

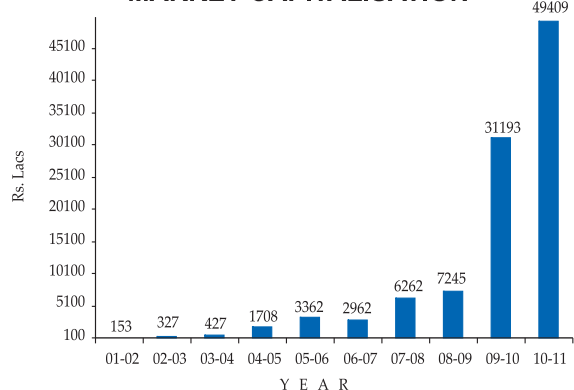
IFB



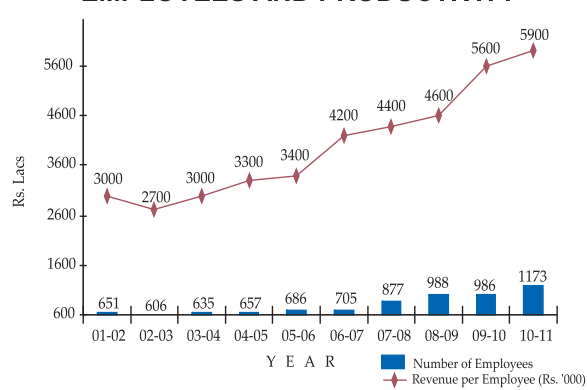
IFB Industries Limited
Annual Report 2010-2011

10 YEAR HIGHLIGHTS

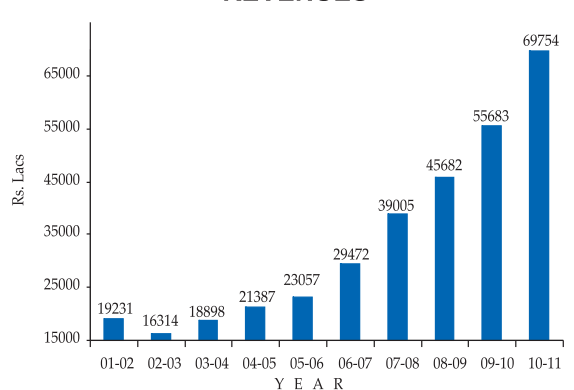
MARKET CAPITALISATION



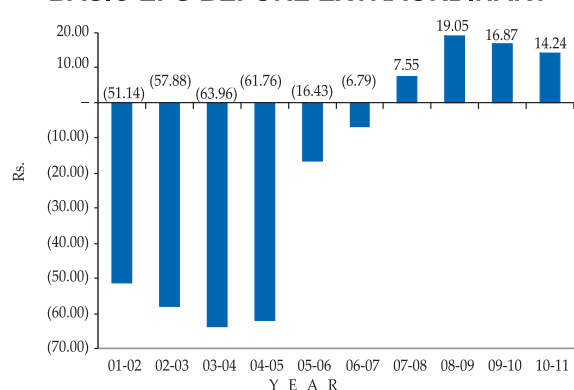
EMPLOYEES AND PRODUCTIVITY



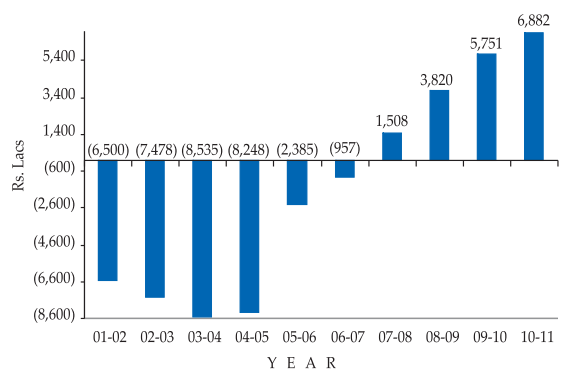
REVENUES



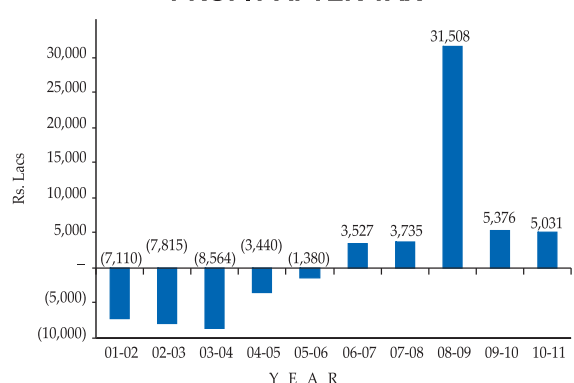
BASIC EPS BEFORE EXTRAORDINARY



PROFIT BEFORE TAX BEFORE EXTRAORDINARY AND PRIOR PERIOD



PROFIT AFTER TAX



BOARD OF DIRECTORS

Executive Chairman
Mr. Bijon Nag

Joint Executive Chairman & Managing Director
Mr. Bikram Nag

Directors

Dr. Rathindra Nath Mitra
Mr. Somen Bal
Mr. Radharaman Bhattacharya
Mr. R. Muralidhar
Mr. K. M. Unnikrishnan

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, Taratala 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 : ifbi_legal@ifbglobal.com
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 35th Annual General Meeting of the members of IFB Industries Limited will be held at Eastern Zonal Cultural Centre, IA - 290, Sector III, Bidhannagar, Kolkata - 700 091 on Friday, the 29th day of July, 2011 at 10.00 a.m to transact the following :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March, 2011 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Rathindra Nath Mitra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K.M.Unnikrishnan 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 M/s. Deloitte Haskins & Sells (ICAI Registration No. 302009E), Chartered Accountants be and is hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and the Board of Directors be and is hereby authorised to fix their remuneration and out of pocket expenses payable to them."

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 the consent of the company be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force), to the Board of Directors of the company (hereinafter referred to as the 'Board', which term shall include any committee thereof), to mortgage and/or charge in addition to the mortgages and/or changes created/to be created by the company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the moveable and/or immoveable, tangible and/or intangible properties of the company, both present and future in favour of Lending Financial Institutions/ Banks/ Bodies Corporate/ Firms/ Foreign Investors or persons, lender(s), agent(s), trustee(s) for securing the borrowings of the company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), commercial papers, issued/to be issued by the company whether in India or abroad term loans/fund based working capital loans/short term loans/temporary loans/letter of credit/guarantees/and to secure any other form of borrowing made from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s), trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / evaluation / fluctuation in the rates of exchange and all other monies payable by the company in terms of loan agreement(s), head of agreement(s), debenture trust deed or any other document entered into/to be entered into between company and the lender(s)/agent(s)/trustee(s), in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board thereof and the lender(s)/agent(s)/trustee(s).

Registered. Office :
14, Taratala Road
Kolkata - 700 088
Date: 27th May, 2011

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 27th July, 2011 to 29th July, 2011 (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.
- iv) Explanatory Statements under Section 173(2) of the Companies Act, 1956 for resolution nos. 2, 3, 4 & 5 are annexed hereto.
- v) 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 M/s C.B. Management Services (Pvt) Ltd.

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

Resolution no. 2, 3, 4 & 5

Resolution no. 2 & 3

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

Name of Director	Dr. Rathindra Nath Mitra	Mr. K. M. Unnikrishnan
Date of birth	06.09.1946	03.06.1945
Nationality	Indian	Indian
Date of Appointment on the board	21.06.2003	21.06.2003
Qualification	Post Graduate & PhD from IIT	B.Com., Diploma in H.R. Management
Experience in functional areas	Business Executive	Business Executive
Shareholding in the Company	Nil	570 nos
List of Directorship held in other Companies	Nil	Nil
Committee Membership	Three	One

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 Statutory Auditors by Special Resolution as abundant precaution.

The board recommends passing of this Special Resolution.

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

Resolution No 5

This is an enabling resolution to obtain power from the Shareholders of the Company u/s 293 (1) (a) of the Companies Act to mortgage and/or charge in addition to the mortgages and/or charges created/to be created by the company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the moveable and/or immoveable, tangible and/or intangible properties of the company, both present and future in favour of Lending Financial Institutions/ Banks/ Bodies Corporate/ Firms/ Foreign Investors or persons, lender(s), agent(s), trustee(s) for securing the borrowings of the company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency).

The board recommends passing of this Resolution.

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

Registered. Office :
14, Taratala Road
Kolkata - 700 088
Date: 27th May, 2011

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/green.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 35th Annual Report and Accounts for the Financial Year ended 31st March, 2011.

1. FINANCIAL RESULTS :

	(Rs. in thousand)	
	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Sales and Other Income	6,975,425	5,568,264
Profit Prior to Finance Charges & Depreciation	794,834	664,516
<i>Less :</i>		
Finance charges	2,550	2,574
Depreciation	104,124	86,815
Profit before Taxation	688,160	575,127
<i>Less : Provision for Taxation</i>		
Current Tax	122,320	-
Deferred Tax	62,722	37,483
Profit after Tax	503,118	537,644
Balance brought forward from previous year	(1,201,069)	(1,541,614)
Preference Dividend paid including Dividend Tax	-	37,099
Transfer from General Reserve	-	-
Transfer to capital redemption reserve	-	160,000
Balance carried to Balance Sheet	(697,951)	(1,201,069)

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 steady performance with strong topline growth and high quality earnings. All business segments posted sound growth in revenues and enhanced their market standing.

Gross Turnover for the year grew by 26.9% to Rs. 772.6 crores. Net Turnover other than service & other income at Rs. 634.9 crores grew by 24.9% driven by higher

Engineering business and the continuing steady performance by Appliance business which grew by 25.03%. Engineering Division grew by 24.74%. Pretax Profit increased by 19.6% to Rs. 68.81 crores. Earning Per share for the year stands at Rs. 14.24.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure & Developments

The Indian industry witnessed an impressive turnaround during the financial year compared to the previous year. The market recorded a robust growth owing to easing of the overall credit crunch and alleviation of the effects of the global economic downturn. The overall industry grew at a very healthy pace. Renewed investment focus in various industry verticals such as Automobiles, Real Estate, Textiles, Paper, FMCG, F&B, Cement, Metal processing and infrastructure projects also provided an extremely conducive environment.

