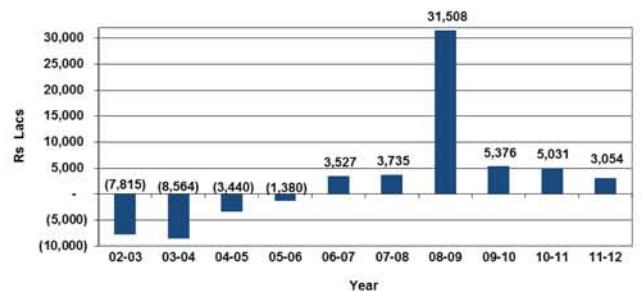
BASIC EPS BEFORE EXTRAORDINARY (Rs)



PROFIT BEFORE TAX BEFORE EXTRAORDINARY AND PRIOR PERIOD (Rs in lacs)



PROFIT AFTER TAX (Rs in lacs)



BOARD OF DIRECTORS

Executive Chairman
Mr. Bijon Nag

Joint Executive Chairman & Managing Director
Mr. Bikram Nag

Directors
Dr. Rathindra Nath Mitra
Mr. Somen Bal
Dr. Tridibesh Mukherjee
Mr. Radharaman Bhattacharya
Mr. R. Muralidhar
Mr. Sudip Banerjee

AUDIT COMMITTEE

Chairman
Dr. Rathindra Nath Mitra

Members
Mr. Radharaman Bhattacharya
Mr. Somen Bal

COMPANY SECRETARY

Mr. G. Ray Chowdhury

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

**REGISTRAR AND
SHARE TRANSFER AGENTS**

CB Management Services (P) Ltd.
P 22, Bondel Road, Kolkata - 700 019
Tel : (091) (33) 2280 6692/93/94, 4011 6700
Fax : (091) (33) 2287 0263
E-mail : rta@cbmsl.com

REGISTERED OFFICE

14, Taratolla Road
Kolkata – 700 088
Tel : (091) (33) 3048 9230
Fax : (091) (33) 2401 4182, 2401 4579

CORPORATE OFFICE

Plot No. IND-5, Sector – I
East Kolkata Township
Kolkata – 700 107
Tel : (091) (33) 3984 9524
Fax : (091) (33) 3984 9676
E-mail : g_raychowdhury@ifbglobal.com

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IFB INDUSTRIES LTD.

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

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of IFB Industries Limited will be held on Friday, the 27th day of July 2012 at 11.00 AM at Rabindra Okakura Bhawan (adjacent to City Center Petrol Pump), Block DD-27A/1, Sector-I, Salt Lake, Kolkata- 700 064 to transact the following :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012, the statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R Muralidhar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Somen Bal who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 224, 225 & other applicable provisions of the Companies Act, 1956, Messrs BSR & Co., Chartered Accountants having registration no. 101248W be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Deloitte Haskins & Sells, Chartered Accountants having registration no. 302009E, who have expressed their unwillingness to continue as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration to be decided by the Board of Directors of the Company based on the recommendation of the Audit Committee of the Company."

SPECIAL BUSINESS :

5. To consider and if thought fit to pass the following resolution, with or without modification(s) as an Ordinary Resolution :

"RESOLVED THAT Mr. Sudip Banerjee be and is hereby appointed as a Director of the company whose period of office shall be liable to retirement by rotation."

6. To consider and if thought fit, to pass the following resolution, with or without modification (s), as a Special Resolution

"RESOLVED THAT pursuant to Sections 198, 269, 309 & 311 read with Schedule XIII of the Companies Act, 1956 (the "Act"), Mr. Bijon Nag be and is hereby reappointed as the Executive Chairman of the company for a period of 3 (three) years with effect from 1 June 2012, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Act and agreed to by Mr. Bijon Nag.

RESOLVED FURTHER THAT pursuant to the paragraph(A) of Section II (1) of Part II of Schedule XIII of the Act and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the minimum remuneration, as detailed in the Explanatory Statement, to Mr. Bijon Nag for that financial year, in which there is inadequacy or absence of profits, during the period of three years from 1 June 2012.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

Registered. Office :
14, Taratolla Road
Kolkata - 700 088
Date: 30th May 2012

By Order of the Board

G Ray Chowdhury
Company Secretary

NOTES :

- i) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy, to attend and vote on a poll on his behalf and such a proxy need not be a member of the Company. Proxies in order to be effective must be deposited at the Registered Office or with the Registrars and Share Transfer Agents of the Company, M/s CB Management Services (P) Ltd. , not less than 48 hours before the meeting.**
- ii) The Registrar of Members of the Company and the Share Transfer Registers shall remain closed on from 25th July 2012 to 27th July 2012 (both days inclusive).
- iii) The members are requested to :
 - a) notify immediately any change in their address to the Company.
 - b) bring their copy of the Annual Report to the meeting.
 - c) write to the Company's Registrar & Share Transfer Agents, M/s CB Management Services (P) Ltd enclosing their share certificates for consolidation into one folio for better investor service, if they have more than one folio in identical order of name(s).
- iv) Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for appointment/ reappointment at the Annual General Meeting is appearing in the Report and Accounts.
- v) Explanatory Statements under Section 173(2) of the Companies Act, 1956 for resolution nos. 2,3, 4,5& 6 are annexed hereto.
- vi) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, CB Management Services (Pvt.) Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Resolution No 2, 3 & 5

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

Name of Director	Mr. R.Muralidhar	Mr. Somen Bal	Mr. Sudip Banerjee
Date of birth	06.09.1946	15.9.1945	01.02.1960
Nationality	Indian	Indian	Indian
Date of Appointment on the board	21.06.2003	30.08.2002	04.04.2012
Qualification	Graduate in Physics, Graduate in Mechanical Engineering. An MBA from IIM (Ahmedabad)	B.COM	Graduate in Economics (H), Diploma in Management (AIMA)
Experience in functional areas	Business Executive	Business Executive	Business Executive
Shareholding in the Company	Nil	2030 nos.	Nil
List of Directorship held in other Companies	Nil	Three	Nil
Committee Membership	Nil	Three	Nil

Mr. Sudip Banerjee was appointed as Additional Director of the company w.e.f 4th April 2012. As Mr. Banerjee was appointed as Additional Director, he holds office of a director only upto 36th Annual General Meeting of the company by virtue of provisions of sec 260 of the Companies Act, 1956, read with Article 138 of the Article of Association of the company. Notice under section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Mr. Sudip Banerjee as Director of the Company whose office shall be liable to retirement by rotation. Consent from Mr. Banerjee also been received in accordance with Sec 264(1) of the Act. The members are now requested to approve the appointment of Mr. Sudip Banerjee as director of the company whose office shall be liable to retirement by rotation. The information details pertaining to Mr. Sudip Banerjee has been furnished in the statement of Corporate Governance.

The Board recommends passing of this Ordinary Resolution.

Except Mr. Banerjee, none of the directors is in any way concerned or interested in the resolution.

Resolution No. 4

As the Company is a widely held Company and its shares are traded on the Stock Exchanges regularly, a part of its share capital is sometimes held by the financial institutions who now routinely invest in the stock market. As this may sometime attract the provisions of Section 224A of the Companies Act, 1956, the Company proposes to appoint the Auditors by Special Resolution as abundant precaution.

The present Statutory Auditors of the Company, Messrs Deloitte Haskins & Sells, Chartered Accountants having registration no. 302009E is proposed to be replaced with M/s. BSR & Co., Chartered Accountants having registration No. 101248W.

Pursuant to the applicable provisions of the Companies Act, 1956, consent of members at Annual General Meeting is required for change of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on the terms and conditions to be decided by the Board of Directors of the Company based on the recommendation of the Audit Committee of the Company.

The board recommends passing of this Special Resolution.

None of the Directors is interested/ concerned in the resolution.

Resolution No 6

Mr. Bijon Nag is the Promoter and Executive Chairman of the Company.

Mr. Bijon Nag is a mechanical engineer and a prominent industrialist having more than three decades of vast experience in machine tool and engineering industries.

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

He holds 157869 (nos.) equity shares in the Company.

The Board of Directors of the Company at its meeting held on 30 May 2012 re-appointed Mr. Bijon Nag as Executive Chairman for the period of three years from 1 June 2012 on terms and conditions set out detailed hereinafter, subject to approval of the shareholders.

1. Remuneration :

- a) **Salary :** Rs. 80,500 (Rupees eighty thousand five hundred only) per month.
- b) **Commission :** In addition to salary, perquisites and other allowances, 0.5% commission based on net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any of the Companies Act, 1956, but not exceeding an amount equal to half of annual salary paid during the financial year.
- c) **Housing :** The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceiling :
 - i. Sixty percent of the salary.
 - ii. In case the accommodation is owned by the Company, ten percent of the salary of the Chairman shall be deducted by the Company.
 - iii. In case no accommodation is provided by the Company, entitlement to house rent allowance will be subject to the ceiling laid down as in (i) above.
- d) **Medical Reimbursement :** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- e) **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules of the Company.
- f) **Club Fee :** Fee of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- g) **Personal Accident Insurance :** As per the rules of the company
- h) **Gas & Electricity :** As per the rules of the company
- i) **Car :** Provision of car for use on Company's business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company to the Chairman
- j) **Telephone :** Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the company.

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

2. Other Benefits

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

Evaluation of Perquisites

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

Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Executive Chairman shall be paid salary and perquisites as set out above as the minimum remuneration, subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act / Schedule XIII.

Payment of remuneration is approved by a resolution passed by the Remuneration Committee.

The above may be treated as an abstract of the terms of contract between the Company and Mr. Bijon Nag under Section 302 of the Companies Act, 1956.

The terms and conditions of the said appointment and/or agreement are subject to the provisions of Section 198 and 309 of the Companies Act, 1956 and may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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

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

As Mr. Nag will attain the age of 70 years on 16 August 2012, in compliance with Schedule XIII, Part I (c) of the Companies Act, 1956, approval of the members for his re-appointment is sought by a special resolution. The Board recommends passing of the resolution in the best interest of the Company.

No Director except Mr. Bijon Nag and Mr. Bikram Nag are concerned or interested in the proposed resolution

Registered. Office :
14, Taratolla Road
Kolkata - 700 088
Date: 30th May 2012

By Order of the Board

G Ray Chowdhury
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. However, those who intend to receive the above documents in physical form, please exercise their option by visiting the Web Page www.cbmsl.com/green.php of our Registrars. Members who hold shares in Physical form are also requested to visit Web Page www.cbmsl.com/greea.php and register their email IDs and also to exercise their option, if they intend to receive the documents in physical form.

DIRECTORS' REPORT to the Shareholders

Dear Shareholders,

Your Directors present the 36th Annual Report and Accounts for the Financial Year ended 31st March, 2012.

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Sales and Other Income	81,440	69,754
Profit Prior to Finance Charges & Depreciation	5,114	7,948
<i>Less :</i>		
Finance charges	32	26
Depreciation	1,488	1,041
Profit before Taxation	3,594	6,881
<i>Less : Provision for Taxation</i>		
Current Tax	-	1,223
Deferred Tax	540	627
Profit after Tax	3,054	5,031
Balance brought forward from previous year	(6,980)	(12,011)
Balance carried to Balance Sheet	(3,926)	(6,980)

2. DIVIDEND

In view of the accumulated loss, the Board regrets its inability to recommend any dividend to equity shareholders for the year.

3. REVIEW OF OPERATION

Your Company completed another year of modest performance with strong topline growth. All business segments posted sound growth in revenues and enhanced their market standing. Gross Turnover for the year grew by 22% to Rs. 939.92 crores. Net Turnover other than service & other income at Rs. 751.56 crores grew by 18%. Steady performance by Appliance business grew by 24%. Engineering Division grew by 12%. However, due to adverse material cost variance, forex loss, product mix etc. the pretax profit as compared to last year drastically dropped by 47.76% to Rs. 35.94

crores. Earnings per share for the year stand at Rs. 8.61.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure & Developments

India's consumer market is on growth track despite global recession. The Indian consumer durable industry is estimated at Rs 400 billion and is expected to reach Rs 500 billion by 2015. The consumer durable sector contributes around 8% in the index of industrial production (IIP). The factors that have influenced this industry positively for the past few years were greater affordability, changing life style and awareness of branded products with rapid urbanization. However, the penetration level of many appliances like refrigerators, washing machines, MWO and AC is still very low. In union budget 2012, lack of any concrete announcement and lack of incentives failed to counter sluggish demand in the industry and lack of guidance on any precise time-lines for roll-out of GST is a bit of disappointment for Retail & Consumer Product Sector. However, five year extension for weighted deduction of 200% on R&D expenditure for in-house facilities is a welcoming decision. The increase in excise duty and service tax from 10% to 12% will straight away affect all segments of society that have the required purchasing power. Growth in consumer durables is likely to accelerate as disposable income and techno-efficiency rises with increasing rural demand.

