

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

TO THE BOARD OF DIRECTORS OF IFB INDUSTRIES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **IFB INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended 30 September, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the following entities:
 - a. Trishan Metals Private Limited
 - b. Global Automotive & Appliances Pte. Limited and its subsidiary Thai Automotive & Appliances Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Abhijit Bandyopadhyay
Partner

(Membership No. 054785)

UDIN : 19054785AAAAEB9616

Place: Kolkata
Date: 2 November, 2019

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

| Particulars | Quarter ended | | | | Six months ended | | Year ended | |
|---|---------------|---------------|---------------|----------------|------------------|----------------|------------|--|
| | 30.09.2019 | 30.06.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 31.03.2019 | | |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | | |
| 1 Revenue from operations | 71,320 | 69,752 | 68,800 | 141,072 | 130,391 | 265,707 | | |
| 2 Other income | 257 | 211 | 93 | 468 | 217 | 1,266 | | |
| 3 Total income (1+2) | 71,577 | 69,963 | 68,893 | 141,540 | 130,608 | 266,973 | | |
| 4 Expenses | | | | | | | | |
| (a) Cost of materials consumed | 28,866 | 26,019 | 29,679 | 54,885 | 51,553 | 112,702 | | |
| (b) Purchases of stock-in-trade | 10,340 | 13,791 | 11,485 | 24,131 | 25,189 | 48,744 | | |
| (c) Changes in inventories of finished goods, stock-in-trade and work-in progress | 553 | 1,861 | (3,059) | 2,414 | (3,911) | (4,850) | | |
| (d) Employee benefits expense | 7,248 | 7,380 | 6,714 | 14,628 | 12,994 | 26,383 | | |
| (e) Finance costs | 200 | 217 | 173 | 417 | 322 | 723 | | |
| (f) Depreciation and amortisation expense | 1,551 | 1,628 | 1,416 | 3,179 | 2,812 | 5,755 | | |
| (a) Other expenses | 19,240 | 17,741 | 19,643 | 36,981 | 36,868 | 70,039 | | |
| Total expenses | 67,998 | 68,637 | 66,051 | 136,635 | 125,827 | 259,496 | | |
| 5 Profit before exceptional items and tax (3-4) | 3,579 | 1,326 | 2,842 | 4,905 | 4,781 | 7,477 | | |
| 6 Exceptional items | - | - | 1,935 | - | 1,935 | 1,935 | | |
| 7 Profit before tax (5+6) | 3,579 | 1,326 | 4,777 | 4,905 | 6,716 | 9,412 | | |
| 8 Tax expense | | | | | | | | |
| (a) Current tax | 983 | 506 | 1,510 | 1,489 | 2,143 | 2,919 | | |
| (b) Deferred Tax | 426 | (138) | (170) | 288 | (218) | (615) | | |
| 9 Profit for the year/period (7-8) | 2,170 | 958 | 3,437 | 3,128 | 4,791 | 7,108 | | |
| 10 Other comprehensive income | | | | | | | | |
| A (i) Items that will not be reclassified to profit or loss | (165) | (166) | (222) | (331) | (445) | (552) | | |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 58 | 58 | 77 | 116 | 154 | 193 | | |
| B (i) Items that will be reclassified to profit or loss | 68 | 57 | 178 | 125 | 198 | 110 | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - | | |
| Total other comprehensive income | (39) | (51) | 33 | (90) | (93) | (249) | | |
| 11 Total comprehensive income for the year/period (9+10) | 2,131 | 907 | 3,470 | 3,038 | 4,698 | 6,859 | | |
| Profit for the year/period | | | | | | | | |
| Attributable to: | | | | | | | | |
| Owners of the parent | 2,201 | 1,006 | 3,469 | 3,207 | 4,891 | 7,295 | | |
| Non-controlling interests | (31) | (48) | (32) | (79) | (100) | (187) | | |
| Total comprehensive income for the year/period | 2,162 | 955 | 3,503 | 3,117 | 4,800 | 7,046 | | |
| Attributable to: | | | | | | | | |
| Owners of the parent | (31) | (48) | (33) | (79) | (102) | (187) | | |
| Non-controlling interests | 4,128 | 4,128 | 4,128 | 4,128 | 4,128 | 4,128 | | |
| 12 Paid-up equity share capital (Face Value - Rs. 10/- each) | | | | | | | | |
| 13 Other Equity | 5.43 | 2.48 | 8.56 | 7.91 | 12.07 | 57,711 | 18.00 | |
| 14 Earnings per share (of Rs. 10/-each) - Basic and Diluted * - In Rs. | | | | | | | | |