India is the world's second fastest growing economy and the rapid increase in urbanization and in number of households from 231 mn in 2010 to about 254 mn by 2015 is expected to help Indian home appliances industry to expand from Rs. 229 bn in 2010 to Rs. 397 bn by 2014. The growth is also influenced by rising rural penetration levels of electrical home appliances and their replacement demand. Rising disposable income, boom in real estate & housing, stable prices of household appliances, rising distribution network & availability of financing services are the leading demand drivers for the industry. Changing mindset and lifestyle of consumers and the increasing number of working couples are expected to fuel growth in the industry.

The automobile industry in India has posted a good performance in the last year and one of the sectors that is benefiting from the downstream good effects is the auto ancillary sector that supplies inputs to build automobiles. The auto ancillary industry gets demand from OE (Original Equipment) manufacturers and the replacement market. Rising industrial production, credit and consumer confidence will all lead to a demand for autos and consequently for auto ancillaries.

B) Opportunities & Threats

The overall consumer durable industry is expected to grow at a 11%+ CAGR to Rs. 400 bn over the next four

years from Rs. 230 bn at present. The growth will be supported by a higher growth in rural markets. The rising income levels, double-income families, shorter replacement cycle and increasing consumer awareness are expected to be the key growth drivers for industry volume growth. Washing machine industry sales are expected to reach Rs. 36 bn by 2014 from Rs. 27 bn in 2010 growing at a CAGR of 12% over the same period. Average realisations are expected to improve as volume mix shifts in favour of fully automatic washing machine. Although irregular nature of water supply across both urban and rural regions led to demand being confined largely to semi-automatic models as fully automatic models require continuous supply of running water, the share of fully-automatic machine is expected to go up to 45% by 2014.

Microwave ovens have emerged as the fastest growing category in India's Rs 250 bn consumer durables market. Currently, the market of microwave ovens is estimated over 2mn units with LG, Samsung and IFB being the market leaders. Microwaves are witnessing aggressive growth because consumer durables companies are also expanding the sector by launching new products and building awareness. The acceptability of M.W.O is expanding as Indian consumers have started accepting microwave ovens as proper cooking devices rather than just reheating appliances.

According to the Investment Commission of India, India is among the most competitive manufacturers of auto components in the world. India is also becoming a global hub for research and development (R&D). Companies like Daimler Chrysler, Bosch, Suzuki, Johnson Controls etc have set up development centres in India. Many international autocomponent majors including Delphi, Visteon, Bosch and Meritor etc have set up operations in India. Auto manufacturers including GM, Ford, Toyota, etc. as well as auto component manufacturers have set up International Purchasing Offices (IPOs) in India to source for their global operations. In the changed scenario the opportunity for growth of the Company has increased manifold.

Threats

Increase in rawmaterials price including steel, aluminium, copper etc and exchange rate fluctuations. During 2010-11 input materials cost has increased by 19%.

Reduction in unsecured financing by institutions- Due to non-recovery of some of the disbursed loan, many financing institutions have now started reducing their exposure to such unsecured loans. This alongwith loan at enhanced interest rate may adversely impact the overall volume growth of the consumer durables due to lack of funding options.

Emerging competition from organised retailers –

The organised retailers, recently, have resorted to market their own private labels across all categories including home appliance to counter the impact of increasing competition within organised retail and adverse macroeconomic conditions. Any significant growth of private labels like Koryo, Croma etc could impact the growth of the branded players in the future.

Increase in rawmaterial price, intense competition and threats from competitors in the area of pricing are major causes of concern.

RBI in its financial stability report has expressed concern over the slow down in the economy. Indian corporates are getting whipsawed by high input prices and rising financing costs. While the companies benefited from the early stages of inflation that translated into higher sales and profits, they are now feeling the pinch as the same effect is holding back consumption, and causing higher prices for their inputs. The successive interest rates increases have resulted in slowing down the economy – GDP Growth slipped to a five quarter low of 7.8% during January-March quarter.

C) Segment wise performance

The Home Appliance Division has improved its turnover and profitability as compared to last year. The profitability of the division has grown due to growth in volume and value. Introduction of new models in washing machine and microwave oven category at competitive prices has enabled good growth. Washing machine sale in value term for the year recorded a growth of 24.25% over last year. Out of which front loader washing machine sale has grown by 23% and top loaders has grown by 36% over last year. Microwave oven sales in value term recorded a growth of 31% over last year. However, the growth and momentum of microwave oven business was largely hit due to non-availability of product. At present all the manufacturers are facing a serious crisis with respect to increase in labour cost and capacity issues coupled with RMB appreciation.

Contribution percentage has marginally reduced due to increase in material cost, increase in scheme cost and lower increase in service income.

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.

Though the Engineering Division recorded growth in sales but profitability of the division reduced substantially and is largely due to increase in material cost, ancillary cost, repair cost etc. To revamp and increase its capacity the company took the plan to modernise its tool room at Bangalore; add new fine blanking presses as well as modernize the old ones. In the financial year under review the company installed one no press at Bangalore and modernised tool room at Bangalore. The company is negotiating with customers to recover material cost overrun and is hopeful to recover atleast part of them.

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. According to most indications, industrial growth will be over 15% and the GDP growth will be over 8%. The automobile sector led by passenger cars should grow in the range of 12-15%.

With the expected GDP growth, 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 have 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 due to last minute vendor issues- thus launch was delayed by eight months.

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 is modernising its R&D Lab at Goa. Civil work has already been completed. Equipment commissioning and completion of the seating area plus the training centre are likely to be completed by Q1 2011-12.

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.

We have invested in modernizing our Tool Room to international standards and we will add new fine blanking presses as well as modernize the old ones. This jump in investments will, we hope, ensure doubling of our sales by 31st March, 2013.

Liquidity position of the Company was comfortable and the company remain debt free. Company remained focussed 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 19689 thousands compared to Rs 15938 thousands 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 rawmaterial price increase, 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 inhouse internal auditors & also by PWC 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 1173 nos. employees at the end of March 2011. 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 develop 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

M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept reappointment and have further confirmed their eligibility under section 224(1B) of the Companies Act, 1956.

9. DIRECTORS

In view of Sec 274(1) (g) of the Companies Act prescribing disqualification for directors in the event of non-redemption of debentures (privately-placed), a writ-petition was filed before the High Court at Calcutta challenging the applicability of said section 274(1) (g) which is pending for final disposal. An interim order dated 14.05.2004 has been passed by the Hon'ble Calcutta High Court directing Union of India and its authorized agents, servants or otherwise from giving any effect or further effect to or taking any step in pursuance of the provisions contained in section 274(1)(g) of the Companies Act, 1956

In the mean time all the debentures have been fully redeemed by December 2007.

Dr. Rathindra Nath Mitra and Mr.K.M.Unnikrishnan retire as directors by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The particulars of directors seeking appointment / reappointment are given in Corporate Governance section of this Report.

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, 2011 (cumulative position) are given below:

- a) Total no. of equity shares issued to employees in ESPS 1593449.
- 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. A.S.Negi	25,000
3. Mr. B.M.Shetye	25,000
4. Mr. Dipak Mitra	50,000
5. Mr. Gautam Dasgupta	50,000
6. Mr. G Ray Chowdhury	17,500
7. Mr. Indroneel Goho	25,000
8. Mr. Probir Chatterjee	25,000
9. Mr. Rajshankar Ray	15,000
10. Mr. S.Bhattacharya	25,000
11. Mr. Siddhartha Chatterjee	25,000
 - ii Any other employee who is issued shares in any one year amounting to 5 % or more shares during the year - nil

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 14.24
- e) Consideration received against the issuance of shares Rs. 235 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 : 27th May, 2011

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.

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.17,444 thousand. 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 seven directors - out of which four 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	-	-
Mr. K. M. Unnikrishnan	Independent Director	-	-
Mr. Radharaman Bhattacharya	Independent Director	-	-
Mr. BikramNag	Jt. Executive Chairman & MD	3	-

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 : 26.4.2010, 04.05.2010, 31.05.2010, 30.07.2010, 29.10.2010, 06.11.2010 and 29.01.2011.

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

Name of Directors	Attendance	
	Board Meeting	Annual General Meeting
Mr. Bijon Nag	3	Absent
Mr. Somen Bal	7	Present
Dr. Rathindra Nath Mitra	5	Present
Mr. Radharaman Bhattacharya	7	Present
Mr. R. Muralidhar	4	Present
Mr. K.M.Unnikrishnan	7	Present
Mr. Bikram Nag	6	Present

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 2010-2011.

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 / investors 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, 2011 are as follows (Rs.)

Directors	Sitting Fees *	Salary & Perquisites	Com.	Total
Mr. Bijon Nag	-	1,853,626	-	1,853,626
Mr. Somen Bal	135,000	-	-	135,000
Mr. Rathindra Nath Mitra	115,000	-	-	115,000
Mr. Radharaman Bhattacharya	135,000	-	-	135,000
Mr. R. Muralidhar	70,000	-	-	70,000
Mr. K.M. Unnikrishnan	110,000	-	-	110,000
Mr. BikramNag	-	-	-	-

* Includes fees for Committee Meetings.

Mr. Somen Bal , Mr. Radharaman Bhattacharya and Mr K.M.Unnikrishnan nonexecutive Directors are holding 2030, 1000 and 20 nos equity shares respectively of the Company as on 31st March 2011. 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 five meetings were held on the following dates : 31.05.2010, 30.07.2010, 06.11.2010 & 28.01.2011

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	4
Mr. Radharaman Bhattacharya	Member	Independent Director	Professional	4

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 23 meetings of the Committee were held on the following dates:

16.04.2010, 30.04.2010, 15.05.2010, 31.05.2010, 28.06.2010, 20.07.2010, 27.07.2010, 10.08.2010, 23.08.2010, 31.08.2010, 20.09.2010, 4.10.2010, 29.10.2010, 15.11.2010, 30.11.2010, 15.12.2010, 31.12.2010, 17.1.2011, 31.1.2011, 15.2.2011, 28.2.2011, 15.3.2011, 31.3.2011

The members of the Committee at present are as follows:

Name	Designation	Category
Mr. Somen Bal	Member	Non-Executive Director
Mr. K. M. Unnikrishnan	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 2010-2011 was 27,699.

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
32nd Annual General Meeting	06.08.2008	10:00 a.m.	Eastern Zonal Cultural Centre IA Sector III, Bidhannagar Kolkata 700 091	3
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	030.07.2010	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 :

Dr. Rathindra Nath Mitra, 64 an Indian national has been a Non-Executive, Independent Director since June 2003. Dr. Mitra is a technocrat having post graduate degree from IIT, Kharagpur and also has done his PhD from IIT, Kharagpur. He is having more than 39 years of rich professional experience. Earlier, he worked in Hindusthan Copper Ltd.