The Rs. 1,600 billion Indian auto component industry has been witnessing a moderation in its revenue growth since the beginning of fiscal 2011-12 following the deceleration in sales volume growth across all automobile segments. As per industry estimates, out of total turnover of the Indian auto component industry, around 60% is derived from sales to domestic OEMs, around 25% comes from sale to the domestic replacement market and 15% is derived from export. While the long term prospects for the industry remain strong in line with the outlook for the OEM segment, the industry faces strong challenge in the form of threat of low cost imports, currency volatility and ability to invest on product development to be able to move up the value chain. Over and above operating cost pressures, the PAT margins of several auto component manufacturers have also been weighed down by increase in depreciation and interest costs. This

was consequent to the large capex incurred by these entities to meet the rising production schedules of OEMs and towards establishing production infrastructure to supply parts for new models launched by OEMs. With slowdown in sales, particularly in the PV segment, and relatively lower volume growth of some of the new models, the utilization of vendor capacities remained sub-optimal.

B) Opportunities & Threats

Appliance Business

Opportunities

Increase in disposable income and spending : The economic growth, enhancing employment and business opportunities in turn increased disposable income with higher propensity to consume.

Technological updates : Consumers tend to look for technological improvement in products when it comes to choosing products. Newer variants of our products will help the company in getting the attention of consumers who look for innovation.

Availability of finance : The increasing popularity of easily available but expensive consumer loans would give a boost to the consumers. IFB has come out with attractive financing schemes for consumers through their extensive dealer network and direct selling IFB Points. These financing options are in place with private sector companies.

Increasing share of organized retail : Organized retail is likely to grow at 30-40% per annum. Therefore the share of durable industry will grow with bigger players entering the market. The organized retail market is projected to grow to US \$ 84 billion by 2016, @ CAGR of 26%.

Advertising and promotion : The other factor for surging demand for consumer goods is the phenomenal growth of media in India. The flurry of television channels and the rising penetration of cinemas with innovative advertisement will continue to spread awareness of products in the remotest of markets. However such advertising is expensive and cost vs. benefits need to be carefully weighed.

Threats

Rising Input costs : Rising Input cost of major raw material (metal) would put huge pressure on the profit margin. Further increase in excise duty will also burden the input cost for us, there may be times when costs

cannot be passed on.

Exchange fluctuation : The forex rates are the single biggest threat for the fiscal year ahead.

Higher oil prices : Despite economic buoyancy, high inflation and rising oil prices would put pressure on household budgets which could put pressure on demand.

Lack of Industry status : Due to absence of 'industry status', organized retail in India faces difficulties in procurement of organized financing and fiscal incentives.

Poor Infrastructure : Poor infrastructure is one of the reasons to hold back the durable industry. Regular power supply is imperative for any consumer electronics product but that remains a major issue in India.

Rural Distribution : About 65 % of Indian population that lives in villages still remains relevant for consumer durable companies. So the approach of products and foraying into these rural markets has considerable cost thereto.

Customer power with respect to availability of choice : The availability of a wide product line on account of most products being homogeneous, poses a threat for the company. Customers have the choice of both domestically produced and imported goods, with similar features.

Engineering Business

Even though the auto industry growth has declined during 2011-12, the long term prospects for automobile sector appears to be bright. With rising per capita income the demand for two wheelers, passenger cars and commercial vehicles are expected to be robust over long term. Almost all major automobile companies both in passenger car as well as two wheeler segments have major plan for setting up new manufacturing capacities over next 2-3 years. The greatest opportunity of the company is its brand equity, product quality, latest technical knowledge and trust in company's product by customers. The company has built brand image with close liaison with its customers during past years. The threats the company is facing are as under :-

- Threats from competitors in area of pricing.
- Significant rise in material costs and exchange fluctuation that drastically impacts margin.
- Growth of the Indian economy together with reduction of import duties makes India increasingly a target market for many MNCs and therefore,

competitive pressure on domestic market will increase.

- Further, failure to meet the surge in demand due to capacity constraints, auto ancillary companies are ceding ground to imports from low cost locations.

C) Segment wise performance.

The Home Appliance Division has improved its turnover as compared to last year. Washing machine sale in value term for the year recorded a growth of 20.85% over last year. Out of which front loader washing machine sale has grown by 22.3% and top loaders have grown by 10.5% over last year. Microwave oven sale in value term recorded a growth of 29% over last year. However, in spite of 20% growth the PBDIT for the division reduced by 38% as compared to last year. The reduction in profit is due to increase in material cost, staff cost, loss on forex & increases in operating and administrative costs.

The company has entered the commercial laundry equipment business & has launched the same pan India. Enquiry of this segment has been encouraging and the company expects moderate sales from this category going forward. The Company has also entered kitchen appliances and modular kitchen business.

The Engineering Division recorded growth in sales by 12.7% & PBDIT of the division marginally raised by 8.35% as compared to last year. To revamp and increase its capacity the company modernized its tool room at Bangalore, installed two new fine blanking presses as well as modernize the old ones.

D) Outlook

The overall economic outlook seems to be favourable for recovery in the global economic environment and the Indian economy is also poised to grow. We expect Appliances growth in our product categories to be robust and thus we would expect 20%+ sales growth. Our focus would be to improve our service function as well as to invest in technology for better performance. We thus implemented SAP and this will help us to bring down inventory as well as to react faster to market needs apart from bringing about other improvements. Our focus would also be to improve our distribution channel by penetrating deeper into smaller towns.

We have already completed our expansion-cum-modernization of our washing machine factory at Goa. This expansion would ensure state-of-the-art new

generation washing machines of higher capacities and the excess capacity we would use to market for OEM sales through buyers in Europe, Africa, Asian countries, etc. However launch of our new models were delayed. We would also like to strengthen our direct sales channel as well as our customer retention programs in order to sell more IFB products to the same customer leading to more business per customer on a recurring basis due to recurring service income via AMC's as well as sale of additives, etc.

To compete with our competitors and to offer high quality products to our customers, the company modernised its R&D Lab at Goa.

The new ultra range in front loaders, its pricing and feature combination is significantly superior to competitors' products. The new top loader range will stabilize the platform for the expansion of this product category. The fully automatic Top loaders account for 35% of the total washing machine market and a significant presence in this segment is important. The new range will set the base for a growth from the present level of 3.5% in market share terms.

Our industrial equipment range is very large and comprehensive. In this fiscal, we have an opportunity to expand and specifically target high end hotels, restaurants and clubs for which we are currently participating in tenders in many places across the country. The increase in number of IFB Points and the results we are experiencing are very encouraging.

The entry into ACs and Refrigerators in this year is an obvious opportunity to extend our market presence and enter market segments which are the biggest by turnover and this will help product placements across the entire channel.

IFB has invested in its Fine Blanking operations in order to meet the growing demands of the Indian automobile industry. However, we have also de-risked by marketing our fine blanked products to other industries which are also high growth. We are focusing on domestic demand and have built up capacities to meet the same. We will look at exports at a later date as the long working capital cycle is not suitable for us. As a strategy, we are identifying areas where our business share is low and can be increased substantially to negate any de growth in automotive sector.

We have invested in modernizing our Tool Room to international standards and added new fine blanking

presses as well as modernizing the old ones. This jump in investments will, we hope, ensure significant increase of our sales by 31st March, 2013.

Liquidity position of the Company was comfortable and the company remains debt free. Company remained focused on its working capital management. Interest & dividend income from placement of temporary surplus funds with mutual funds increased on account of higher surplus fund and increase in interest rates to Rs 457 lacs compared to Rs 197 lacs at the end of previous year. As in the past, the Company has maintained excellent relationship with its bankers and was able to avail and negotiate favourable terms for various banking facilities.

E) Concerns

Our concern in the Fine Blanking business is pressure on prices from customers' end as well as pressure of higher material costs due to upward revision of commodity prices from time-to-time.

Over and above frequent raw material price increase, exchange fluctuation, our major concern in Appliances is threat from competitors in the area of pricing apart from HR challenges which is, however, a concern of every growing company.

To overcome the same, we have substantially increased our investment in training and we hope to increase the same further as well as bring in better HR practices in order to reduce attrition. We, however, feel that at the Senior Management level, more face-to-face contacts with others working in IFB and solving their problems will lead to lowering of the attrition rate.

F) Internal Control Systems and their adequacy

The Company has adequate system of internal controls and checks and balances to ensure that its assets are safeguarded and protected against loss from unauthorized use. The strength of these systems is continuously being monitored by in-house internal auditors & also by Ernst & Young, Chartered Accountants, and the findings of these audits are reported to the Audit Committee of the Board and also to the Board of Directors. The adequacy of the internal control system has also been examined by the statutory auditors.

G) Human Resources

IFB is a knowledge-driven organization and its greatest asset is the experience and skill of its employees. Recognizing that the workforce will provide critical

competitive edge in its growth endeavor, IFB has laid major emphasis on acquiring, maintaining and developing its human asset base. We offer wide range of career development programs including on the job training, job rotation etc. Our belief is that by investing in these programs we will have a highly motivated work force. Due to changes in H.R Policy the attrition rate of the executives of the company has been reduced to minimum.

As a result of focused attention, the employees at all levels have actively participated in the effort to sustain and improve the performance of the Company even in the most difficult times. The Company had 1286 nos. employees at the end of March 2012. As in the past, industrial relations continued to remain cordial at all locations in the Company.

H) Risk Management

The Company is exposed to several risks. They can be categorised as operational risks and strategic risks. Some of the major risks in each category are described below. There are other risks that could have a material effect on the Company's performance and financial position. The Company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate these risks.

OPERATIONAL RISKS

Environmental issue

The company has no pending material environment related issues. Since most of the Company's manufacturing process consist of the assembly of components, the environmental impact from the company's plants are remote.

However, environmental requirements are complex and tend to become more stringent with time & the Company will constantly innovate to keep up with requirements as per law.

Product warranty and recalls

It has become almost mandatory to incorporate such clause in International contracts. However, the Company has so far not accepted any contract with such draconian clause but in the event the company accepts contracts with such clause, the company is exposed to product liability and warranty clause in the event our product fails to perform as expected. A recall claim or a product liability claim brought against the Company in excess of the Company's coverage may have a material adverse effect on the Company's business.

STRATEGIC RISKS

Dependence on supplier

The company largely depends on vendors in order to meet its delivery commitments. Consequently, there is a risk that disruption in supply chain could lead to the company not being able to meet its delivery commitments and as a consequence to incur extra costs. The Company's strategy is to reduce this risk by maintaining multiple suppliers in all significant component areas.

Patent & Proprietary Technology

The Company's strategy is to protect its innovations with patents and to vigorously defend its trademarks and knowhow against infringements and unauthorized use. There can be no assurance that any patent now owned by the company will have protection against competitor that develops similar technology.

CAUTIONARY STATEMENT

Statement in this Management discussion and Analysis describing the Company's objectives, projection, estimates and expectations may be 'forward looking statement' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include market competition, significant change in political & economic environment in India, litigation, exchange rate fluctuation, change in interest rates etc.

5) DIRECTORS' RESPONSIBILITY STATEMENT IN TERMS OF SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

To the best of knowledge and belief and according to the confirmations and explanations obtained by them, your directors make the following statements in terms of Section 217(2AA) of the Companies Act, 1956 :

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records

in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) These accounts are prepared on a going concern basis.

6. CORPORATE GOVERNANCE

As stipulated by Clause 49 of the Listing Agreement, a Report on Corporate Governance along with a Certificate from the Auditors is given separately in this Annual Report.

7. DELISTING FROM DELHI STOCK EXCHANGE

The application for delisting to Delhi Stock Exchange is pending.

8. AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the company, hold office until the conclusion of ensuing Annual General Meeting.

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

M/s Deloitte Haskins & Sells, Chartered Accountants, have expressed their inability to continue as Statutory Auditors of the Company w.e.f. ensuing Annual General Meeting. It is proposed to appoint M/s. BSR & Co., Chartered Accountants as Statutory Auditors of the Company in place of the retiring Auditors from the conclusion of this Annual General Meeting to next Annual General Meeting.