Mr. K.M.Unnikrishnan, 66 an Indian national has been a Non-Executive, Independent Director since June 2003. Mr. Unnikrishnan is a commerce graduate & has got post graduate diplomas in Human Resources Management and in general management. He has over 30 years experience in Administration and HR matter. Earlier, he worked in IFB Industries Ltd.

CEO/CFO Certification :

The Financial statements and the Cash Flow Statement for Financial year 2010-11 have been certified to the board by Mr. Bikramjit Nag, Joint Executive Chairman & MD and Mr. S. Bhattacharjee, CFO in accordance with clause 49 (V) 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 stictures 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, 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 stockexchanges with whom the Company has listing agreements as soon as the results are approved and taken on record by the board of directors of the Company. Further the results are generally published in Financial Express (English) and Sambad pratidin- (Bengali).No presentation was made to institutional investors or analysts during the year. The quarterly and halfyearly results are also displayed in Company website.

Audit Qualification :

The Company is in the regime of unqualified financial statements.

General Shareholder Information :

(a) **Annual General Meeting :**

- Date : 29th July, 2011
- Time : 10 A.M.
- Venue : Eastern Zonal Cultural Center
IA-290, Sector-III, Bidhannagar, Calcutta-700 091

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

Financial Reporting for –

- first quarter result within 14th 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** 27.07.2011 to 29.07.2011 (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)

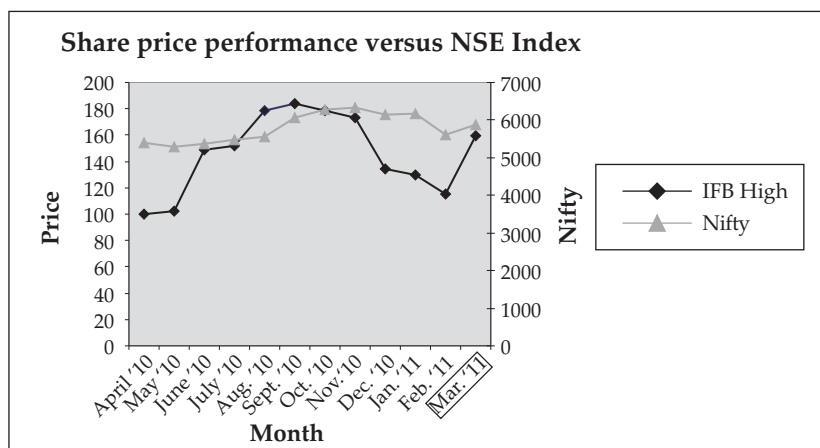
Stock Code :

- **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 2010	99.70	87.05	581376
May 2010	102.05	81.95	993863
June 2010	149.00	92.20	7463978
July 2010	152.00	127.30	2424271
August 2010	178.90	132.70	4061818
September 2010	183.80	135.00	3675112
October 2010	178.40	154.00	1309313
November 2010	173.00	110.35	936971
December 2010	134.00	103.00	741442
January 2011	129.85	104.10	512071
February 2011	115.35	85.00	308585
March 2011	159.75	102.60	4904193

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 6692-93-94/4011 6700

(h) **Distribution of Shareholding as on 31st March, 2011**

Slab of Shareholdings in nominal value	Shareholders	Percentage	Amount in Rs.	Percentage
1-500	16061	90.56	1760779	4.97
501-1000	766	4.32	639778	1.80
1001-2000	345	1.95	538565	1.52
2001-3000	163	0.92	427959	1.21
3001-4000	103	0.58	375750	1.06
4001-5000	84	0.47	405314	1.14
5001-10000	120	0.68	871337	2.46
10001 and above	93	0.52	30437414	85.84
Total	17735	100.00	35456896	100.00

(i) **Shareholding Pattern as on 31st March, 2011 :**

Shareholder Category	Number of shares held	% of shareholding
1. Promoters Group	25,373,199	71.56
2. Mutual Funds and Unit Trust of India	512,483	1.45
3. Banks, Financial Institutions & Insurance Companies	3,078	0.00
4. Foreign Institutional Investors	1,201,355	3.39
5. Bodies Corporate	1,756,961	4.96
6. NRIs / OCBs	747,409	2.11
7. In transit in Depository System	72,421	0.20
8. General Public	5,789,990	16.33
Total :	35,456,896	100.00

(j) **Dematerialisation of Shares**

As on 31st March, 2011, 27745052 shares (78.25 % 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 a 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, 4011 6700 • Fax : (033) 2287 0263

E-mail : rta@cbmsl.com

On behalf of the Board

Bikram Nag

Joint Executive Chairman &

Managing Director

R. N. Mitra

Director

Place : Kolkata

Dated : 27th May, 2011

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, 2011 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.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

Abhijit Bandyopadhyay
Partner

(Membership No. 054785)

Kolkata, 27th May, 2011

10 Years' Highlights

(Rs. million)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
SALES AND EARNINGS										
Sales & other income	1923	1631	1890	2139	2306	2947	3901	4568	5568	6975
Profit/loss (-) before tax	(711)	(782)	(856)	(344)	(131)	363	385	3163	575	688
Profit/loss (-) after tax	(711)	(782)	(856)	(344)	(138)	353	373	3151	538	503
Depreciation/amortisation	172	234	218	208	183	128	84	76	87	104
Dividends	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-
ASSETS & LIABILITIES										
Fixed assets (Gross)	3709	3602	3595	3630	3674	3744	3799	3884	4029	4469
Fixed assets (Net)	2423	2094	1695	1390	1095	865	710	721	824	1388
Total assets (Net)	2742	2372	1972	1618	1240	904	818	1122	1575	2212
<i>Represented by</i>										
Net worth	(2055)	(2798)	(3654)	(3984)	(3939)	(3552)	(3132)	204	459	1034
Total borrowings	4684	5092	5548	5171	4731	3983	3445	-	-	-
RATIOS										
Earnings per share (Rs.) (after extraordinary)	(55.94)	(60.49)	(64.18)	(25.76)	(9.32)	20.20	21.08	165.94	16.87	14.24
Earnings per equity share (Rs.) (before extraordinary)	(51.14)	(57.88)	(63.96)	(61.76)	(16.43)	(6.79)	7.55	19.05	16.87	14.24
Net worth per equity share (Rs.)	(161.72)	(209.65)	(273.84)	(275.25)	(259.04)	(214.89)	(190.57)	1.51	13.22	29.15
OTHERS										
Number of employees	651	606	635	657	686	705	877	988	986	1173
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 2011, the Profit and Loss Account 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 Profit and Loss Account 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(3 C) 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 2011;
 - ii. in the case of the Profit and Loss Account, 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 2011, taken on record by the Board of Directors, and specially in view of the order dated 14th May 2004 passed by the Hon'ble Calcutta High Court on a writ petition filed by the Company and the existing Directors challenging the applicability of Section 274(1)(g) of the Companies Act, 1956 which is pending final disposal, none of the Directors has been considered as disqualified as on 31st March 2011 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, 27th May, 2011

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 books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacture of electrical motors and machine tools and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (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 2011 for a period of more than six months from the date they became payable.
 - Details of dues of Sales Tax, Service Tax, Excise Duty and Cess which have not been deposited as on 31st March 2011 on account of any dispute are given below :

Name of the Statute	Nature of dues	Value (Rs. in Thousand)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act & Local Sales Tax Act	Sales tax including entry tax and trade tax	27,977	1996-97, 1998-99, 2000-01 to 2006-07	Assessing Officer, Assistant Commissioner, Joint Commissioner and Senior Joint Commissioner, Commissioner Appeals, Appellate and Revisional Board, Appellate Tribunal.
Central Excise Act, 1944 and Chapter V of the Finance Act, 1994, as amended	Excise duty, Service tax including penalty	18,916	2000-01, 2004-05 to 2009-2010	High Court, CEGAT, Commissioner Appeals, and Assistant / Additional Commissioner of Central Excise, Central Excise and Service Tax Appellate Tribunal (CESTAT).
Bombay Provincial Municipal Corporation Act, 1949	Cess including interest on Cess	10,250	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, 27th May, 2011

IFB INDUSTRIES LIMITED

BALANCE SHEET as at March 31, 2011

	Schedule	As at March 31, 2011		As at March 31, 2010	
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a. Share Capital	1	362,194		355,175	
b. Reserves and Surplus	2	<u>2,447,842</u>	2,810,036	<u>2,383,643</u>	2,738,818
2. Deferred Tax Liability			<u>100,205</u>		37,483
TOTAL			<u><u>2,910,241</u></u>		<u><u>2,776,301</u></u>
II. APPLICATION OF FUNDS					
1. Fixed Assets	3				
a. Gross Block		4,323,283		3,960,064	
b. Less: Depreciation		<u>3,080,773</u>		<u>3,205,319</u>	
c. Net Block		<u>1,242,510</u>		<u>754,745</u>	
d. Capital Work in Progress		<u>145,945</u>	1,388,455	<u>69,287</u>	824,032
2. Investments	4		<u>461,735</u>		106,424
3. Current Assets, Loans and Advances	5				
A. Current Assets					
a. Inventories		888,302		853,318	
b. Sundry Debtors		390,581		279,825	
c. Cash and Bank Balances		279,981		365,444	
B. Loans and Advances		<u>482,085</u>		<u>474,895</u>	
		<u>2,040,949</u>		<u>1,973,482</u>	
Less : Current Liabilities and Provisions					
a. Current Liabilities	6	1,438,198		1,096,968	
b. Provisions	7	<u>240,651</u>		<u>231,738</u>	
		<u>1,678,849</u>		<u>1,328,706</u>	
Net Current Assets			<u>362,100</u>		644,776
4. Profit and Loss Account			<u>697,951</u>		1,201,069
TOTAL			<u><u>2,910,241</u></u>		<u><u>2,776,301</u></u>