Cost Auditors

The most of the manufactured products of the company has come under the purview of Cost Audit w.e.f 1.04.2012. Application to Central Government for appointment of Cost Auditor is being made.

9. DIRECTORS

Mr. R Muralidhar, Director retiring by rotation and being eligible, offer himself for reappointment at the ensuing Annual General meeting.

Mr. S.Bal, Director retiring by rotation and being eligible, offer himself for reappointment at the ensuing Annual General meeting.

The board inducted Mr. Sudip Banerjee as Additional

Director on the board of the company to hold office upto next AGM.

10. PERSONNEL

The Directors would like to place on record their appreciation of the dedication and hard work put in by employees at all levels.

Particulars of employees as required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with rules thereunder, forms part of this Report. However, as per the provision of Section 219(1) (b) (iv) of the Companies Act, 1956, the reports and accounts are being sent to all the shareholders of the Company excluding the statement of particular of employees. Any shareholder interested in obtaining a copy may write to the Company Secretary of the Company.

11. ESPS

The Company implemented the Employees Stock Purchase Scheme 2008 in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guide lines, 1999 ('the SEBI Guidelines'). The Compensation committee, constituted in accordance with the SEBI Guidelines, administers and monitors the scheme.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2012 (cumulative position) are given below :

- a) Total no of equity shares issued to employees in ESPS - 16,55,349
- b) Exercise price Rs 10/- per share to employees belonging to workers category and for rest of employees Rs 15/- per share, plus applicable taxes, as per law.
- c) Employee wise details of shares allotted under ESPS to :
 - i) Key Management person :

1. Mr. A.K.Nag	50,000
2. Mr. Arup Das	12,500
3. Mr. A.S.Negi	25,000
4. Mr. B.M.Shetye	25,000
5. Mr. Dipak Mitra	50,000
6. Mr. Gautam Dasgupta	50,000
7. Mr. G Ray Chowdhury	17,500

8. Mr. Jayanta Chanda	15,000
9. Mr. K.R.K. Prasad	12,500
10. Mr. Probir Chatterjee	25,000
11. Mr. Rajshankar Ray	15,000
12. Mr. Ranjan Mathur	7,000
13. Mr. Siddhartha Chatterjee	25,000
14. Mr. Sukhdev Nag	20,000
15. Mr. Soumitra Goswami	10,000
16. Mr. T. R. Ramesh	12,500

ii) Any other employee who is issued shares in any one year amounting to 5 % or more shares issued during that year — Out of the total 61,900 equity shares allotted during the year to 28 employees of the company, only 3 employees were allotted shares above 5%.

iii) Identified employees, who were issued shares during any one year, equal to or exceeding 1% of the issued capital of the company at the time of issuance- nil

- d) Diluted Earning Per share (EPS) pursuant to issuance of shares under ESPS Rs. 8.61.
- e) Consideration received against the issuance of shares Rs.244 lacs plus applicable taxes.

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

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

13. ACKNOWLEDGMENTS

Your Directors would like to place on record their sincere appreciation to the employees, Customers, Shareholders, banks and also Central & State Government Offices and all others for their co-operation and support.

On behalf of the Board
Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Dated : 30th May, 2012

Dr. R. N. Mitra
Director

ANNEXURE TO DIRECTORS REPORT OF IFB INDUSTRIES LTD.

INFORMATION AS PER SECTION 217(1)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A CONSERVATION OF ENERGY

The Company's operations involve low energy consumption. However, the Company took adequate measures to optimise use of energy through improved operational methods.

Energy consumption at all points is monitored and statistical analysis is done for improvement. Power Audit was done at Goa Plant in Feb/ March 2012 by Schneider and recommendations have been implemented.

Energy consumption in areas like the paint shop has already been reduced with usage of LPG. Areas like AC usage in office areas have also been addressed.

B TECHNOLOGY ABSORPTION

The Company is a leader in its respective product category and this has become possible due to absorption of technology in the quickest possible time and for in house Research & Development. Further, development activities were carried out to make the products more suitable for Indian conditions, e.g. quality of water, fluctuating power supply and environmental pollution.

The Company's R&D activity focuses mainly on application of new materials, new process, latest electronic system and metal processing technology. The units could also indigenise critical electronic components, e.g. speed control unit, switches, thermostats, magnetic valves, etc. in shortest possible time. The Company is now actively involved in upgrading computer design software, wash lab equipment, development of new models, etc.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company earned foreign exchange equivalent to Rs.235 lacs. Details of Foreign exchange outgo on account of imports, expenditure on travelling, knowhow, royalties etc and Export earnings are shown in note no. 14 under the heading 'OTHER INFORMATION' forming part of the Balance Sheet and Profit & Loss Account.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Company's Philosophy on Corporate Governance

The Company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company is of the view that Good Corporate Governance is an optimum mix of regulatory compliances as well as voluntary disclosures and practices. The Company is focused on attaining the highest levels of transparency, fairness, accountability and integrity in its dealings with all the constituents of its business i.e. the stakeholders. Towards this end, substantial disclosures on the Board of Directors and its Committees, financial and stock performance has been made in this Annual Report.

Board of Directors

At present the Board comprises eight directors - out of which five are Independent directors, one non executive Director and two executive Directors. Composition of the Board and the category of the Directors as well as details of their directorships in other companies/committees are given below:

Director	Category	Number of other Directorships of Public Ltd. Companies	Membership of Board Committees of other Companies
Mr. Bijon Nag	Executive Chirman	1	–
Mr. Somen Bal	Non-Executive Director	1	–
Dr. Rathindra Nath Mitra	Independent Director	–	–
Mr. R. Muralidhar	Independent Director	–	–
Dr. Tridibesh Mukherjee (joined on 29th July, 2011)	Independent Director	6	3
Mr. Radharaman Bhattacharya	Independent Director	–	–
Mr. BikramNag	Jt. Executive Chairman & MD	3	–
Mr. Sudip Banerjee (joined on 4th April, 2012)	Independent Director	–	–
Mr. K. M. Unnikrishnan (resigned on 27th July, 2011)	Independent Director	–	–

Attendance of Directors at Board Meetings and Annual General Meeting :

The Board of Directors met seven times during the last financial year, on the following dates : **27.05.2011, 04.07.2011, 29.07.2011, 28.10.2011, 23.11.2011, 28.01.2012** and **29.03.2012**.

The attendance at the Board Meetings and Annual General Meeting during the year was as follows :

Name of Directors	Attendance	
	Board Meeting	Annual General Meeting
Mr. Bijon Nag	3	Absent
Mr. Somen Bal	6	Present
Dr. Rathindra Nath Mitra	7	Present
Mr. Radharaman Bhattacharya	4	Absent
Mr. R. Muralidhar	6	Present
Mr. K.M.Unnikrishnan	1	Not Applicable
Mr. Bikramjit Nag	7	Present
Dr. Tridibesh Mukherjee	4	Not Applicable

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Remuneration of Directors

Remuneration committee consists of two Independent Directors. Dr. Rathindra Nath Mitra, Mr Somen Bal and Mr. Radharaman Bhattacharya are the members of the committee. No meeting was held during 2011-2012.

Remuneration to non-executive Directors

At present non-executive Directors are paid sitting fees of Rs 20,000/- for every meeting of Board and Rs 5000/- for every Audit Committee & Remuneration Committee meeting and Rs 1,000/- for other board committee meetings. However no sitting fee is paid to the members of committee of directors for attending share transfer / investor's grievance committee

Remuneration of Executive Chairman & Joint Executive Chairman & MD

The remuneration of the Executive chairman/ Joint Executive Chairman & MD is reviewed and recommended by the remuneration committee to the Board and approved by shareholders in General meeting. The Company does not have any Stock purchase plan for its Directors.

Details of remuneration paid to Directors for the year ended 31st March, 2012 are as follows : (Rs.)

Directors	Sitting Fees *	Salary & Perquisites	Commision	Total
Mr. Bijon Nag	-	19,05,232	-	19,05,232
Mr. Somen Bal	1,38,000	-	-	1,38,000
Dr. Rathindra Nath Mitra	1,63,000	-	-	1,63,000
Mr. Radharaman Bhattacharya	98,000	-	-	98,000
Mr. R. Muralidhar	1,20,000	-	-	1,20,000
Mr. K.M.Unnikrishnan	20,000	-	-	20,000
Mr. Bikram Nag	-	-	-	-
Dr. Tridibesh Mukherjee	80,000	-	-	80,000

* Includes fees for Committee Meetings.

Mr. Somen Bal, non-executive Director is holding 2030 nos equity shares of the Company as on 31st March 2012. No other non-executive Director is holding any share of the Company.

Audit Committee

The Audit Committee comprises three directors, out of which two are independent at present. The Terms of Reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The Audit Committee is responsible for reviewing with the management the financial statements and adequacy of internal audit function and to discuss significant internal audit findings. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

During the year four meetings were held on the following dates: **26.05.2011, 28.07.2011, 28.10.2011 and 27.01.2012**

The constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Category	Profession	Committee Meetings Attended
Dr. Rathindra Nath Mitra	Chairman	Independent Director	Professional	4
Mr. Somen Bal	Member	Non-Executive Director	Professional	3
Mr. Radharaman Bhattacharya	Member	Independent Director	Professional	3

Shareholders / Investors Grievance Committee

The Share Transfer and Investors Grievance Committee has been authorised to approve transfer of shares, etc. In order to expedite the process, the Board of Directors has also delegated the authority to approve the share transfers to the Company Secretary of the Company.

During the year nineteen meetings of the Committee were held on the following dates:

20.4.2011, 10.5.2011, 31.05.2011, 15.06.2011, 12.07.2011, 26.07.2011, 16.8.2011, 05.09.2011, 22.09.2011, 17.10.2011, 15.11.2011, 30.11.2011, 21.12.2011, 16.01.2012, 06.02.2012, 17.02.2012, 29.02.2012, 15.03.2012, 30.03.2012

The members of the Committee at present are as follows:

Name	Designation	Category
Mr. Somen Bal	Member	Non-Executive Director
Dr. R. N. Mitra	Member	Independent Director

Share Transfers :

- ◆ All Shares have been transferred and returned within the prescribed time limit, provided the documents were complete.
- ◆ Total number of shares transferred during the year 2011-2012 was 10,623.

Investor Relations :

The Company's Registrars and Share Transfer Agent CB Management Services Pvt. Ltd. are fully equipped to carry out the transfer of shares and redress investors' complaints. All complaints received from Shareholders have been cleared within the financial year. There is no complaint which has remained un-addressed.

General Body Meetings :

The location and time of the Annual General Meeting held during the last 3 years are as follows:

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions Passed
33rd Annual General Meeting	26.08.2009	10:00 a.m.	Eastern Zonal Cultural Centre IA Sector III, Bidhannagar Kolkata 700 091	2
34th Annual General Meeting	30.07.2010	10:00 a.m.	Eastern Zonal Cultural Centre IA Sector III, Bidhannagar Kolkata 700 091	1
35th Annual General Meeting	29.07.2011	10:00 a.m.	Eastern Zonal Cultural Centre IA Sector III, Bidhannagar Kolkata 700 091	1

The special resolutions were usually passed on show of hands and mostly unanimously. There was no resolution passed by postal ballot last year. Presently the Company does not have any proposal for postal ballot.

Notes on Directors appointment / re-appointment :

Mr. Sudip Banerjee (52) was appointed on 4th April 2012 as Additional Director u/s 260 of the Companies Act and shall continue upto ensuing AGM. A notice u/s 257 of the companies act has been received from one of the members along with requisite fees recommending his appointment as Director of the company.

Mr. Banerjee a graduate in Economics (H) from Shri Ram College of Commerce, New Delhi and obtained Diploma in Management from AIMA in the Year 1988. He started his career in HCL. He joined Wipro Technologies Ltd. in 1983 as Marketing Executive and worked in different capacities and finally elevated to the position of President in 2002 and continued upto May 2008. He worked as CEO at L&T Infotech Ltd. during the period from Sept 2008 to May 2011. He is member of the Board of Governors-Indian Institute of Information Technology, Allahabad, Member of Executive Council of NASSCOM and also speaker in various forums on the IT industry, marketing and globalization.

Mr. R. Muralidhar (68) an Indian national has been a non-executive Independent Director since July 2003. Mr. Muralidhar is a graduate in Physics, graduate in Mechanical engineering and an MBA from IIM (Ahmedabad). Mr. Muralidhar has worked in several blue chip companies like Warne Hindustan (Parke Davis), Hindustan Lever, EID parry, Max India, Bharat Technologies and also in IFB Industries Ltd.

Mr. Somen Bal (67) an Indian national has been a non-executive Director since August 2002. Mr. Bal is a commerce graduate & having more than 37 years professional experience.

Mr. Bijon Nag (69) an Indian national, a Mechanical Engineer & a prominent industrialist having more than 3 decades of vast experience in machine tool and engineering industries. He is promoter and Executive Chairman of the company. He is also chairman of IFB Agro Industries Ltd., IFB Automotive Pvt. Ltd., Anjali Foundation and director of Maruti Insurance Broking Pvt. Ltd. He is holding 157869 nos. share of IFB Industries Ltd.

CEO/CFO Certification :

Joint Executive Chairman & Managing Director and the Chief Financial Officer of the company give annual certification on financial reporting and internal controls to the Board in term of clause 49 of the Listing Agreement. The Joint Executive Chairman & Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the board in terms of clause 41 of the Listing Agreement.

Code of Conduct :

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

Disclosures

Related Party Transactions

During the year under review, besides the transactions reported elsewhere in the Annual Report, the Company has not entered into any transaction of material nature, with its promoters, the Directors or the Management or relatives etc that may have potential conflict with the interests of the Company at large.

During the last three years there were no penalties or strictures imposed on the Company by stock Exchanges or SEBI or any statutory authority for non-compliance of any matter related to capital market

Non mandatory requirement

The Company does not have whistle Blower policy. The Company has not complied with non-mandatory requirements regarding sending half yearly financial performance to each household of shareholders, training of Board members, and mechanism for evaluating non-executive board members.

The Company has had no occasion so far to use the postal ballot.

Means of communication

The quarterly and half yearly results of the Company are forthwith communicated to the stock exchanges with which 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 Financial Express (English) and Sambad pratidin- (Bengali).No presentation was made to institutional investors or analysts during the year. The quarterly and half yearly results are also displayed in Company website.

General Shareholder Information :

(a) **Annual General Meeting :**

- Date : 27th July, 2012
- Time : 11 A.M.
- Venue : Rabindra Okakura Bhawan
Block DD-27A/1, Sector -1, Salt Lake, Kolkata - 700 064

(b) **Financial Calendar** : April to March

Financial Reporting for –

- first quarter result within 15th day of August
- second quarter / half yearly result within 15th day of November
- third quarter result within 15th day of February

(c) Date of Book Closure 25th July, 2012 to 27th July, 2012 (both days inclusive)

(d) Dividend payment date Dividend is not recommended

- (e) Listing of Equity Shares on Stock Exchanges
- The Calcutta Stock Exchange Association Ltd., Kolkata
 - National Stock Exchange of India Ltd., Mumbai
 - The Bombay Stock Exchange Ltd.
 - Delhi Stock Exchange Association Ltd., (Applied for Delisting)

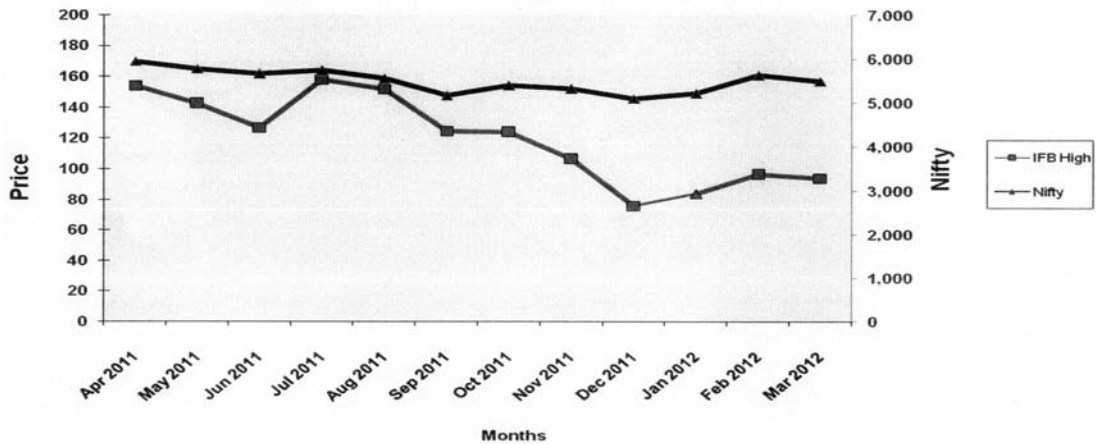
Stock Code : The Calcutta Stock Exchange Association Ltd., Kolkata – 10019067
National Stock Exchange of India Ltd., Mumbai – IFBIND
The Bombay Stock Exchange Ltd. – 505726

ISIN No. : INE559A01017

(f) Stock Market Data :

NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
Period	High (Rs.)	Low (Rs.)	Monthly Volume
April 2011	154.05	136.30	807187
May 2011	142.50	111.10	869765
June 2011	126.80	109.50	933619
July 2011	158.00	113.50	1744269
August 2011	151.80	105.45	2258490
September 2011	124.75	110.50	614636
October 2011	124.00	106.00	373251
November 2011	106.50	68.25	699096
December 2011	76.00	57.00	159966
January 2012	84.00	57.10	339052
February 2012	96.35	76.05	494038
March 2012	94.00	75.80	268388

SHARE PRICE PERFORMANCE VERSUS THE NSE INDEX



- (g) Registrars and Share Transfer Agent : CB Management Services (P) Ltd.
P 22, Bondel Road, Kolkata - 700 019 • Tel : 2280 6692-93/2486/2937
E-mail : rta@cbmsl.com

(h) Distribution of Shareholding as on 31st March, 2012

Slab of Shareholdings in nominal value	Shareholders	Percentage	Amount in Rs.	Percentage
1-500	16,268	90.34	1,812,398	5.10
501-1000	783	4.35	648,695	1.83
1001-2000	417	2.31	641,429	1.81
2001-3000	178	0.99	460,539	1.29
3001-4000	73	0.40	265,811	0.75
4001-5000	75	0.42	359,252	1.01
5001-10000	114	0.63	831,325	2.34
10001 and above	100	0.56	30,499,347	85.87
Total	18,008	100.00	35,518,796	100.00

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

Shareholder Category	Number of shares held	% of shareholding
1. Promoters Group	25,373,199	71.44
2. Mutual Funds and Unit Trust of India	514,875	1.45
3. Banks, Financial Institutions & Insurance Companies	2,980	0.00
4. Foreign Institutional Investors	186,528	0.53
5. Private Bodies Corporate	2,820,007	7.94
6. Indian Public	5,818,312	16.38
7. Non-Resident Indians/ OCBs	776,438	2.19
8. Clearing Members	26,457	0.07
Total :	35,518,796	100.00

(j) **Dematerialisation of Shares**

As on 31st March, 2012, 33,246,654 shares (93.60 % of the Company's total number of shares) are in the dematerialised form. At present the Company's shares are compulsorily traded in dematerialised form, as per notification issued by the Securities and Exchange Board of India (SEBI). The ISIN allotted for the Equity Shares of Company is INE559A01017.

(k) **Secretarial audit for reconciliation of capital**

The Securities and Exchange Board of India has directed vide Circular No. D&CC/ FITTC /CIR-16/2002 dated December 31, 2002 that all issuer companies shall submit capital integrity, reconciling the total shares held both in both the depositories, viz, NSDL and CDSL and in physical form with total issued and paid-up capital.

The said certificate, duly certified by the practicing Company Secretaries is submitted to the Stock Exchanges within 30 days of the end of each quarter.

(l) **Outstanding GDRs/ADRs or any convertible instruments**

: There are no outstanding GDRs/ADRs or any other convertible instruments.

(m) **Plant Location**

- : • 14, Taratolla Road, Kolkata - 700 088
• JL-71, P.O. Bishnupur, Gangarampur, West Bengal
• L-1, Verna Electronic City, Verna, Selcete, Goa - 403 722
• 62, 64 & 66, Corlim Indl. Estate, Corlim, Ilhas, Goa - 403 110
• E-3, New Indl. Area II, Mandideep - 462 046, Bhopal, Dist. Raisen, M.P - 462 046
• 16/17, Visveswariah Indl. Estate, Whitefield Road, Bangalore - 560 048.

(n) **Investor Correspondence**

: **Corporate Office :**
Plot No. IND 5, Sector I, East Kolkata Township, Kolkata - 700 107
Tel : (033) 3984 9475 • Fax : (033) 3984 9676
E-mail : ifbi_legal@ifbglobal.com
Registrar and Share Transfer Agent :
CB Management Services (P) Ltd.
P 22, Bondel Road, Kolkata - 700 019
Tel : (033) 2280 6692-93-94/2486/2937 • Fax : (033) 22470263
E-mail : rta@cbmsl.com

On behalf of the Board

Bikram Nag

Dr. R. N. Mitra

Joint Executive Chairman &

Director

Managing Director

Place : Kolkata

Dated : 30th May, 2012

AUDITORS' REPORT on Corporate Governance

To the Members of **IFB Industries Limited**

We have examined the compliance of conditions of Corporate Governance by IFB Industries Limited, for the year ended on 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 Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Kolkata, 30th May, 2012

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

Abhijit Bandyopadhyay
Partner

(Membership No. 054785)

10 Years' Highlights

(Rs. million)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
SALES AND EARNINGS										
Sales & other income	1631	1890	2139	2306	2947	3901	4568	5568	6975	8144
Profit/loss (-) before tax	(782)	(856)	(344)	(131)	363	385	3163	575	688	359
Profit/loss (-) after tax	(782)	(856)	(344)	(138)	353	373	3151	538	503	305
Depreciation/amortisation	234	218	208	183	128	84	76	87	104	149
Dividends	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-
ASSETS & LIABILITIES										
Fixed assets (Gross)	3602	3595	3630	3674	3744	3799	3884	4029	4469	4162
Fixed assets (Net)	2094	1695	1390	1095	865	710	721	824	1388	1606
Total assets (Net)	2372	1972	1618	1240	904	818	1122	1575	2212	2576
<i>Represented by</i>										
Net worth	(2798)	(3654)	(3984)	(3939)	(3552)	(3132)	204	459	1034	1344
Total borrowings	5092	5548	5171	4731	3983	3445	-	-	-	-
RATIOS										
Earnings per share (Rs.) (after extraordinary)	(60.49)	(64.18)	(25.76)	(9.32)	20.20	21.08	165.94	16.87	14.24	8.61
Earnings per share (Rs.) (before extraordinary)	(57.88)	(63.96)	(61.76)	(16.43)	(6.79)	7.55	19.05	16.87	14.24	8.61
Net worth per share (Rs.)	(209.65)	(273.84)	(275.25)	(259.04)	(214.89)	(190.57)	1.51	13.22	29.15	37.83
OTHERS										
Number of employees	606	635	657	686	705	877	988	986	1173	1286
Rate of dividend (%)	-	-	-	-	-	-	-	-	-	-

AUDITORS' REPORT to the Members of IFB Industries Limited

1. We have audited the attached Balance Sheet of IFB Industries Limited ("the Company") as at 31st March 2012, 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 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 misstatement. 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose 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 as follows :
 - a. 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;
 - b. in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors as on 31st March 2012, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

Abhijit Bandyopadhyay
Partner

(Membership No. 054785)

Kolkata, 30th May, 2012

ANNEXURE to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/ result, clauses (vi), (xii), (xiii), (xiv), (xvi), (xviii) and (xix) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories :
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register, maintained under the said Section has been so entered.
 - (b) Where each of such transactions is in excess of Rs. 500 thousands in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

- (vii) In our opinion, the internal audit functions carried out during the year by the internal audit department of the Company and by a company appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to information and explanations given to us in respect of statutory dues :
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Sales Tax, Income-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.
 - Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Cess which have not been deposited as on 31st March 2012 on account of any dispute are given below :

Name of the Statute	Nature of dues	Value (Rs. in lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	119	2006-07 & 2007-08	Commissioner of Income Tax (Appeals)
Central Sales Tax Act & Local Sales Tax Act	Sales tax including trade tax	373	1991-92 to 1994-95, 1996-97, 1999-2000, 2001-02 to 2006-07, 2008-09 and 2009-10	Assessing Officer, Assistant Commissioner, Appellate Deputy Commissioner, Commissioner Appeals, Joint Commissioner appeals, Appellate & Revisional Board, Appellate Tribunal, Trade Tax Tribunal, High Court.
Central Excise Act, 1944 and Chapter V of the Finance Act, 1994, as amended	Excise duty, service tax including penalty	193	1994, 2003-04, to 2010-11	CEGAT, Commissioner Appeals, Assistant / Additional Commissioner of Central Excise, Additional Commissioner Service Tax, Central Excise and Service Tax Appellate Tribunal (CESTAT)
Bombay Provincial Municipal Corporation Act, 1949	Cess including interest on Cess	103	2004-05, 2005-06, 2006-07 and 2007-2008	Civil Judge Court - Senior Division, Thane and Bombay High Court