Notes to Financial Statements

1 2

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Place : Kolkata

Date : May 27, 2011

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

R. N. Mitra

S. Bhattacharya

G. Ray Chowdhury

PROFIT AND LOSS ACCOUNT for the year ended March 31, 2011

	Schedule	Year ended March 31, 2011		Year ended March 31, 2010	
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
INCOME					
Gross sale of products		7,726,002		6,086,664	
Less: Trade scheme and discounts		<u>977,805</u>		<u>691,131</u>	
Sales (net of trade scheme and discounts)		6,748,197		5,395,533	
Less : Excise duty		<u>398,768</u>		<u>315,183</u>	
Sales (Net)			6,349,429		5,080,350
Service Income			305,270		259,182
Other income	8		320,726		228,732
Total :			<u><u>6,975,425</u></u>		<u><u>5,568,264</u></u>
EXPENDITURE					
Raw materials, stores consumed, trading purchases and (increase) / decrease in inventories	9		4,003,553		3,069,986
Employees' remuneration and benefits	10		630,009		507,314
Operating and administration expenses	11		1,547,029		1,326,448
Depreciation / amortisation	3		104,124		86,815
Financial charges (others)			2,550		2,574
Total :			<u><u>6,287,265</u></u>		<u><u>4,993,137</u></u>
Profit before taxation			688,160		575,127
Provision for current tax		(136,074)		(100,000)	
Less : MAT credit entitlement		<u>13,754</u>	(122,320)	<u>100,000</u>	—
Provision for deferred tax			<u>(62,722)</u>		<u>(37,483)</u>
Profit after taxation			503,118		537,644
Balance brought forward from previous years			<u>(1,201,069)</u>		<u>(1,541,614)</u>
			(697,951)		(1,003,970)
Preference dividend paid		—		(31,710)	
Corporate dividend tax there on		—	—	<u>(5,389)</u>	(37,099)
Transfer to capital redemption reserve			—		<u>(160,000)</u>
Balance carried to balance sheet			<u><u>(697,951)</u></u>		<u><u>(1,201,069)</u></u>
Basic and diluted earnings per share - Rs.			14.24		16.87

Notes to financial statements

12

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Place : Kolkata

Date : May 27, 2011

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

R. N. Mitra

S. Bhattacharya

G. Ray Chowdhury

IFB INDUSTRIES LIMITED

CASH FLOW STATEMENT for the year ended March 31, 2011

	Year ended March 31, 2011	Year ended March 31, 2010
	Rs. '000	Rs. '000
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	688,160	575,127
Adjustment for :		
Depreciation / amortisation	104,124	86,815
Write off of debts / advances	10,733	4,649
Provision for Doubtful debts and advances	6357	6,443
Write back of liabilities no longer required	(98,084)	(7,950)
Write back of provisions no longer required	(9,038)	(9,909)
Write off of Fixed Assets	2,980	3,651
Capital WIP Written off	3,077	-
Loss on disposal of Fixed Assets	7,147	38
Unrealised Exchange Loss / (gain)	(5,849)	1,790
Financial Charges	2,550	2,574
Employee Stock Purchase Scheme Expense	60,690	12,434
Dividend income	(11,774)	(2,287)
Profit on sale of mutual funds (net)	(230)	-
Operating Profit Before Working Capital changes	760,843	673,375
Movement in working capital :		
(Increase)/Decrease in Inventories	(34,984)	(227,829)
(Increase)/Decrease in Sundry Debtors and Loans & Advances	(147,652)	(215,345)
(Decrease)/Increase in Current Liabilities and Provisions	468,929	295,114
	286,293	(148,060)
Cash Generated from Operations	1,047,136	525,315
Direct Taxes paid	(151,012)	(78,387)
Net Cash from Operating Activities	896,124	446,928
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(648,399)	(269,500)
Proceeds from disposal of fixed assets	2,518	10
Purchase of investment in Mutual Funds	(1,397,300)	(524,700)
Proceeds from sale of Investments in Mutual Funds	1,050,518	420,565
Dividend received	3,098	-
Net Cash used in Investing Activities	(989,565)	(373,625)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share	10,528	62,722
Redemption of preference Share	-	(160,000)
Preference Dividend Paid	-	(31,710)
Corporate Dividend Tax	-	(5,389)
Financial Charges	(2,550)	(2,574)
Net cash from / (used in) financing activities	7,978	(136,951)
Net change in Cash & Cash Equivalents (A+B+C)	(85,463)	(63,648)
CASH & CASH EQUIVALENTS BEGINNING OF YEAR	365,444	429,092
CASH & CASH EQUIVALENT, END OF YEAR [Refer schedule 5(A)C]	279,981	365,444

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 27, 2011

For and on behalf of the Board of Directors
Joint Executive Chairman &
Managing Director **Bikram Nag**
Director **R. N. Mitra**
Chief Financial Officer **S. Bhattacharya**
Company Secretary **G. Ray Chowdhury**

SCHEDULES to Balance Sheet

	As at March 31, 2011		As at March 31, 2010	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
SCHEDULE – 1				
SHARE CAPITAL				
<i>Authorised :</i>				
65,000,000 Equity Shares of Rs. 10/- each (Previous year 65,000,000 shares of Rs. 10 each)		650,000		350,000
30,000,000 Cumulative Redeemable Preference Shares of Rs. 10 each (Previous year 30,000,000 shares of Rs. 10 each)		300,000		300,000
		950,000		950,000
<i>Issued, Subscribed and Paid-up :</i>				
35,456,896 Equity Shares of Rs. 10/- each, fully paid up (Previous year 34,755,046 shares of Rs. 10 each)	354,569		347,550	
<i>(Of the above equity shares 2,950,760 equity shares were allotted as fully paid up by way of bonus shares by capitalisation of Share Premium)</i>				
Add : Forfeited Shares	7,625	362,194	7,625	355,175
30,50,000 Equity Shares of Rs 2.50 each partly paid up (Previous year 30,50,000 Equity Shares of Rs. 2.50 each, partly paid up)		362,194		355,175

	Balance as on April 1, 2010	Addition during the year	Withdrawal during the year	Balance as on March 31, 2011
SCHEDULE – 2				
RESERVES & SURPLUS				
Capital Reserve	2,500	-	-	2,500
Debt Restructuring Reserve	898,061	-	-	898,061
Capital Redemption Reserve	160,500	-	-	160,500
Share Premium Account	1,305,250	64,199	-	1,369,449
Revaluation Reserve	17,332	-	-	17,332
	2,383,643	64,199	-	2,447,842

SCHEDULES to Balance Sheet

SCHEDULE – 3

FIXED ASSETS

(Rs. '000)

Particulars of Assets	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2010	Additions	Adjustments/ Disposals	As at March 31 2011	As at April 1 2010	For the year	Adjustments/ Disposals	As at March 31 2011	As at March 31 2011	As at March 31 2010
A) TANGIBLE-										
Freehold Land (@)	71,901	-	-	71,901	-	-	-	-	71,901	71,901
Leasehold Land	23,326	-	-	23,326	17,919	639	-	18,558	4,768	5,407
Leasehold Land	22,024	-	-	22,024	16,991	595	-	17,586	4,438	5,033
R and D Leasehold Land	1,302	-	-	1,302	928	44	-	972	330	374
Building	364,206	67,204	-	431,410	249,103	12,509	-	261,612	169,798	115,103
Building	354,196	67,204	-	421,400	242,298	12,189	-	254,487	166,913	111,898
R and D Building	10,010	-	-	10,010	6,805	320	-	7,125	2,885	3,205
Plant and Machinery	3,337,578	421,264	(235,371)	3,523,471	2,846,399	62,762	(223,060)	2,686,101	837,370	491,179
Plant and Machinery	3,334,748	420,896	(235,350)	3,520,294	2,845,672	62,622	(223,039)	2,685,255	835,039	489,076
R and D Plant and Machinery	2,830	368	(21)	3,177	727	140	(21)	846	2,331	2,103
Computer	46,600	14,023	(1,801)	58,822	28,648	6,125	(1,737)	33,036	25,786	17,952
Computer	43,565	12,808	(1,793)	54,580	25,874	5,952	(1,729)	30,097	24,483	17,691
R and D Computer	3,035	1,215	(8)	4,242	2,774	173	(8)	2,939	1,303	261
Furniture and Fixture	70,505	8,762	(2,342)	76,925	42,358	4,928	(2,107)	45,179	31,746	28,147
Furniture and Fixture	68,979	8,750	(2,342)	75,387	41,634	4,847	(2,107)	44,374	31,013	27,345
R and D Furniture and Fixture	1,526	12	-	1,538	724	81	-	805	733	802
Motor Vehicle	15,472	-	(780)	14,692	12,874	447	(745)	12,576	2,116	2,598
B) INTANGIBLE										
Computer Software	30,476	13,237	(1,021)	42,692	8,018	11,407	(1,021)	18,404	24,288	22,458
Computer Software	30,461	7,749	(1,021)	37,189	8,011	10,961	(1,021)	17,951	19,238	22,450
R and D Computer Software	15	5,488	-	5,503	7	446	-	453	5,050	8
Technical Knowhow	-	80,044	-	80,044	-	5,307	-	5,307	74,737	-
Technical Knowhow	-	-	-	-	-	-	-	-	-	-
R and D Technical Knowhow	-	80,044	-	80,044	-	5,307	-	5,307	74,737	-
Total	3,960,064	604,534	(241,315)	4,323,283	3,205,319	104,124	(228,670)	3,080,773	1,242,510	754,745
Previous Year	3,865,354	142,914	(48,204)	3,960,064	3,163,009	86,815	(44,505)	3,205,319	754,745	702,345
Capital WIP	69,287	560,565	(483,907)	145,945	-	-	-	-	145,945	69,287
Capital WIP	69,287	472,262	(483,907)*	57,642	-	-	-	-	57,642	69,287
Rand D Capital WIP	-	88,303	-	88,303	-	-	-	-	88,303	-
Capital WIP - Previous Year	10,361	78,774	(19,848)	69,287	-	-	-	-	69,287	10,361
Capital WIP - Previous Year	10,361	78,774	(19,848)	69,287	-	-	-	-	69,287	10,361
Rand D Capital WIP - Previous Year	-	-	-	-	-	-	-	-	-	-

(*) Includes Capital WIP Written off during the year amounting to Rs. ('000) 3077

(@) Gross Block includes an amount of Rs. ('000) 17332 (Previous Year : Rs. ('000) 17332) resulting from revaluation in an earlier year.