- (x) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not *prima facie* prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long-term investment.
- (xiv) The Company has not raised any money through public issues during the year.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Registration No. 302009E)

Abhijit Bandyopadhyay

Partner

Membership No. 054785

Kolkata, 30th May, 2012

IFB INDUSTRIES LIMITED

BALANCE SHEET as at March 31, 2012

	Notes	31 March, 2012 Rs. Lacs	31 March, 2011 Rs. Lacs
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
a. Share capital	2	3,628	3,622
b. Reserves and surplus	3	20,591	17,498
2. Non-current liabilities			
a. Deferred tax liabilities (Net)	4	1,542	1,002
b. Other long-term liabilities	5	656	487
c. Long-term provisions	6	2,823	1,951
3. Current liabilities			
a. Trade Payables	7	10,905	8,548
b. Other current liabilities	8	3,688	5,347
c. Short-term provisions	6	279	456
TOTAL		44,112	38,911
II. ASSETS			
1. Non-current assets			
a. Fixed Assets			
(i) Tangible assets	9	14,777	11,435
(ii) Intangible assets	10	833	990
(iii) Capital work-in-progress	11	451	1,459
b. Non - current investments	12	—	—
c. Long-term loans and advances	13	3,550	2,391
d. Other non-current assets	14	142	109
2. Current assets			
a. Current investments	15	997	4,617
b. Inventories	16	10,925	8,883
c. Trade receivables	14	4,663	3,905
d. Cash and bank balances	17	5,242	2,691
e. Short-term loans and advances	13	2,503	2,414
f. Other current assets	14	29	17
TOTAL		44,112	38,911

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Place : Kolkata

Date : May 30, 2012

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

Dr. R. N. Mitra

P. Chatterjee

G. Ray Chowdhury

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

	Notes	31 March, 2012 Rs. Lacs	31 March, 2011 Rs. Lacs
I. INCOME :			
Gross sale of products	18	93,992	77,260
Less : Trade scheme and discounts		13,915	9,778
Sale of products (net of trade scheme and discounts)		80,077	67,482
Sale of services	19	3,332	3,053
Other operating revenues :			
Scrap Sales		1,867	1,427
Others		111	130
Revenue from operations (gross)		85,387	72,092
Less : Excise duty on Sale of products		4,921	3,988
Less : Excise duty on Scrap Sales		171	130
Revenue from operations (net)		80,295	67,974
Other income	20	1,145	1,780
Total Revenue		81,440	69,754
II. EXPENSES :			
Cost of Raw materials consumed	21	30,359	26,142
Purchase of stock-in-trade	18	18,025	11,755
(Increase) /decrease in finished goods, work-in-progress and stock-in-trade	22	(1,318)	(376)
Cost of Spares sold		471	390
Employee benefit expense	23	6,987	6,300
Finance costs	24	32	26
Depreciation / amortisation	9 & 10	1,488	1,041
Other expenses	25	21,652	17,595
Total Expenses		77,696	62,873
Profit before exceptional items and tax		3,744	6,881
Exceptional Expense	26	150	—
Profit before tax		3,594	6,881
Tax expense :			
1. Current tax (MAT payable)		684	1,361
Less : MAT credit entitlement		(684)	(138)
2. Deferred tax		540	627
Profit for the year after tax		3,054	5,031
Earnings per equity share (nominal value of share Rs. 10)	27		
1. Basic		8.61	14.24
2. Diluted		8.61	14.24
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Place : Kolkata

Date : May 30, 2012

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

Dr. R. N. Mitra

P. Chatterjee

G. Ray Chowdhury

CASH FLOW STATEMENT for the year ended March 31, 2012

	Year ended March 31, 2012	Year ended March 31, 2011
	Rs. Lacs	Rs. Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,594	6,881
Adjustments for :		
Depreciation / amortisation	1,488	1,041
Loss on disposal of fixed assets	24	71
Capital work in progress (CWIP) written off	—	31
Write off of fixed assets	127	30
Write off of debts / advances	94	107
Provision for doubtful debts and advances	17	64
Expenses on Employee Stock Purchase Scheme	36	607
Dividend from mutual funds	(201)	(118)
Net gain on sale of mutual funds	(99)	(2)
Write back of liabilities no longer required	(129)	(981)
Write back of provisions no longer required	(75)	(90)
Recovery of advance written off in earlier years	(174)	-
Unrealised exchange loss / (gain)	11	(59)
Financial charges	32	26
Operating profit before working capital changes	4,745	7,608
Movement in working capital :		
Increase in trade payables	2,461	2,128
Increase in provisions	695	238
Increase in other liabilities	138	609
(Increase) in trade receivables	(750)	(1,142)
(Increase) in other assets	(49)	(122)
(Increase) in inventories	(2,040)	(350)
Decrease/(increase) in loans and advances	40	(373)
Cash generated from operations	5,240	8,596
Direct taxes paid	(759)	(1,510)
Net cash from operating activities	4,481	7,086
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including intangible assets, CWIP and capital advances)	(5,881)	(4,779)
Proceeds from disposal of fixed assets	4	25
Purchase of current investments	(5,300)	(13,973)
Proceeds from sale / maturity of current investments	9,177	10,505
Dividends received	47	31
Net cash used in investing activities	(1,953)	(8,191)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	9	105
Financial charges	(32)	(26)
Net cash from / (used in) financing activities	(23)	79
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,505	(1,026)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,621	3,647
CASH AND CASH EQUIVALENTS, END OF YEAR [Refer Note 17]	5,126	2,621

Notes : 1. The above Cash Flow statement has been prepared under indirect method as per Accounting Standard 3 "Cash Flow Statement" notified under Section 211 (3C) of the Companies Act, 1956.

2. The figures in the bracket indicate cash outflow, except for adjustments for operating activities.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Place : Kolkata

Date : May 30, 2012

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

Dr. R. N. Mitra

P. Chatterjee

G. Ray Chowdhury

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012

1. SIGNIFICANT ACCOUNTING POLICIES :

Unless otherwise specified, all amounts are in Rupees lacs

a. Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply in all material respect with the applicable accounting principles in India, mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows the accrual method of accounting under historical cost convention modified by revaluation of certain fixed assets as and when undertaken. The accounting policies have been consistently applied by the Company.

The preparation of financial statements requires the Management to make estimates and assumptions that affects the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Although these estimates are based upon historical event and management's best knowledge of current events and actions, actual results could differ from those estimates. Material estimates used in these financial statements that are susceptible to change as more information becomes available include useful economic lives of property, plant and equipment, impairment, retirement benefits, guarantees, warranties and income taxes.

b. Revenue recognition

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

Revenue from Services is recognised on prorated basis over the period of contract.

Interest on deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends from investment are recognised when the Company's right to receive payment is established.

c. Tangible Fixed assets

Tangible Fixed assets are stated at cost of acquisition/construction or at revalued amount less depreciation and impairment losses. The cost of asset comprises its purchase price and any other attributable cost incurred for bringing the asset to its working condition for its intended use. Where a tangible fixed asset has been revalued upwards, the revalued amount is credited to owner's interest under the head Revaluation Reserves.

Capital work in progress includes items under installation and items in transit. In case of own manufactured items like tools, jigs, proportionate burden of overhead as applicable is also treated as part of cost.

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

d. Intangible assets

Software expected to provide future enduring economic benefits is stated at cost less amortization.

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

e. Depreciation / Amortisation

Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight line method on plant and machinery and other tangible fixed assets excepting building where written down value method is followed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012

(Unless otherwise specified, all amounts are in Rupees in lacs)

Assets whose actual cost does not exceed five thousand rupees are fully depreciated in the year of acquisition.

Intangible assets are amortised over the best estimate of its useful life ranging between a periods of 3 to 5 years.

f. Impairment of fixed assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

g. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange differences either on settlement or on remeasurement of transactions is recognised in the Statement of Profit and Loss account.

Monetary assets and liabilities denominated in foreign currency are remeasured at the rate of exchange prevailing on the date of the balance sheet and resultant gain or loss is recognised in the Statement of Profit and Loss account. Non-monetary items denominated in foreign currency are carried at cost.

h. Investments

Long Term investments are stated at cost less diminution in value, if any other than temporary.

Current investments comprising investments in mutual funds are stated at lower of cost and fair value.

i. Inventories

Raw materials, components, work in progress and stores and spares are valued at lower of cost or net realizable value.

Finished goods and Stock in trade are valued at lower of cost or net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition.

Cost is ascertained on weighted average method.

j. Employee Benefits

i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss account of the year in which the related service is rendered.

ii) Post employment benefits (Gratuity) and other long term employee benefits (Leave encashment and accumulated sick leave) are recognised as an expense in the Statement of Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss account.

k. Taxes on Income

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012

(Unless otherwise specified, all amounts are in Rupees in lacs)

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

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

l. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

m. Government Grants

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

n. Segment

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

o. Cash and cash equivalent

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

p. Earnings Per Share

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

q. Disclosure requirement for Derivatives Instruments

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

2. SHARE CAPITAL

	31 March, 2012	March 31, 2011
	<u>Rs. Lacs</u>	<u>Rs. Lacs</u>
Authorised Shares :		
65,000,000 (31 March 2011 : 65,000,000) Equity Shares of Rs. 10 each	6,500	6,500
30,000,000 (31 March 2011 : 30,000,000) Cumulative Redeemable Preference Shares of Rs. 10 each	3,000	3,000
Total authorised shares	<u>9,500</u>	<u>9,500</u>
Issued, subscribed and paid up shares :		
35,518,796 (31 March 2011 : 35,456,896) Equity Shares of Rs. 10 each, fully paid up	3,552	3,546
Forfeited Shares		
3,050,000 (31 March 2011 : 3,050,000) Equity Shares of Rs. 10 each, Rs. 2.50 paid up	76	76
Total issued, subscribed and paid up shares	<u>3,628</u>	<u>3,622</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March, 2012		31 March, 2011	
	<u>Nos</u>	<u>Rs. Lacs</u>	<u>Nos</u>	<u>Rs. Lacs</u>
At the beginning of the period	35,456,896	3,546	34,755,046	3,476
Issued during the period - Employees Stock Purchase Scheme	61,900	6	701,850	70
Outstanding at the end of the period	<u>35,518,796</u>	<u>3,552</u>	<u>35,456,896</u>	<u>3,546</u>

b. Rights, preferences and restrictions attached to equity shares

The company has only class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share other than the partly paid shares which have been forfeited.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March, 2012		31 March, 2011	
	<u>%</u>	<u>Nos</u>	<u>%</u>	<u>Nos</u>
Equity shares of Rs. 10 each fully paid:				
1. Nurpur Gases Pvt Ltd	16.92%	6,010,416	16.95%	6,010,416
2. IFB Automotive Pvt Ltd	41.55%	14,756,833	41.62%	14,756,833
3. Asansol Bottling & Packaging Company Pvt Ltd	6.94%	2,466,428	6.96%	2,466,428

d. Shares issued under Employees Stock Purchase Scheme

During the year the Company has issued 61,900 (31 March 2011 : 701,850) fully paid equity shares of Rs. 10 each to its employees under IFB Industries Limited – Employees Stock Purchase Scheme 2008 at premium of Rs. 5 per share.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

3. RESERVES AND SURPLUS

	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs
Capital Reserve	<u>25</u>	<u>25</u>
Debt Restructuring Reserve	<u>8,981</u>	<u>8,981</u>
Capital Redemption Reserve	<u>1,605</u>	<u>1,605</u>
Share Premium Account		
Opening Balance	13,694	13,052
Add : Expenses on Employee Stock Purchase Scheme	36	607
Add : Premium on shares issued on ESPS	<u>3</u>	<u>35</u>
Closing Balance	<u>13,733</u>	<u>13,694</u>
Revaluation Reserve	<u>173</u>	<u>173</u>
Surplus/(deficit) in the statement of profit and loss		
Opening Balance	(6,980)	(12,011)
Profit for the year	<u>3,054</u>	<u>5,031</u>
	<u>(3,926)</u>	<u>(6,980)</u>
Total Reserves and Surplus	<u><u>20,591</u></u>	<u><u>17,498</u></u>

4. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities		
Timing difference on account of depreciation	<u>1,858</u>	<u>1,193</u>
Total (A)	<u>1,858</u>	<u>1,193</u>
Deferred Tax Assets		
Timing difference on account of :		
Unabsorbed Depreciation	94	—
Provision for doubtful debts and advances	25	44
Provision for employee benefits	132	82
Provision for sales tax and cess	<u>65</u>	<u>65</u>
Total (B)	<u>316</u>	<u>191</u>
Net deferred tax liabilities (A)-(B)	<u>1,542</u>	<u>1,002</u>

5. OTHER LONG-TERM LIABILITIES

Unearned revenue on AMC /Extended Warranty Services	531	381
Security Deposits	<u>125</u>	<u>106</u>
	<u>656</u>	<u>487</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

6. PROVISIONS

	Long-term		Short-term	
	31 March, 2012	31 March, 2011	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Provision for gratuity (Refer note 30)	127	124	—	—
Provision for leave (Refer note 30)	276	215	24	38
Provision for sick leave	91	—	15	—
Provision for warranty	2,329	1,612	240	418
Total	2,823	1,951	279	456

Provision for warranty

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

	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs
As at the beginning of the year	2,030	1,819
Additional provision during the year	979	541
Provision utilised during the year	440	330
As at the end of the year	2,569	2,030
Current portion	240	418
Non-current portion	2,329	1,612

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

7. TRADE PAYABLES

Payable for Goods	6,958	5,215
Payable for Expenses	3,947	3,333
Total	10,905	8,548

8. OTHER CURRENT LIABILITIES

Unearned revenue on AMC /Extended Warranty Services	1,796	1,861
Security Deposits	35	22
Advance from customers	500	816
Statutory remittances	1,256	921
Liabilities for Capital Goods	101	1,727
Total	3,688	5,347

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

9. TANGIBLE ASSETS

Rs. Lacs

Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2011	Additions	Adjustments/ Disposals	As at March 31 2012	As at April 1 2011	For the year	Adjustments/ Disposals	As at March 31 2012	As at March 31 2012	As at March 31 2011
Freehold Land (@)	719	—	—	719	—	—	—	—	719	719
Leasehold Land	233	—	—	233	186	6	—	192	41	7
Leasehold Land	220	—	—	220	176	6	—	182	38	44
R and D Leasehold Land	13	—	—	13	10	—	—	10	3	3
Building	4,314	759	—	5,073	2,616	192	—	2,808	2,265	1,698
Building	4,214	181	—	4,395	2,545	160	—	2,705	1,690	1,669
R and D Building	100	578	—	678	71	32	—	103	575	29
Plant and Machinery	35,235	3,570	(6,741)	32,064	26,861	844	(6,610)	21,095	10,969	8,374
Plant and Machinery	35,203	2,334	(6,741)	30,796	26,853	807	(6,610)	21,050	9,746	8,350
R and D Plant and Machinery	32	1,236	—	1,268	8	37	—	45	1,223	24
Computer	588	173	(104)	657	330	72	(100)	302	355	258
Computer	546	150	(104)	592	301	67	(100)	268	324	245
R and D Computer	42	23	—	65	29	5	—	34	31	13
Furniture and Fixture	769	171	(49)	891	451	56	(27)	480	411	318
Furniture and Fixture	754	151	(49)	856	443	51	(27)	467	389	311
R and D Furniture and Fixture	15	20	—	35	8	5	—	13	22	7
Motor Vehicle	147	—	—	147	126	4	—	130	17	21
Total	42,005	4,673	(6,894)	39,784	30,570	1,174	(6,737)	25,007	14,777	11,435
Previous Year	39,295	5,113	(2,403)	42,005	31,973	874	(2,277)	30,570	11,435	

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

10. INTANGIBLE ASSETS

Rs. Lacs

Particulars of Assets	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 1, 2011	Additions	Adjustments/ Disposals	As at March 31 2012	As at April 1 2011	For the year	Adjustments/ Disposals	As at March 31 2012	As at March 31 2012	As at March 31 2011
Computer Software	427	143	—	570	184	150	—	334	236	243
Computer Software	372	122	—	494	179	129	—	308	186	193
R and D Computer Software	55	21	—	76	5	21	—	26	50	50
Technical Knowhow	800	14	—	814	53	164	—	217	597	747
R and D Technical Knowhow	800	14	—	814	53	164	—	217	597	747
Total	1,227	157	—	1,384	237	314	—	551	833	990
Previous Year	305	932	(10)	1,227	80	167	(10)	237	990	225

Note : (a) R and D denotes Research and Development

- (b) For sanction of import letter of credit amounting to Rs 3,000 lacs for import of capital goods by Standard Chartered Bank, following securities have been created :
- First charge on all present and future movable fixed assets of the Company situated at Goa Plant (except exclusive charge to term lenders).
 - Exclusive charge on plant & machinery financed by the Bank including movable plant & machinery, furniture & fittings, equipments, computer hardware & software, machinery spares tools, accessories and other movables.
 - First and exclusive charge over company's immovable property i.e., non-agricultural land bearing at No. L1 SIT within the village panchayat of Nago, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa (Goa) admeasuring 48695 square meters together with all buildings and structures thereon or to be thereon and all plant and machinery installed thereon or to be thereon.
- (c) For sanction of import letter of credit amounting to Rs 3,000 lacs for raw materials and other trade related goods by Standard Chartered Bank, following securities have been created :
- First charge on all current assets, both present and future.
 - Second charge on existing movable fixed assets of Goa unit (except exclusive charge to term lenders) and company's immovable properties i.e., non-agricultural land bearing at No. L1 SIT within the village panchayat of Nago, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa (Goa) admeasuring 48695 square meters together with all buildings and structures thereon or to be thereon and all plant and machinery installed thereon or to be thereon.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

11. CAPITAL WORK IN PROGRESS

	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs
Capital work in progress	451	576
Capital work in progress - Research & Development	—	883
Total	451	1,459

Capital work in progress written off during the year amounted to **Rs. Nil Lacs** (31 March, 2011 : Rs. 31 Lacs)

12. NON-CURRENT INVESTMENT

	31 March, 2012		31 March, 2011	
	Nos	Rs. Lacs	Nos	Rs. Lacs
NON TRADE INVESTMENT (AT COST)				
Investment in Equity Shares (quoted)	1,500	—	1,500	—
Ashok Leyland Ltd. (face value of Re. 1/-)				
Total	1,500	—	1,500	—

Aggregate market value of quoted investment

(Face value of Rs.10/- per share subdivided into 10 shares of Re.1/- fully paid up w.e.f. July 7 2004)

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1

13. LOANS AND ADVANCES

	Non-Current		Current	
	31 March, 2012	31 March, 2011	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Unsecured considered good				
Capital advances	831	398	—	—
Deposits with customs and others	571	626	84	184
Loans and advances to related parties	—	—	70	28
Deposits to related parties	219	212	—	—
Advances recoverable in cash or kind or for value to be received	29	14	2,349	2,202
MAT credit entitlement	1,822	1,138	—	—
Advance income tax [net of Provision for current tax of Rs. 3044 Lacs (31 March, 2011 : Rs. 2361 lacs)]	76	1	—	—
Advance fringe benefits tax [net of provision for fringe benefits tax of Rs. 122 lacs (31 March, 2011 : Rs. 122 lacs)]	2	2	—	—
	3,550	2,391	2,503	2,414
Unsecured considered doubtful				
Advances recoverable in cash or kind/Deposit with customs, port trust, excise and others	21	59	—	—
Provision for doubtful advances	(21)	(59)	—	—
	—	—	—	—
Total	3,550	2,391	2,503	2,414
Advances recoverable in cash or kind include				
Dues from an officer of the company	—	—	—	1
Loans and advances / Deposits to related parties include				
Advances/Deposit to a private company in which any director is a director	50	50	39	13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

14. TRADE RECEIVABLES AND OTHER ASSETS

	Non-Current		Current	
	31 March, 2012	31 March, 2011	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Trade receivable(Unsecured) :				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good			174	68
Considered doubtful			51	74
			225	142
Provision for doubtful receivables			(51)	(74)
Total (A)			174	68
Other receivables				
Considered good			4,489	3,837
Considered doubtful			6	2
			4,495	3,839
Provision for doubtful receivables			(6)	(2)
Total (B)			4,489	3,837
Total Trade Receivable (A+B)			4,663	3,905
Other assets				
Non current bank balances (note 17)	138	109	—	—
Interest accrued on fixed deposits	4	—	28	4
Dividend Receivable	—	—	—	4
Unamortised premium of forward contracts	—	—	1	9
Total	142	109	29	17
Trade receivable include :				
Dues from a private limited company in which company directors are directors			346	386

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

15. CURRENT INVESTMENT

	31 March, 2012		31 March, 2011	
	Nos.	Rs. Lacs	Nos.	Rs. Lacs
Unquoted mutual fund (valued at lower of cost and fair value)				
1. ICICI Prudential FMP Series 53 - 1 Year Plan D Cumulative (face value Rs. 10/-)	—	—	5,000,000	500
2. ICICI Prudential Blended Plan B Daily Dividend Option - I (face value Rs. 10/-)	—	—	9,994,536	1,000
3. Kotak FMP Series 29 - Growth (face value Rs. 10/-)	—	—	3,000,000	300
4. Kotak Quaterly Interval Plan Series 5 - Dividend (face value Rs. 10/-)	—	—	2,998,701	300
5. DWS Treasury Fund Investment- Regular Plan -Daily Dividend-Reinvest (face value Rs. 10/-)	—	—	4,999,499	511
6. Reliance Fixed Horizon Fund - XVII Series 1 -Growth plan (face value Rs. 10/-)	—	—	2,501,392	250
7. Reliance Interval Fund - Quaterly Plan - Series I -Retail Dividend Plan (face value Rs. 10/-)	—	—	3,495,992	350
8. JP Morgan India Treasury Fund - Super Inst. Daily Div Plan - Reinvest (face value Rs. 10/-)	—	—	4,054,744	406
9. LIC NOMURA MF Interval Fund - Series 1 -Monthly Dividend Plan (face value Rs. 10/-)	—	—	10,000,000	1,000
10. Reliance Floating Rate Fund - Short Term Plan - Daily Dividend Reinvestment Plan (face value Rs. 10/-)	9,767,481	997	—	—
Aggregate amount of unquoted investments		997		4,617
Aggregate provision for diminution in value of investments		—		—

16. INVENTORIES (valued at lower of cost and net realizable value)

(As taken, valued and certified by the Management)	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs
Raw materials and components [includes in transit Rs. 309 lacs (31 March, 2011: Rs 264 lacs)]	2,743	2,579
Work-in-progress	627	824
Finished goods (refer note 22)	2,462	1,676
Stock-in-trade [includes in transit Rs. 555 Lacs (31 March, 2011: Rs. 346 lacs) (refer note 22)]	3,314	2,585
Stores and spare parts [includes in transit Rs. 55 Lacs (31 March, 2011: Rs. Nil lacs)]	1,565	1,145
Gifts and Point of Purchase Materials	214	74
	10,925	8,883

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

17. CASH AND BANK BALANCES

	Non-Current		Current	
	31 March, 2012	31 March, 2011	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
i) Cash and Cash equivalents :				
a) Balances with bank :				
Current account	—	—	3,099	2,326
Deposit account	—	—	1,802	114
b) Cheques on hand	—	—	180	109
c) Cash on hand	—	—	45	32
d) Remittance in transit	—	—	—	40
	—	—	5,126	2,621
ii) Other bank balances				
a) Balance with bank in Deposit Account	43	39	114	69
b) Margin money deposit	95	70	2	1
	138	109	116	70
Amount disclosed under other assets (note 14)	(138)	(109)	—	—
Total	—	—	5,242	2,691

18. DETAILS OF GROSS SALE AND PURCHASE OF FINISHED GOODS AND STOCK-IN-TRADE

	Gross Sale		Purchase	
	31 March, 2012	31 March, 2011	31 March, 2012	31 March, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Finished goods :				
a) Press Tools & Dies	262	164	—	—
b) Fine Blanked Components	14,506	13,032	—	—
c) Motor	38	134	—	—
d) Others	—	12	—	—
e) Home Appliances :				
i) Washing Machines	42,029	34,128	—	—
ii) Dryers	1,253	1,245	—	—
iii) Dishwashers	1,337	1,482	—	—
iv) Others	577	299	—	—
Stock-in-trade :				
Home Appliances :				
i) Microwave Ovens	14,707	11,400	6,525	3,400
ii) Washing Machines	8,654	7,811	6,222	3,597
iii) Accessories and Additives	5,006	4,219	2,643	2,465
iv) Dishwashers	2,681	1,808	1,703	1,889
v) Others	1,774	609	932	404
vi) Spares	1,168	917	—	—
	93,992	77,260	18,025	11,755