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

(b) For sanction of import letter of credit/ buyers credit amounting to Rs 3,00,000 thousand for capital goods by Standard Chartered Bank, following securities have been created :

- (i) 1st charge on all present and future movable properties of the Company situated at Goa Plant, Verna, Salcete (except exclusive charge to term lenders).
- (ii) Exclusive charge on plant & machinery financed by the Bank such as assembly conveyor, drum fabline, cabinet fabline, press tools and moulds for tub front and rear including movable plant & machinery, furniture & fittings, equipments, computer hardware & software, machinery spares, tools, accessories and other movables.
- (iii) Equitable mortgage by way of first charge in respect of non agricultural land situated at Verna, Salcete.

SCHEDULES to Balance Sheet

SCHEDULE – 4 INVESTMENTS

	Face Value Rs.	Quantity		Amount	
		March 31, 2011	March 31, 2010	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
LONG TERM QUOTED – OTHERS (AT COST)					
I. In Equity Shares					
Ashok Leyland Ltd. (Face value of Rs. 10/- per share subdivided into 10 shares of Rs. 1/- each fully paid up w.e.f. July 7, 2004)	1	1,500	1,500	2	2
Total				<u>2</u>	<u>2</u>
CURRENT UNQUOTED - OTHERS					
I. In Mutual Funds					
1. ICICI Prudential FMP Series 53 - 1 Year Plan D Cumulative	10	5,000,000	-	50,000	-
2. ICICI Prudential Blended Plan B Daily Dividend Option - I	10	9,994,536	-	100,020	-
3. Kotak FMP Series 29 - Growth	10	3,000,000	-	30,000	-
4. Kotak Quaterly Interval Plan Series 5 - Dividend	10	2,998,701	-	30,000	-
5. DWS Treasury Fund Investment- Regular Plan-Daily Dividend-Reinvest	10	4,999,499	-	51,105	-
6. Reliance Fixed Horizon Fund - XVII Series 1 - Growth Plan	10	2,501,392	-	25,014	-
7. Reliance Interval Fund - Quaterly Plan - Series I - Retail Dividend Plan	10	3,495,992	-	35,010	-
8. JP Morgan India Treasury Fund - Super Inst. Daily Div Plan - Reinvest	10	4,054,744	-	40,584	-
9. LIC NOMURA MF Interval Fund - Series 1 - Monthly Dividend Plan	10	10,000,000	-	100,000	-
10. LIC NOMURA MF Income Plus Fund - Daily Dividend Plan	10	-	10,642,168	-	106,422
Total - In Mutual Fund				<u>461,733</u>	<u>106,422</u>
Total				<u>461,735</u>	<u>106,424</u>
<i>Aggregate book value of unquoted investment</i>				<u>461,733</u>	<u>106,422</u>
<i>Aggregate market value of quoted investment</i>				<u>85</u>	<u>84</u>

Movement during the year

Investments purchased and sold/redeemed Name of Mutual Fund	Face Value Rs.	Quantity		Amount	
		March 31, 2011	March 31, 2010	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)

Purchased

1. ICICI Prudential Liquid Institutional Plus Plan - Div - Daily	119	169,120	-	20,043	-
2. ICICI Prudential FMP Series 53 - 1 Year Plan D Cumulative	10	5,000,000	-	50,000	-
3. ICICI Prudential Blended Plan B Institutional Dividend Option - II	10	7,698,008	-	80,000	-

SCHEDULES to Balance Sheet

SCHEDULE – 4 INVESTMENTS (Contd.)

Investments purchased and sold/redeemed Name of Mutual Fund	Face Value Rs.	Quantity		Amount	
		March 31, 2011	March 31, 2010	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
4. ICICI Prudential Interval Fund V - Monthly Interval Plan A Institutional Dividend	10	5,027,903	-	50,280	-
5. ICICI Prudential Floating Rate Plan D - Daily Dividend	100	504,472	-	50,459	-
6. ICICI Prudential Blended Plan B Daily Dividend Option - I	10	9,994,536	-	100,020	-
7. UTI-Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan - Payout	10	3,999,880	-	40,000	-
8. Kotak FMP Series 29 - Growth	10	3,000,000	-	30,000	-
9. Kotak Quaterly Interval Plan Series 5 - Dividend	10	2,998,701	-	30,000	-
10. IDFC Ultra Short Term Fund Monthly Dividend	10	4,948,290	-	50,000	-
11. DWS Treasury Fund Investment- Instl Plan- Monthly Dividend- Payout	10	4,998,550	-	50,000	-
12. DWS Treasury Fund Investment- Regular Plan- Daily Dividend-Reinvest	10	12,825,756	-	131,105	-
13. Reliance Fixed Horizon Fund - XVII Series 1 - Growth Plan	10	2,501,392	-	25,014	-
14. Reliance Quaterly Interval Fund - Series III - Institutional Dividend Plan	10	2,998,411	-	30,000	-
15. Reliance Liquid Fund - Cash Plan - Daily Dividend Option	11	6,750,254	-	75,208	-
16. Reliance Money Manager Fund Liquid Fund - Retail Option - Daily Dividend Plan	1001	29,686	-	29,719	-
17. Reliance Interval Fund - Quaterly Plan - Series I - Retail Dividend Plan	10	3,495,992	-	35,010	-
18. Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	1001	140,131	-	140,323	-
19. JP Morgan India Treasury Fund - Super Inst. Daily Div Plan - Reinvest	10	4,054,744	-	40,584	-
20. Bharti AXA Treasury Advantage Fund-Institutional Plan - Daily Dividend(Re-investment)	1000	80,382	-	80,382	-
21. LIC NOMURA MF Liquid Fund - Dividend Plan	11	37,565,985	19,128,721	412,478	210,035
22. LIC NOMURA MF Income Plus Fund - Daily Dividend Plan	10	55,695,352	21,655,120	556,954	216,551
23. LIC NOMURA MF Interval Fund - Series 1 - Monthly Dividend Plan	10	15,000,000	-	150,000	-
24. LIC NOMURA MF Income Plus Fund - Growth Plan	13	7,910,141	-	100,000	-
25. HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	11	9,402,650	22,602,304	100,010	240,408
26. HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend Option	10	9,982,812	3,989,825	100,143	40,024
27. LIC NOMURA MF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	10	-	21,104,434	-	211,044
28. LIC NOMURA MF Savings Plus Fund - Daily Dividend Plan	10	-	993,565	-	9,936
				2,557,732	927,998

SCHEDULES to Balance Sheet

SCHEDULE – 4
INVESTMENTS (Contd.)

Investments purchased and sold/redeemed Name of Mutual Fund	Face Value Rs.	Quantity		Amount	
		March 31, 2011	March 31, 2010	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
Sold/ Redeemed					
1. ICICI Prudential Liquid Institutional Plus Plan - Div - Daily	119	169,120	-	20,043	-
2. ICICI Prudential Blended Plan B Institutional Dividend Option - II	10	7,698,008	-	80,000	-
3. ICICI Prudential Interval Fund V - Monthly Interval Plan A Institutional Dividend	10	5,027,903	-	50,280	-
4. ICICI Prudential Floating Rate Plan D - Daily Dividend	100	504,472	-	50,459	-
5. UTI-Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan - Payout	10	3,999,880	-	40,000	-
6. IDFC Ultra Short Term Fund Monthly Dividend	10	4,948,290	-	50,000	-
7. DWS Treasury Fund Investment- Instl Plan- Monthly Dividend- Payout	10	4,998,550	-	50,000	-
8. DWS Treasury Fund Investment- Regular Plan- Daily Dividend-Reinvest	10	7,826,257	-	80,000	-
9. Reliance Quaterly Interval Fund - Series III - Institutional Dividend Plan	10	2,998,411	-	30,000	-
10. Reliance Liquid Fund - Cash Plan - Daily Dividend Option	11	6,750,254	-	75,208	-
11. Reliance Money Manager Fund Liquid Fund - Retail Option - Daily Dividend Plan	1001	29,686	-	29,719	-
12. Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	1001	140,131	-	140,323	-
13. Bharti AXA Treasury Advantage Fund- Institutional Plan - Daily Dividend(Re-investment)	1000	80,382	-	80,382	-
14. LIC NOMURA MF Liquid Fund - Dividend Plan	11	37,565,984	19,128,721	412,478	210,035
15. LIC NOMURA MF Income Plus Fund - Daily Dividend Plan	10	66,337,521	11,012,952	663,375	110,130
16. LIC NOMURA MF Interval Fund - Series 1 - Monthly Dividend Plan	10	5,000,000	-	50,000	-
17. LIC NOMURA MF Income Plus Fund - Growth Plan	13	7,910,141	-	100,000	-
18. HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	11	9,402,650	22,602,304	100,010	240,407
19. HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend Option	10	9,982,811	3,989,825	100,142	40,024
20. LIC NOMURA MF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	10	-	21,104,434	-	211,044
21. LIC NOMURA MF Savings Plus Fund - Daily Dividend Plan	10	-	993,565	-	9,936
				2,202,419	821,576

SCHEDULES to Balance Sheet

	As at March 31, 2011		As at March 31, 2010	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
SCHEDULE – 5				
CURRENT ASSETS, LOANS AND ADVANCES				
A. CURRENT ASSETS (#)				
a. Inventories				
(As taken, valued and certified by the Management)				
Raw materials and components (including goods in transit)	257,864		248,292	
Work-in-progress	82,370		69,929	
Finished goods (including goods in transit)	426,106		400,904	
Gifts and Point of Purchase Materials	7,458		6,296	
Stores and spare parts	114,504	888,302	127,897	853,318
b. Sundry Debtors (unsecured)				
Debts outstanding for a period exceeding six months :				
Considered good	7,274		3,836	
Considered doubtful	7,419		10,981	
	14,693		14,817	
Other Debts :				
Considered good	383,307		275,989	
Considered doubtful	159		552	
	398,159		291,358	
Less: Provision for doubtful debts	7,578	390,581	11,533	279,825
c. Cash and Bank Balances				
Cash on hand (including cheques in hand)	14,144		17,816	
Remittance in transit	3,951		8,040	
Balances with scheduled banks				
— On current accounts	232,589		192,156	
— On deposit accounts(*)	29,297	279,981	147,432	365,444
		1,558,864		1,498,587
* Includes margin money deposit of Rs. 7119 thousand (Previous Year : Rs. 703 thousand)				
B. LOANS AND ADVANCES (Unsecured)				
Advances recoverable in cash or in kind or for value to be received :				
— Considered good	225,304		179,784	
— Considered doubtful	5,901		4,626	
	231,205		184,410	
Less : Provision for doubtful advances	5,901	225,304	4,626	179,784
Capital Advance		39,754		75,624
Deposit with customs, port trust, excise and others		102,206		119,322
MAT credit entitlement		113,754		100,000
Advance fringe benefits tax (net of provision for fringe benefits tax of Rs. 12,242 thousand)		165		165
Advance income tax (net of provision for current tax of Rs. 236,074 thousand)		142		—
Other Current Assets		760		—
		482,085		474,895
		2,040,949		1,973,482

(#) For Sanctioned working capital limit of Rs 3,00,000 thousand, current assets are subject to paripassu first charge both present and future, second charge on movable fixed assets of Goa unit and equitable mortgage by way of second charge in respect of leasehold land and building together with all fixed plant & machinery in favour of Standard Chartered Bank.

SCHEDULES to Balance Sheet

	As at March 31, 2011		As at March 31, 2010	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
SCHEDULE – 6				
CURRENT LIABILITIES				
Sundry Creditors				
For Goods :				
– total outstanding dues of micro enterprises and small enterprises	1,812		342	
– total outstanding dues of creditors other than micro enterprises and small enterprises	692,433		383,499	
For Expenses :				
– total outstanding dues of micro enterprises and small enterprises	–		–	
– total outstanding dues of creditors other than micro enterprises and small enterprises	333,317	1,027,562	359,190	743,031
Security Deposits		12,777		13,340
Advance from Customers		305,784		244,894
Other Liabilities		92,075		95,703
		1,438,198		1,096,968

There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund

SCHEDULE – 7

PROVISIONS

Provision for Current Tax (net of tax deducted at source and advance tax in previous year of Rs. 85,204 thousands)	–	14,796
Provision for Employee Benefits	37,700	35,004
Provision for Warranty	202,951	181,938
	240,651	231,738

SCHEDULES to Profit and Loss Account

	Year ended March 31, 2011		Year ended March 31, 2010	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
SCHEDULE – 8				
OTHER INCOME				
Interest Income		7,685		13,651
[Tax deducted at source : Rs. 481 thousand (Previous Year : Rs. 1,406 thousand)]				
Dividend from investment in Mutual Fund		11,774		2,287
Profit on sale of mutual funds (net)		230		–
Sale of Scraps		129,662		94,145
Insurance Claims		5,062		222
Rental Income		8,244		9,347
Gain on exchange fluctuation		21,754		10,118
Writeback of liabilities no longer required (*)		98,084		7,950
Writeback of provision no longer required		9,038		9,909
Recovery of advance written off in earlier years		–		51,000
Excise duty on differential stock		4,871		–
Miscellaneous income		24,322		30,103
		<u>320,726</u>		<u>228,732</u>

(*) Includes liability for custom duty payable to Directorate General of Foreign Trade (DGFT) pertaining to Advance License and EPCG Schemes Written back Rs. 81,880 Thousand (Previous Year : Nil)

Income related to Research and Development at Verna, Goa included in above Schedule 8 are :

Gain on exchange fluctuation		84		(235)
Miscellaneous income		20		-
		<u>104</u>		<u>(235)</u>

SCHEDULE – 9

RAW MATERIALS, STORES CONSUMED, TRADING PURCHASES AND (INCREASE)/DECREASE IN INVENTORIES

a) Raw Materials Consumed :				
Opening Stock	248,292		128,434	
Add : Purchases	2,623,795		2,316,299	
	<u>2,872,087</u>		<u>2,444,733</u>	
Less : Closing Stock	(257,864)		(248,292)	
Net Consumption of Raw Materials		2,614,223		2,196,441
b) Purchase of Trading Goods		1,175,516		697,309
c) Stores and Spares Consumed		251,457		271,982
d) (Increase)/Decrease in Finished Goods, Work in progress :				
Opening Stock				
– Finished Goods	400,904		283,533	
– Work in progress	69,929		91,554	
	<u>470,833</u>		<u>375,087</u>	
Less : Closing Stock				
– Finished Goods	426,106		400,904	
– Work in progress	82,370		69,929	
	<u>508,476</u>	(37,643)	<u>470,833</u>	(95,746)
		<u>4,003,553</u>		<u>3,069,986</u>

Expenditure related to Research and Development at Verna, Goa included in above schedule 9 are :

Raw materials consumed		1,195		1,082
		<u>1,195</u>		<u>1,082</u>

SCHEDULES to Profit and Loss Account

	Year ended March 31, 2011		Year ended March 31, 2010	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
SCHEDULE - 10				
EMPLOYEES' REMUNERATION AND BENEFITS				
Salaries, Wages and Bonus		468,362		415,349
Contribution to Provident and Other Funds		47,597		44,656
Workmen and Staff Welfare Expenses		53,360		34,875
Expenses on Employee Stock Purchase Scheme		60,690		12,434
		<u>630,009</u>		<u>507,314</u>
Expenditure related to Research and Development at Verna, Goa included in above schedule 10 are :				
Salaries, Wages and Bonus		22,497		22,176
Contribution to Provident and Other Funds		1,219		4,881
Workmen and Staff Welfare Expenses		882		1,152
		<u>24,598</u>		<u>28,209</u>
SCHEDULE - 11				
OPERATING AND ADMINISTRATION EXPENSES				
Rent		50,655		33,963
Insurance		5,859		4,437
Freight, octroi and carriage		197,415		180,416
Power and fuels		67,674		53,197
Ancillary cost		233,466		193,831
Rates and taxes		31,141		18,537
Office expenses		136,457		114,911
Advertisement and sales promotion		314,767		260,777
Travelling		153,156		110,332
Repairs :				
Buildings	7,658		1,867	
Plant and machinery	23,763		18,503	
Others	17,040		10,269	
		<u>48,461</u>		<u>30,639</u>
Excise duty on differential stock		-		6,339
(Gain)/loss on disposal of fixed assets		7,147		38
Capital WIP Written off		3,077		-
Write off of assets		2,980		3,651
Write off of debts / advances		10,733		4,649
Provision for doubtful debts and advances		6,357		6,443
Bank charges		14,341		5,644
Directors' sitting fees		565		188
Service expenses		115,802		70,636
Warranty expenses		54,099		147,786
Miscellaneous expenses		92,877		80,034
		<u>1,547,029</u>		<u>1,326,448</u>
Expenditure related to Research and Development at Verna, Goa included in above schedule 11 are :				
Rent		-		21
Insurance		214		-
Ancillary cost		118		-
Office expenses		879		235
Travelling		2,399		2,910
Repairs Plant and machinery		-		11
Repairs Others		1		-
(Gain)/loss on disposal of fixed assets		(3)		-
Bank charges		4		4
Miscellaneous expenses		6,329		5,148
		<u>9,941</u>		<u>8,329</u>

SCHEDULES to Balance Sheet and Profit & Loss Account

SCHEDULE – 12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

Unless otherwise specified, all amounts are in Rupees thousands.

I. SIGNIFICANT ACCOUNTING POLICIES :

1. 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.

2. Revenue recognition

Revenue from sales of products is recognized 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 recognized on prorated basis over the period of contract.

Interest on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividends from investment are recognized when the Company's right to receive payment is established.

3. Fixed assets

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 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 advances for capital items, 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.

4. 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.

SCHEDULES to Balance Sheet and Profit & Loss Account

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

5. Depreciation / Amortization

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 fixed assets excepting building where written down value method is followed.

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

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

6. 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 recognized whenever the carrying amount of assets exceed 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.

7. 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 recognized in the 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 recognized in the profit and loss account. Non monetary items denominated in foreign currency are carried at cost.

8. 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.

9. Inventories

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

10. Employee Benefits

i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and loss account for the year in which the employee has rendered services. The expense is recognized 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 profit and loss account.

SCHEDULES to Balance Sheet and Profit & Loss Account

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

11. 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.

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 recognized 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 recognized 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 unrecognized deferred tax assets. It recognizes unrecognized 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.

12. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

13. Government Grants

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

14. 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

15. Cash and cash equivalent

Cash and cash equivalents in the cash flow statement comprise cash at bank and on hand and short term investments with an original maturity of three months or less.

16. 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 earning 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.

17. Disclosure requirement for Derivatives Instruments

Premium or discount on forward contracts are amortised over the life of the contract. Foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognized as gain/loss in the Profit & Loss account.

SCHEDULES to Balance Sheet and Profit & Loss Account

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

II. NOTES ON FINANCIAL STATEMENTS :

1. Share Capital

During the year the Company has issued 701,850 (previous year 891,599) fully paid equity shares of Rs. 10 each to its employees under IFB Industries Limited – Employees Stock Purchase Scheme 2008 of which 701,850 (previous year 812,199) shares were issued at premium of Rs 5 per share.

2. Impairment

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

3. Dues to Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Companies owes dues, which are outstanding for more than 45 days as at March 31, 2011 except for the details mentioned below. 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, 2011, pursuant to notification no. GSR 719 (E) dated November 16, 2007 are as below:

Rs. 000

Details	March 31, 2011	March 31, 2010
Balance of Sundry Creditors as on March 31, 2011		
– Principal amount due to micro, small and medium enterprises	1,812	342
– Principal amount due to others	1,025,750	742,689
Interest accrued and dues as on March 31, 2011		
– Interest on payments due to micro, small and medium enterprises	–	–
– 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	–	–

SCHEDULES to Balance Sheet and Profit & Loss Account

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

4. 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.