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)
19. DETAILS OF SALE OF SERVICES

	31 March, 2012 Rs. Lacs	31 March, 2011 Rs. Lacs
AMC / ASC Income	2,837	2,565
Extended Warranty income	173	241
Others	322	247
	<u>3,332</u>	<u>3,053</u>

20. OTHER INCOME

(a) Interest Income on bank deposits and others	157	77
(b) Dividend from Mutual Funds	201	118
(c) Net gain on sale of Mutual Funds	99	2
(d) Insurance claims	3	51
(e) Rental Income	87	82
(f) Gain on exchange fluctuations	—	217
(g) Write back of liabilities no longer required (*)	129	981
(h) Write back of provision no longer required	75	90
(i) Recovery of advance written off in earlier years	174	—
(j) Other income	220	162
	<u>1,145</u>	<u>1,780</u>

(*) Includes liability for custom duty payable to Directorate General of Foreign Trade (DGFT) pertaining to Advance License and EPCG Schemes Written back Rs. Nil Lacs (31 March, 2011: Rs. 819 Lacs)

Income related to Research and Development at Verna, Goa included in above Note 20 are :

Gain on exchange fluctuations	—	1
	<u>—</u>	<u>1</u>

21. COST OF RAW MATERIALS CONSUMED

Raw material stock as at the beginning of the year	2,579	2,483
Add: Purchases	30,523	26,238
	<u>33,102</u>	<u>28,721</u>
Less : Raw material stock as at the end of the year	2,743	2,579
Cost of Raw Materials Consumed	<u>30,359</u>	<u>26,142</u>

Details of raw materials consumed :

Imported Steel	1,124	544
Imported Components and Spares	7,969	5,320
Indigenous Steel	7,646	7,617
Indigenous Copper	1,187	963
Indigenous Brass	—	6
Indigenous Aluminium	435	366
Indigenous Components and Spares	11,998	11,326
	<u>30,359</u>	<u>26,142</u>

Expenditure related to Research and Development at Verna, Goa included in above Note 21 are :

Raw Materials Consumed	39	12
	<u>39</u>	<u>12</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

22. DETAILS OF (INCREASE)/DECREASE IN FINISHED GOODS,
WORK IN PROGRESS AND STOCK-IN-TRADE

	31 March, 2012	31 March, 2011	(Increase)/decrease
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Inventory as at the end of the year			
Stock-in-trade	3,314	2,585	(729)
Work in progress (*)	627	824	197
Finished goods	2,462	1,676	(786)
	<u>6,403</u>	<u>5,085</u>	<u>(1,318)</u>
Inventory as at the beginning of the year			
Stock-in-trade	2,585	1,109	(1,476)
Work in progress	824	700	(124)
Finished goods	1,676	2,900	1,224
	<u>5,085</u>	<u>4,709</u>	<u>(376)</u>
	<u>(1,318)</u>	<u>(376)</u>	

(*) Includes semi finished process components and semi finished tools amounting to **Rs. 533 lacs** (31 March, 2011 : Rs. 672 Lacs) and semi finished motors amounting to **Rs. 69 lacs** (31 March, 2011 : Rs. 119 Lacs).

	31 March, 2012	31-Mar-2011
	Rs. Lacs	Rs. Lacs
Details of Inventory :		
Stock-in-trade		
(i) Microwave Ovens	1,026	832
(ii) Washing Machines	1,421	848
(iii) Accessories and Additives	309	338
(iv) Dishwashers	361	250
(v) Others	197	317
	<u>3,314</u>	<u>2,585</u>
Finished goods		
(i) Washing Machines	1,979	1,243
(ii) Dryers	103	109
(iii) Dishwashers	148	116
(iv) Fine Blanked Components	91	118
(v) Press Tools & Dies	37	18
(vi) Others	104	72
	<u>2,462</u>	<u>1,676</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

23. EMPLOYEE BENEFIT EXPENSES

	31 March, 2012	31 March, 2011
	<u>Rs. Lacs</u>	<u>Rs. Lacs</u>
Salaries, Wages and Bonus	5,719	4,683
Contribution to Provident and other funds	594	476
Expenses on Employee Stock Purchase Scheme	36	607
Workmen and staff welfare expenses	638	534
	<u>6,987</u>	<u>6,300</u>
Expenditure related to Research and Development at Verna, Goa included in above Note 23 are:		
Salaries, Wages and Bonus	215	225
Contribution to Provident and other funds	18	12
Workmen and staff welfare expenses	8	9
	<u>241</u>	<u>246</u>

24. FINANCE COSTS

Interest expenses	32	26
	<u>32</u>	<u>26</u>

25. OTHER EXPENSES

Consumption of stores and spares	2,787	2,125
Rent	635	506
Insurance	83	58
Freight, octroi and carriage	2,550	1,974
Power and fuels	835	677
Ancillary cost	2,440	2,335
Rates and taxes	271	311
Office expenses	1,559	1,364
Advertisement and sales promotion	3,781	3,148
Travelling	1,621	1,532
Repairs :		
Buildings	66	77
Plant and machinery	305	238
Others	198	170
Excise duty on differential stock	94	—
(Gain)/loss on disposal of fixed assets	24	71
Loss on exchange fluctuation	669	—
Capital WIP Written off	—	31
Write off of fixed assets	127	30
Write off of debts / advances	94	107
Provision for doubtful debts and advances	17	64
Bank charges	149	143
Directors' sitting fees	6	6
Service expenses	1,336	1,158
Warranty expenses	979	541
Miscellaneous expenses	1,026	929
	<u>21,652</u>	<u>17,595</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

Payment to statutory auditors (excluding service tax of Rs. 6 lacs (31 March, 2011 : Rs. 6 lacs))

	31 March, 2012	31-Mar-2011
	Rs. Lacs	Rs. Lacs
As auditors :		
Audit fees	31	31
Tax audit fees	10	—
Other	9	22
Reimbursement of expenses	2	1
	52	54
	52	54

Expenditure related to Research and Development at Verna, Goa included in above Note 25 are :

Insurance	2	2
Ancillary cost	5	1
Office expenses	25	9
Travelling	43	24
Repairs :		
Buildings	4	—
Plant and machinery	2	—
Others	1	—
Miscellaneous expenses	90	63
	172	99
	172	99

26. **EXCEPTIONAL EXPENSE**

Settlement of Past Claims	150	—
	150	—
	150	—

The company has entered into a mutual compromise settlement in respect of one of the past claims on the company, pertaining to a business discontinued since year 1999-2000. As per the terms of settlement, the company has paid a sum of Rs. 150 lacs (31 March 2011: Nil).

This amount has been recognised as an exceptional item for the year.

27. **EARNINGS PER SHARE**

	31 March, 2012	31 March, 2011
(a) Profit after taxes available to equity shareholders (Rs. 'lacs)	3,054	5,031
(b) Weighted average number of equity shares outstanding	35,477,750	35,332,282
(c) Basic and Diluted earnings per share of face value Rs 10 each (in' Rs)	8.61	14.24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

28. Impairment

The Company has reviewed potential generation of economic benefits from its cash generating units and concluded that there are no further impairments during the year.

29. Dues to Micro, Small and Medium Enterprises

Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Disclosure of payments due to suppliers as at March 31, 2012, pursuant to notification no. GSR 719 (E) dated November 16, 2007 are as below :

	Rs. 'lacs	
Details	March 31, 2012	March 31, 2011
Balance of Trade payable and payable for expenses as on March 31, 2012		
– Principal amount due to micro, small and medium enterprises	459	18
– Principal amount due to others	10,440	8,530
Interest accrued and dues as on March 31, 2012		
– Interest on payments due to micro, small and medium enterprises	6	–
– Interest on payments due to others	–	–
– Interest due and payable on amounts paid during the year to micro, small and medium enterprises beyond the appointed date	–	–
Paid during the year		
Principal amount (including interest) paid to micro, small and medium enterprises beyond the appointed date		
– Principal amount	–	–
– Interest thereon	–	–
Principal amount (excluding interest) paid to micro, small and medium enterprises beyond the appointed date	–	–
Others		
Interest accrued in prior year and paid during the year	–	–
Interest accrued during the year and paid during the year	–	–

30. Employee Benefits
(a) Gratuity and Leave Encashment

The employee's gratuity fund scheme, determined as post employment benefit, is managed through Insurance Companies under a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for unfunded leave encashment determined as other long term benefit plan is recognized in the same manner as gratuity.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

I. Reconciliation of Opening and Closing balances of Defined Benefit obligation :

Rs.' lacs

	Gratuity (funded)					Leave Encashment (Unfunded)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation at the beginning of the year	626	521	364	393	284	253	225	182	216	146
Current Service Cost	85	48	44	41	49	48	49	39	56	26
Interest Cost	48	40	28	30	22	19	16	13	17	11
Acquisitions Cost / (Credit)	19	—	—	—	—	8	—	—	—	—
Plan Amendments Cost / (Credit)	—	34	—	—	—	9	—	—	—	—
Actuarial losses / (gains)	11	31	98	(84)	51	7	16	20	(78)	54
Benefits Paid	(45)	(48)	(13)	(16)	(13)	(44)	(53)	(29)	(29)	(21)
Defined Benefit obligation at year end	744	626	521	364	393	300	253	225	182	216

II. Reconciliation of Opening and Closing balances of fair value of plan assets :

Rs.' lacs

	Gratuity (funded)					Leave Encashment (Unfunded)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Fair value of plan assets at beginning of the period	502	396	321	270	201	—	—	—	—	—
Acquisition adjustment	19	—	—	—	—	—	—	—	—	—
Expected return on plan assets	43	35	26	25	18	—	—	—	—	—
Actual Company contributions	124	125	43	52	69	(44)	(53)	(29)	(29)	(21)
Actuarial Gain/(Loss)	(26)	(6)	19	(10)	(5)	—	—	—	—	—
Benefits Payments	(45)	(48)	(13)	(16)	(13)	(44)	(53)	(29)	(29)	(21)
Fair value of Plan assets at the end of period	617	502	396	321	270	—	—	—	—	—
Actual return on plan assets	17	29	45	15	13	—	—	—	—	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

III. Reconciliation of fair value of assets and obligation :

Rs.' lacs

	Gratuity (funded)					Leave Encashment (Unfunded)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Net Asset/(Liability) at the beginning of period	(124)	(125)	(43)	(123)	(83)	(253)	(225)	(182)	(216)	(146)
Employer Gains/(Expense)	(127)	(124)	(125)	28	(109)	(83)	(81)	(72)	5	(91)
Employer Contributions	124	125	43	52	69	44	53	29	29	21
Acquisitions/Business Combinations	—	—	—	—	—	(8)	—	—	—	—
Net Asset/(Liability) at end of period	(127)	(124)	(125)	(43)	(123)	(300)	(253)	(225)	(182)	(216)

IV. Expense recognized during the year :

Rs.' lacs

	Gratuity (funded)					Leave Encashment (Unfunded)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Current Service Cost	85	48	44	41	49	48	49	39	56	26
Interest cost	48	40	28	30	22	19	16	13	17	11
Expected Return on Plan assets	(43)	(35)	(26)	(25)	(18)	—	—	—	—	—
Past service cost	—	34	—	—	—	9	—	—	—	—
Actuarial Losses/(Gains)	37	37	79	(74)	56	7	16	20	(78)	54
Total employer expense / (income) recognized in Profit and Loss Account	127	124	125	(28)	109	83	81	72	(5)	91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

V. Actuarial assumptions :

Rs.' lacs

	Gratuity (funded)					Leave Encashment (Unfunded)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Discount rate	8.60%	8.00%	8.00%	7.80%	8.00%	8.60%	8.00%	8.00%	7.80%	8.40%
Expected return on assets	8.00%	8.00%	8.00%	7.80%	8.00%	—	—	—	—	—
Salary escalation	5.00%	5.00%	5.00%	5.00%	10.00%	5.00%	5.00%	5.00%	5.00%	10.00%
Mortality	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate

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

VI. Percentage of each category of plan assets to the fair value of plan assets as at March 31, 2012

The plan assets of the trust has been invested 100% (previous year 100%) with the schemes of insurance companies

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

Rs.' lacs

	Gratuity (funded)					Leave Encashment (Unfunded)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation at end of the period	(744)	(626)	(521)	(364)	(393)	(300)	(253)	(225)	(182)	(216)
Plan assets at end of the period	617	502	396	321	270	—	—	—	—	—
Funded status	(127)	(124)	(125)	(43)	(123)	(300)	(253)	(225)	(182)	(216)
Experience gain / (loss) adjustments on plan liabilities	(47)	(31)	(108)	NA	NA	(23)	(16)	(24)	(25)	(64)
Experience gain / (loss) adjustments on plan assets	(26)	(6)	19	NA	NA	—	—	—	—	—
Actuarial gain / (loss) due to change on assumptions	36	—	10	NA	NA	16	—	4	103	10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

(b) Provident Fund and Superannuation Fund :

In addition to the above benefits, employee of the company receives benefits from provident fund and superannuation fund, a defined contribution plan. The employee and employer each make monthly contribution to Government's Provident Fund equal to 12% of the covered employee's eligible salary. The company contributed **Rs. 467 lacs** (Previous year Rs. 352 lacs) to defined contribution scheme during the year ended March 31, 2012.