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

Rs.' 000

	Gratuity (funded)				Leave Encashment (Unfunded)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation at the beginning of the year	52,051	36,396	39,270	28,443	22,549	18,228	21,580	14,643
Current Service Cost	4,767	4,414	4,130	4,864	4,904	3,899	5,592	2,594
Interest Cost	3,975	2,785	3,002	2,221	1,590	1,311	1,693	1,085
Plan Amendments Cost/(Credit)	3,476	-	-	-	-	-	-	-
Actuarial losses / (gains)	3,081	9,838	(8,433)	5,090	1,628	1,961	(7,790)	5,430
Benefits Paid	(4,737)	(1,382)	(1,573)	(1,348)	(5,348)	(2,850)	(2,847)	(2,172)
Defined Benefit obligation at year end	62,613	52,051	36,396	39,270	25,323	22,549	18,228	21,580

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

Rs.' 000

	Gratuity (funded)				Leave Encashment (Unfunded)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Fair value of plan assets at beginning of the period	39,596	32,114	27,022	20,065	-	-	-	-
Expected return on plan assets	3,476	2,621	2,513	1,883	-	-	-	-
Actual Company contributions	12,455	4,349	5,150	6,953	5,348	2,850	2,847	2,172
Actuarial Gain / (Loss)	(554)	1,894	(998)	(532)	-	-	-	-
Benefits Payments	(4,737)	(1,382)	(1,573)	(1,347)	(5,348)	(2,850)	(2,847)	(2,172)
Fair value of plan assets at the end of period	50,236	39,596	32,114	27,022	-	-	-	-
Actual return on plan assets	2,922	4,515	1,515	1,351	-	-	-	-

SCHEDULES to Balance Sheet and Profit & Loss Account

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

III. Reconciliation of fair value of assets and obligation :

Rs.' 000

	Gratuity (funded)				Leave Encashment (Unfunded)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Net Asset/(Liability) at the beginning of period	(12,455)	(4,282)	(12,248)	(8,376)	(22,549)	(18,228)	(21,580)	(14,643)
Employer Gains/(Expense)	(12,377)	(12,522)	2,816	(10,825)	(8,122)	(7,171)	505	(9,109)
Employer Contributions	12,455	4,349	5,150	6,953	5,348	2,850	2,847	2,172
Net Asset/(Liability) at end of period	(12,377)	(12,455)	(4,282)	(12,248)	(25,323)	(22,549)	(18,228)	(21,580)

IV. Expense recognized during the year :

Rs.' 000

	Gratuity (funded)				Leave Encashment (Unfunded)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Current Service Cost	4,767	4,414	4,130	4,864	4,904	3,899	5,592	2,594
Interest cost	3,975	2,785	3,002	2,221	1,590	1,311	1,693	1,085
Expected Return on Plan assets	(3,476)	(2,621)	(2,513)	(1,881)	-	-	-	-
Past service cost	3,476	-	-	-	-	-	-	-
Actuarial Losses/(Gains)	3,635	7,944	(7,435)	5,622	1,628	1,961	(7,790)	5,430
Total employer expense recognized in Profit and Loss Account	12,377	12,522	(2,816)	10,826	8,122	7,171	(505)	9,109

V. Actuarial assumptions :

Rs.' 000

	Gratuity (funded)				Leave Encashment (Unfunded)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Discounted rate	8.00%	8.00%	7.80%	8.00%	8.00%	8.00%	7.80%	8.40%
Expected return on assets	8.00%	8.00%	7.80%	8.00%	-	-	-	-
Salary escalation	5.00%	5.00%	5.00%	10.00%	5.00%	5.00%	5.00%	10.00%
Mortality	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate	L.I.C. 1994-96 ultimate

SCHEDULES to Balance Sheet and Profit & Loss Account

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

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 their fair value of plan assets as at March 31, 2011

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.' 000

	Gratuity (funded)				Leave Encashment (Unfunded)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation at end of the period	(62,613)	(52,051)	(36,396)	(39,270)	(25,323)	(22,549)	(18,228)	(21,580)
Plan assets at end of the period	50,236	39,596	32,114	27,022	-	-	-	-
Funded status	(12,377)	(12,455)	(4,282)	(12,248)	(25,323)	(22,549)	(18,228)	(21,580)
Experience gain/(loss) adjustments on plan liabilities	(3,081)	(10,812)	-	-	(1,628)	(2,372)	(2,529)	(6,434)
Experience gain/(loss) adjustments on plan assets	(554)	1,894	-	-	NA	NA	NA	NA
Actuarial gain/(loss) due to change on assumptions	-	974	-	-	-	411	10,319	1,004

(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. 35,220 thousand (Previous year Rs. 32,134 thousand) to defined contribution scheme during the year ended March 31, 2011.

5. Managerial remuneration :

	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
a) Directors' Sitting Fees	565	188
b) Remuneration to Whole-time Director :		
Salary	1,546	1,546
Contribution to Provident and Superannuation Fund, a defined contribution plan	303	303
Monetary value of perquisites	263	205
	<u>2,112</u>	<u>2,054</u>

Provisions for gratuity in respect of Whole-time Director are not included above, as actuarial valuation is done on an overall basis.

The computation of profits under section 349 of the Companies Act, 1956 has not been given as no commission is payable to the Whole-time Director.

SCHEDULES to Balance Sheet and Profit & Loss Account

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

6. Commitments and contingencies :

	March 31, 2011	March 31, 2010
	(Rs. '000)	(Rs. '000)
i) Outstanding capital commitments	129,366	302,479
ii) Disputed sales tax matters, excise duties 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.)	48,421	46,608
iii) Indemnity bonds executed in favour of excise and customs	10,000	-
iv) Guarantees given by the bankers on behalf of the Company*(#)	6,780	21,019
v) Letter of credits	53,772	-
vi) Corporate Guarantee for Advance licenses	149,844	149,844
vii) Claims against the Company not acknowledged as debts (#)(@)	47,004	45,958
viii) Corporate Guarantee to bank on behalf of Associate Company	10,000	-

(* At 31st March 2010, bank guarantees includes four bank guarantees of Rs 13,734 thousand in favour of DGFT in respect of EPCG licenses. Such Bank guarantees were invoked by the beneficiaries and the company has disputed the claim by way of writ petition filed before the Calcutta High Court. The Hon'ble High Court had earlier granted an order of status quo on September 18, 2003 and since extended from time to time. In the meantime, the said guarantees expired on September 30, 2003. Thereafter the Hon'ble High Court by an Order dated May 11, 2010 directed the company to renew the said guarantees. The said order dated May 11, 2010 was modified by a further order dated May 19, 2010 directing the company to deposit the aggregate amount of guarantees in the form of fixed deposits in favour of The Registrar, Calcutta High Court, original Side to secure possible claim of DGFT in place of old bank guarantees. The company has made the fixed deposit pursuant to the said order amounting to Rs 13,800 thousands which have been lodged by the Company's banker Standard Chartered Bank with the DGFT.

At 31st March 2010, the Company had an outstanding provision of Rs 81,880 thousands for customs duty payable to DGFT due to non-fulfillment of export obligations under Advance License and EPCG Schemes. Pursuant to direction from the DGFT dated 24th February 2010 the period for fulfillment of export obligations against 11 Advance Licenses was extended by 5 years with effect from 29th September 2009. Moreover vide direction from DGFT dated 23rd February 2011, the Company got an extension for fulfillment of export obligations under 5 EPCG Licenses for a period of 12 years from 30th January 2009 to 29th January 2021. Consequent to such directions from DGFT, the Company has written back the provision of Rs 81,880 thousand and recognized the same as Other Income for the year ended 31st March 2011.

(#) At 31st March 2010, Guarantees given by the bankers on behalf of the Company included a bank guarantee of Rs 1,563 thousand obtained in connection with execution of a civil contract awarded by State Health Department, 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 2011.

(@) Includes claim relating to material rejection amounting to Rs. 45,441 thousands (Previous year Rs. 45,958 thousand). The management is of the opinion that the claim is not tenable.

SCHEDULES to Balance Sheet and Profit & Loss Account

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

7. Segment reporting - Information pursuant to Primary Business Segment

	Year ended 31st March, 2011			
	Engineering	Home Appliances	Unallocated	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue - External	1,288,059	5,585,507	101,859	6,975,425
	1,029,575	4,472,273	66,416	5,568,264
Total Revenue	1,288,059	5,585,507	101,859	6,975,425
	1,029,575	4,472,273	66,416	5,568,264
Segment Results before interest	133,304	553,985	3,421	690,710
	152,388	420,046	5,267	577,701
Less : Interest				2,550
				2,574
Profit before tax				688,160
				575,127
Segment Assets	702,401	2,496,854	691,884	3,891,139
	626,028	1,860,767	417,143	2,903,938
Segment Liabilities	219,525	1,408,142	151,387	1,779,054
	212,382	1,001,881	151,926	1,366,189
Other Segmental Information :				
Depreciation / Amortization	28,569	64,203	11,352	104,124
	23,741	57,338	5,736	86,815
Capital expenditure	80,352	593,283	7,557	681,192
	70,985	102,217	28,638	201,840
Non Cash Expenditure other than depreciation / amortization	20,408	53,713	9,716	83,837
	6,286	18,423	2,468	27,177

(figures for the previous year, March 31, 2010, 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".

SCHEDULES to Balance Sheet and Profit & Loss Account

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

8. Related party transactions

The Company has the following related parties in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India :

Associate Companies :	IFB Agro Industries Limited, Travel Systems Limited (formerly Travel Systems Private Limited)
Investor Company :	IFB Automotive Private Limited
Key Management Personnel :	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. S Bhattacharya, <i>Chief Financial Officer</i> Mr. Indroneel Goho, <i>Chief Financial Officer-HAD</i> Mr. B.M. Shetye, <i>Vice President</i> Mr. P Chatterjee, <i>Vice President – Finance</i> Mr. Siddhartha Chatterjee, <i>Unit Head Engineering</i> Mr. G. Ray Chowdhury, <i>Company Secretary</i> Mr. Rajshankar Ray, <i>Vice president- Sales</i> Mr. A.S. Negi, <i>Vice President - Service</i> Mr. B.D. Jung, <i>President R&D (resigned w.e.f. 30th November, 2010)</i> Mr. T.R. Ramesh, <i>Regional Manager - West</i> Mr. Sukhdev Nag, <i>DGM Accounts and Finance</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>DGM-Bangalore Engineering</i> Mr. Soumitra Goswami, <i>DGM - Accounts and Finance</i>

Transactions with related parties :

	Key Management Personnel		Associate Companies/ Investor Company		Total	
	Rs. '000		Rs. '000		Rs. '000	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
i) Sales, Service and Other Income	20	-	322,788	200,489	322,808	200,489
ii) Sale of Fixed Assets	5	-	-	-	5	-
iii) Purchases	-	-	1,337	6,863	1,337	6,863
iv) Purchase of Fixed Assets	-	-	-	694	-	694
v) Allotment of Shares including share premium	2,531	3,600	-	-	2,531	3,600
vi) Redemption of redeemable Preference Shares including Dividend	-	-	-	1,91,710	-	1,91,710
vii) Outstanding Balances :						
Debtors	-	-	40,510	28,116	40,510	28,116
Advances/ Deposits	760	845	20,900	17,902	21,660	18,747
Creditors	-	-	4,281	256	4,281	256
Other Receivables	-	-	3	2,480	3	2,480
viii) Remuneration	73,142	50,995	-	-	73,142	50,995
ix) Expenditures on other services	15	-	57,046	36,554	57,061	36,554
x) Recovery of advances written off	-	-	-	39,600	-	39,600
xi) Corporate Guarantee	-	-	10,000	-	10,000	-
xii) Loans Received	-	-	-	1,000	-	1,000

SCHEDULES to Balance Sheet and Profit & Loss Account

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

9. **Auditors' remuneration** [excluding service tax of Rs. 552 thousand (Previous year Rs. 455 thousand)]:

	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
Audit fees	3,070	3,070
Others	2,186	1,218
Reimbursement of expenses	100	130
	<u>5,356</u>	<u>4,418</u>

10. **Interest income comprises**

Interest on

Interest on bill discounting	2,631	-
Interest on deposits and others	5,054	13,651
	<u>7,685</u>	<u>13,651</u>

11. **Basic and diluted earnings per share (EPS) :**

a) Profit after taxes available to equity shareholders (Rs. '000)	503,118	537,644
b) Adjustment for cumulative preference dividend (Rs. '000)	-	4,456
c) Weighted average number of equity shares outstanding	35,332,282	31,602,542
d) Basic and Diluted earning per share of face value Rs 10 each (in Rs.)	14.24	16.87

12. **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 :

	March 31, 2011 Rs. ' 000	March 31, 2010 Rs. ' 000
Opening balance	181,938	81,243
Additional provision during the year	54,099	1,47,786
Provisions utilised during the year	33,086	47,091
Closing balance	<u>202,951</u>	<u>181,938</u>

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

SCHEDULES to Balance Sheet and Profit & Loss Account

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

13. **Deferred Tax Assets / Liabilities (net)**

	<u>March 31, 2011</u> Rs. '000	<u>March 31, 2010</u> Rs. '000
The break up of deferred tax assets/ liabilities is as under		
Deferred Tax Asset		
Timing difference on account of :		
– Unabsorbed Depreciation	-	16,948
– Doubtful Debts and Advances	4,373	5,368
– Leave Encashment	8,216	7,490
– Gratuity	-	4,137
– Provision for sales tax and cess	6,535	-
Gross Deferred Tax Assets (A)	<u>19,124</u>	<u>33,943</u>
Deferred Tax Liabilities		
Timing difference on account of :		
– Depreciation	119,329	71,426
Gross Deferred Tax Liabilities (B)	<u>119,329</u>	<u>71,426</u>
Deferred Tax (Liability)/Assets (Net) (A-B)	<u>(100,205)</u>	<u>(37,483)</u>

14. **Other information :**

	<u>31 March, 2011</u> (Rs. '000)	<u>31 March, 2010</u> (Rs. '000)
a) Value of Imports calculated on CIF Basis :		
Raw Materials and Component	541,391	628,077
Stores & Spares	8,740	365
Trading Goods	1,016,218	619,435
Capital goods	437,015	127,635
b) Expenditure on Foreign Currency (on accrual basis) on account of :		
Foreign Travel	15,635	10,034
Professional Fees	10,683	8,337
Repairs and Maintenance	831	75
Sales Promotion	-	44
Others	-	208
c) Earnings in Foreign Currency (on accrual basis) on account of :		
FOB value of Exports	17,444	4,508

SCHEDULES to Balance Sheet and Profit & Loss Account

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

15. Particulars regarding Capacity, Stocks and Sale of Finished Goods and Raw Materials consumed :

a) Particulars regarding Capacity and Production :

	Units of Measurement	March 31, 2011			March 31, 2010		
		Licensed Capacity	Installed Capacity	Actual Production	Licensed Capacity	Installed Capacity	Actual Production
Press Tools & Dies	Rs. ' 000	6,000	6,000	16,105	6,000	6,000	8,588
	Nos.	85	85	74	85	85	23
Fine Blanked Components	Nos.	59,500,000	59,500,000	66,175,400	59,500,000	59,500,000	56,446,629
Motor	Nos.	NA	100,000	148,061	NA	100,000	150,541
Home Appliances	Nos.	400,000	250,000	183,298	400,000	225,000	196,588

Note : Installed Capacity is certified by the Management and is for a period of twelve months.

b) Stock and Sale of Finished Goods (excluding gifts and point of purchase materials) :

	Unit of Measurement	March 31, 2011			March 31, 2010		
		Opening Stock	Sale (Gross)	Closing Stock	Opening Stock	Sale (Gross)	Closing Stock
Press Tools & Dies	Rs. ' 000	460	16,406	1,849	-	10,088	460
	Nos.	46	82	38	44	21	46
Fine Blanked Components	Rs. ' 000	8,914	1,303,213	11,753	9,509	1,019,351	8,914
	Nos.	444,191	66,060,846	558,745	549,882	56,552,320	444,191
Motor	Rs. ' 000	5	13,376	-	-	12,642	5
Home Appliances (Manufacturing)	Rs. ' 000	280,593	3,715,383	154,096	166,423	3,356,864	280,593
	Nos.	24,676	195,974	12,000	8,907	180,819	24,676
Home Appliance (Trading)	Rs. ' 000	110,932	2,676,465	258,408	107,601	1,679,139	110,932
Others	Rs. ' 000	-	1,159	-	-	8,580	-
Total	Rs. ' 000	400,904	7,726,002	426,106	283,533	6,086,664	400,904

Note : (I) Wherever Installed Capacity are only in terms of value, the information above are also in terms of value only.

SCHEDULES to Balance Sheet and Profit & Loss Account

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

c) **Raw Materials and Stores & Spares consumed :**

	Quantity (MT)		Raw Materials				Stores & Spares			
			Value (Rs. '000)				Value (Rs. '000)			
	March 31, 2011	March 31, 2010	March 31, 2011	%	March 31, 2010	%	March 31, 2011	%	March 31, 2010	%
<u>IMPORTED</u>										
Steel	698	1,310	54,430	2.08	123,256	5.61	-	-	-	-
Comp & Spares	-	-	531,987	20.35	632,204	28.78	-	-	366	0.13
Consumables	-	-	-	-	-	-	534	0.21	-	-
<u>INDIGENOUS</u>										
Steel	13,455	9,927	761,734	29.14	597,391	27.20	-	-	-	-
Copper	207	168	96,293	3.68	61,754	2.81	-	-	-	-
Brass	2,122	-	590	0.02	-	-	-	-	-	-
Aluminium	323	317	36,613	1.40	31,776	1.45	-	-	-	-
Comp & Spares	-	-	1,132,576	43.33	749,654	34.13	227,380	90.43	262,778	96.62
Consumables	-	-	-	-	406	0.02	23,543	9.36	8,838	3.25
TOTAL	16,805	11,722	2,614,223	100	2,196,441	100	251,457	100	271,982	100

16. **Disclosure requirement for Derivatives Instruments**

The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company does not use derivative contracts for trading or speculative purposes.

i. The outstanding forward exchange contracts for purchase of foreign currency as at 31st March, 2011 are :

No of Contracts	USD in '000	Rs. '000
3	1,205	54,505

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

Particulars	USD Equivalent in '000	Rs in '000	EURO Equivalent in '000	Rs in '000	JPY Equivalent in '000	Rs in '000	Total Rs in '000
Amounts receivable in foreign currency	286	12,912	617	39,550	-	-	52,462
Amounts payable in foreign currency	4,450	201,275	787	50,023	346	192	251,490

17. Previous year's figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors

Joint Executive Chairman &

Managing Director

Director

Chief Financial Officer

Company Secretary

Bikram Nag

R. N. Mitra

S. Bhattacharya

G. Ray Chowdhury

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code
 Balance Sheet Date
Date Month Year

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Taxation Current Liabilities

Application of Funds

Net Fixed Assets Investments
 Current Assets Misc. Expenditure
 Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousand)

Turnover Total Expenditure
 Profit before Tax Profit after Tax
(Please tick appropriate box + for profit, - for loss)
 Earnings per Share . Dividend Rate %

V. Generic Name of Three Principal Products /Services of Company (as per monetary terms)

Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description



IFB INDUSTRIES LTD.

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

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

ATTENDANCE SLIP

35TH ANNUAL GENERAL MEETING
on 29th July, 2011 at 10:00 a.m. at
Eastern Zonal Cultural Centre at Bidhannagar,
IA-290, Sector – III, Bidhannagar, Salt Lake
Kolkata-700 091

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
35th 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 35th Annual General Meeting of the Company to be held on the 29th day of July, 2011 and at any adjournment thereof.

Signed this day of 2011.

Regd. Folio/DPID/BEN No. :

No. of Shares :

Signature

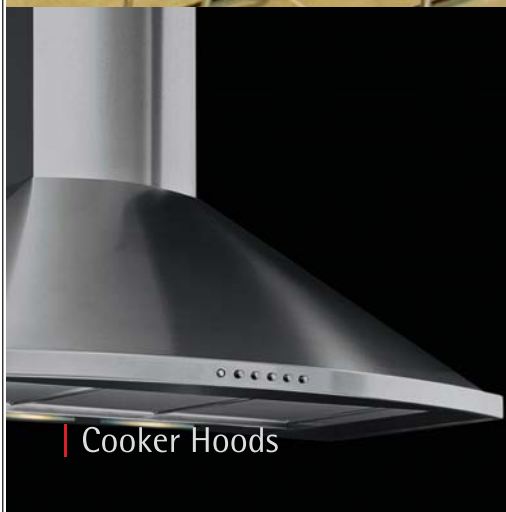
Re. 1/-
Revenue
Stamp

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

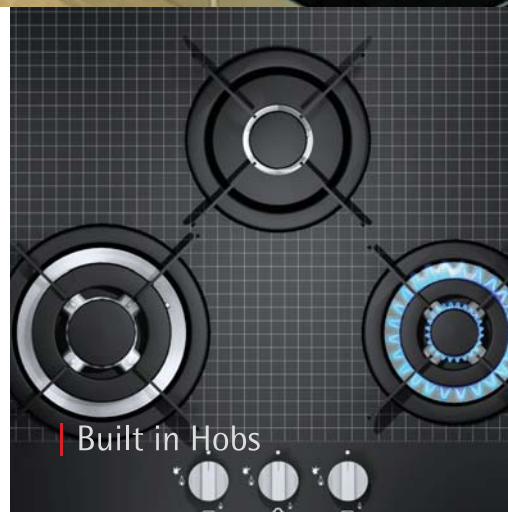


Introducing IFB Kitchens

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| Built in Hobs



| Built in Ovens

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Built in Oven



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Microwave Oven

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