31. Commitments and contingencies :

Rs.' lacs

	March 31, 2012	March 31, 2011
i) Outstanding capital commitments for tangible assets	2,258	1,276
ii) Outstanding capital commitments for intangible assets	17	18
iii) Disputed sales tax matters, excise duties, income tax contested in appeals (These disputes mostly relate to arbitrary disallowances of claims of the Company under various state laws, which are under appeal. The management is of the view that these demands are not sustainable in law and is hopeful of succeeding in appeals.)	689	484
iv) Indemnity bonds executed in favour of excise and customs	150	100
v) Guarantees given by the bankers on behalf of the Company	118	61
vi) Letter of credits	226	538
vii) Corporate Guarantee for Advance licenses	603	1,498
viii) Claims against the Company not acknowledged as debts (#)(@)	76	470
ix) Corporate Guarantee to bank on behalf of Associate Company	100	100

(#) The Company obtained a bank guarantee of Rs. 16 lacs in connection with execution of a civil contract awarded by State Health Department, Government (Govt.) of West Bengal. Following a dispute the Health Department, Govt. of West Bengal invoked the said Bank Guarantees whereupon the Company challenged such invocation by way of a writ petition before the Hon'ble Calcutta High Court. The Hon'ble High Court was pleased to allow interim order of injunction dated May 22, 2003 restraining the respondent not to give any effect to the invocation of guarantees till further order with the condition that the guarantee shall be renewed from time to time. The bank guarantee expired and has not been renewed since the case has been dismissed by the Hon'ble Calcutta High Court. The amount has been included in Claims against the Company not acknowledged as debts as at 31st March 2012 and 31st March 2011.

(@) As at 31st March 2011, claims against the company not acknowledged as debts included a claim relating to material rejection amounting to Rs. 454 lacs. During the year the company has entered into a mutual compromise settlement wherein the Company has settled and paid an amount of Rs. 150 lacs as settlement amount. The same has been recognized as an exceptional item for the year ended 31st March 2012.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

32. Segment reporting - Information pursuant to Primary Business Segment

Rs.' lacs

	Year ended 31st March, 2012			
	Engineering	Home Appliances	Unallocated	Total
Revenue - External	14,777	66,093	570	81,440
	12,881	55,855	1,018	69,754
Total Revenue	14,777	66,093	570	81,440
	12,881	55,855	1,018	69,754
Segment Results before finance cost	1,186	1,929	511	3,626
	1,333	5,540	34	6,907
Less : Finance cost				32
				26
Profit before tax				3,594
				6,881
Segment Assets	9,248	29,037	5,827	44,112
	7,024	24,968	6,919	38,911
Segment Liabilities	2,824	14,755	2,314	19,893
	2,195	14,081	1,515	17,791
Other Segment Information :				
Depreciation/Amortisation	355	1,006	127	1,488
	286	642	113	1,041
Tangible Capital expenditure	1,496	2,092	77	3,665
	802	5,076	2	5,880
Intangible Capital expenditure	56	76	25	157
	1	857	74	932
Non Cash Expenditure other than depreciation / amortization	69	191	14	274
	204	537	97	838

(figures for the previous year, March 31, 2011, have been shown below each item)

Segment revenue, segment result, segment asset and segment liabilities include the respective amount identifiable to each of the segments as also amounts allocated on reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocable corporate cost and grouped as "Unallocated". Assets and liabilities that cannot be allocated between the segments are shown as unallocable corporate assets and liabilities and are grouped as "Unallocated".

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

33. Related party transactions

The Company has the following related parties in accordance with Accounting Standard 18 "Related Party Disclosures" notified under Section 211(3C) of the Companies Act, 1956.

Investor Company :	IFB Automotive Private Limited
Associate Companies :	IFB Agro Industries Limited, Travel Systems Limited, Thai Automotive and Appliances Limited, Global Automotive and Appliances Limited.
Key Management Personnel :	<p>Mr. Bijon Nag, <i>Executive Chairman</i> Mr. Bikram Nag, <i>Joint Executive Chairman and Managing Director</i> Mr. Gautam Dasgupta, <i>Mentor of IFB Home Appliances</i> Mr. Dipak Mitra, <i>President- Legal</i> Mr. A K Nag, <i>Sr. Vice President, Corporate Affairs</i> Mr. P. Chatterjee, <i>Chief Financial Officer</i> Mr. Indroneel Goho, <i>Sales and Marketing Head-HAD</i> Mr. B.M. Shetye, <i>Vice President - R & D</i> Mr. Siddhartha Chatterjee, <i>Bangalore Unit Head Engineering</i> Mr. G. Ray Chowdhury, <i>Company Secretary</i> Mr. Rajshankar Ray, <i>Factory Head - Goa</i> Mr. A.S. Negi, <i>National Service Head</i> Mr. T.R. Ramesh, <i>Regional Manager - West</i> Mr. Sukhdev Nag, <i>Business Head - South</i> Mr. Jayanta Chanda, <i>Finance Head, Goa Factory</i> Mr. Ranjan Mohan Mathur, <i>Regional Head North</i> Mr. Arup Das, <i>Senior Manager</i> Mr. Partha Sen, <i>CEO - Kolkata Engineering</i> Mr. K. R. Krishna Prasad, <i>GM-Bangalore Engineering</i> Mr. Soumitra Goswami, <i>DGM - Accounts and Finance</i></p>

33. (a) Transactions with related parties :

Rs. 'Lacs

	Key Management Personnel		Investor Company/ Associate Companies		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
i) Sales, Service and Other Income	-	-	3,413	3,228	3,413	3,228
ii) Purchases	-	-	561	13	561	13
iii) Allotment of Shares including share premium	-	25	-	-	-	25
iv) Outstanding Balances :						
Trade receivables	-	-	354	386	354	386
Deposits given	1	2	218	210	219	212
Advances given	7	6	63	22	70	28
Trade payables	-	-	43	34	43	34
Other payables	-	-	1	11	1	11
Deposits taken	-	-	1	2	1	2
v) Remuneration	606	731	-	-	606	731
vi) Expenditures on other services	-	-	700	570	700	570
vii) Corporate Guarantee	-	-	100	100	100	100

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

33. (b) Disclosure in respect of material related party transactions :

Rs.' Lacs

	March 31, 2012	March 31, 2011
i) Sales, Service and Other Income		
(a) IFB Automotive Private Limited	3,389	3,188
ii) Purchases		
(a) IFB Agro Industries Limited	268	—
(b) Thai Automotive and Appliances Limited	219	—
(c) IFB Automotive Private Limited	74	13
iii) Outstanding Balances : Trade Receivables		
(a) IFB Automotive Private Limited	346	386
iv) Outstanding Balances : Deposits Given		
(a) IFB Agro Industries Limited	168	160
(b) IFB Automotive Private Limited	50	50
(v) Outstanding Balances : Advances Given		
(a) IFB Agro Industries Limited	11	9
(b) IFB Automotive Private Limited	39	13
(c) Travel Systems Limited	9	—
(vi) Outstanding Balances : Trade Payables		
(a) IFB Automotive Private Limited	41	22
(b) Travel Systems Limited	2	12
(vii) Outstanding Balances : Other Payables		
(a) IFB Automotive Private Limited	1	11
(viii) Outstanding Balances : Deposits taken		
(a) IFB Agro Industries Limited	1	1
(b) IFB Automotive Private Limited	—	1
(ix) Expenditure on other services		
(a) IFB Automotive Private Limited	93	44
(b) Travel Systems Limited	594	525
(x) Corporate Guarantee		
(a) Travel Systems Limited	100	100

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

34. Other Information

Rs.' Lacs

	March 31, 2012	March 31, 2011
a) Value of Imports calculated on CIF Basis :		
Raw Materials and Components	7,474	5414
Stores and Spares	792	87
Capital goods	1,248	4370
b) Expenditure on Foreign Currency (on accrual basis) on account of :		
Foreign Travel	109	156
Professional Fees	100	107
Repairs and Maintenance	8	8
Others	9	—
c) Earnings in Foreign Currency (on accrual basis) on account of :		
FOB value of Exports	189	174
Others	46	—

35. Imported and indigenous Raw Materials and Stores & Spares consumed :

	March 31, 2012	March 31, 2012	March 31, 2011	March 31, 2011
	% of total Consumption	Rs. ' lacs	% of total Consumption	Rs. ' lacs
Imported :				
Raw Materials	29.95%	9,093	22.43%	5,864
Stores and Spares	1.04%	34	0.21%	5
Indigenous :				
Raw Materials	70.05%	21,266	77.57%	20,278
Stores and Spares	98.96%	3,224	99.79%	2,510
TOTAL				
Raw Materials	100.00%	30,359	100.00%	26,142
Stores and Spares	100.00%	3,258	100.00%	2,515

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012 (Contd.)

36. **Disclosure requirement for Derivatives Instruments**

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

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

	March 31, 2012	March 31, 2011
No of Contracts	3	3
USD in 'lacs	4	12
Rs. 'lacs	219	545

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

Particulars	USD	Rs	EURO	Rs	JPY	Rs	AUD	Rs	CHF	Rs	Total Rs
	Lacs	lacs	lacs	lacs	lacs	lacs	lacs	lacs	lacs	lacs	lacs
Amount Receivable											
31st March 12	5	255	3	228	258	160	—	3	—	2	648
31st March 11	3	129	6	396	—	—	—	—	—	—	525
Amount Payable											
31st March 12	15	771	12	827	—	—	—	—	—	—	1,598
31st March 11	44	2,013	8	500	3	2	—	—	—	—	2,515

37. The Revised Schedule-VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification.

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

Dr. R. N. Mitra

P. Chatterjee

G. Ray Chowdhury



IFB INDUSTRIES LTD.

Regd. Office : 14, TARATALA ROAD, KOLKATA – 700 088

Name, Address & Folio No./DPID No. of Shareholder(s)

ATTENDANCE SLIP

36TH ANNUAL GENERAL MEETING
on 27th July, 2012 at 11:00 a.m. at
Rabindra Okakura Bhawan, Block DD-27A/1
Sector-I, Salt Lake, Kolkata-700 064

A member/proxy wishing to attend the Meeting must complete this Slip before coming to the Meeting and hand it over at the entrance.

If you intend to appoint a proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office, **at least 48 hours before the Meeting.**

Please bring your copy of the Annual Report to the Meeting.

I record my presence at the
36th Annual General Meeting

Name of Proxy in BLOCK LETTERS (if the Proxy attends instead of the member)

Signature of Member/Proxy



IFB INDUSTRIES LTD.

Regd. Office : 14, TARATALA ROAD, KOLKATA – 700 088

PROXY FORM

I/We.....
of
being a member/members of the above named Company hereby appoint
Mr./Mrs./Miss
of
or failing him/her
of
or failing him/her
as my/our proxy to vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held on the 27th day of July, 2012 and at any adjournment thereof.
Signed this day of 2012.

Regd. Folio/DPID/BEN No. :
No. of Shares :

Signature

Re. 1/-
Revenue
Stamp

Note : This instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 (FORTY EIGHT) hours before the time of holding the Meeting.



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An extension of Europe in your Kitchen



Cooker Hoods



Built in Hobs



Built in Ovens

OVER
3 MILLION SATISFIED CUSTOMERS



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