* Figures for quarters are not annualised



SEGMENT WISE CONSOLIDATED REVENUE, RESULTS, ASSETS AND LIABILITIES

| Particulars | Rs. in lacs | | | | | |
|--|----------------|----------------|------------------|----------------|----------------|----------------|
| | Quarter ended | | Six months ended | | Year ended | |
| | 30.09.2019 | 30.06.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 31.03.2019 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 Segment Revenue | | | | | | |
| (a) Home appliances | 58,975 | 56,758 | 54,511 | 115,733 | 103,733 | 211,079 |
| (b) Engineering | 11,636 | 11,851 | 12,399 | 23,487 | 23,497 | 47,628 |
| (c) Others | 1,944 | 2,375 | 3,461 | 4,319 | 5,975 | 12,420 |
| Total | 72,555 | 70,984 | 70,371 | 143,539 | 133,205 | 271,127 |
| Less: Inter-segment revenue | 1,235 | 1,232 | 1,571 | 2,467 | 2,814 | 5,420 |
| Revenue from operations | 71,320 | 69,752 | 68,800 | 141,072 | 130,391 | 265,707 |
| 2 Segment Results - Profit before interest and tax | | | | | | |
| (a) Home appliances | 3,556 | 1,266 | 2,533 | 4,822 | 4,004 | 5,834 |
| (b) Engineering | 801 | 942 | 3,114 | 1,743 | 4,375 | 6,708 |
| (c) Others | (23) | (66) | (44) | (89) | (153) | (173) |
| Total | 4,334 | 2,142 | 5,603 | 6,476 | 8,226 | 12,369 |
| Less: | | | | | | |
| (i) Finance costs | 200 | 217 | 173 | 417 | 322 | 723 |
| (ii) Eliminations | 8 | (6) | 23 | 2 | 26 | 94 |
| (iii) Other un-allocable expenditure net off un-allocable income | 547 | 605 | 630 | 1,152 | 1,162 | 2,140 |
| Total profit before tax | 3,579 | 1,326 | 4,777 | 4,905 | 6,716 | 9,412 |
| 3 Segment Assets | | | | | | |
| (a) Home appliances | 101,875 | 92,782 | 88,205 | 101,875 | 88,205 | 85,043 |
| (b) Engineering | 28,818 | 27,638 | 29,104 | 28,818 | 29,104 | 29,704 |
| (c) Others | 4,297 | 5,920 | 5,226 | 4,297 | 5,226 | 5,774 |
| (d) Unallocable assets | 3,924 | 6,346 | 9,377 | 3,924 | 9,377 | 6,312 |
| Total Segment Assets | 138,914 | 132,686 | 131,912 | 138,914 | 131,912 | 126,833 |
| 4 Segment Liabilities | | | | | | |
| (a) Home appliances | 57,893 | 51,910 | 55,266 | 57,893 | 55,266 | 47,116 |
| (b) Engineering | 9,563 | 8,534 | 9,333 | 9,563 | 9,333 | 8,567 |
| (c) Others | 3,390 | 4,838 | 4,066 | 3,390 | 4,066 | 5,129 |
| (d) Unallocable liabilities | 2,984 | 4,452 | 3,362 | 2,984 | 3,362 | 3,975 |
| Total Segment Liabilities | 73,830 | 69,734 | 72,027 | 73,830 | 72,027 | 64,787 |



CONSOLIDATED BALANCE SHEET

Rs. in lacs

| Particulars | As at | As at |
|--|----------------|----------------|
| | 30.09.2019 | 31.03.2019 |
| | Unaudited | Audited |
| Assets | | |
| 1. Non-current assets | | |
| (a) Property, plant and equipment | 31,474 | 30,555 |
| (b) Capital work-in-progress | 3,720 | 1,848 |
| (c) Investment property | 11 | 11 |
| (d) Goodwill on consolidation | 2,343 | 2,330 |
| (e) Other intangible assets | 2,373 | 2,866 |
| (f) Intangible assets under development | 830 | 581 |
| (g) Financial assets | - | - |
| (i) Loans | 53 | 56 |
| (ii) Others | 1,498 | 1,137 |
| (h) Income tax assets (net) | 681 | 846 |
| (i) Other non-current assets | 8,319 | 4,598 |
| 2. Current assets | - | - |
| (a) Inventories | 37,865 | 40,391 |
| (b) Financial assets | - | - |
| (i) Investments | 5,387 | 2,726 |
| (ii) Trade receivables | 32,678 | 24,829 |
| (iii) Cash and cash equivalents | 6,470 | 7,164 |
| (iv) Other bank balances | 1,681 | 2,506 |
| (v) Loans | 53 | 53 |
| (vi) Others | 282 | 157 |
| (c) Other current assets | 3,196 | 4,179 |
| Total assets | 138,914 | 126,833 |
| Equity and liabilities | | |
| Equity | | |
| (a) Equity share capital | 4,128 | 4,128 |
| (b) Other equity | 60,828 | 57,711 |
| Non-controlling interest | 128 | 207 |
| Liabilities | | |
| 1. Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 2,214 | 614 |
| (ii) Other financial liabilities | 1,042 | 17 |
| (b) Provisions | 4,209 | 5,449 |
| (c) Deferred tax liabilities (net) | 1,858 | 1,005 |
| (d) Other non-current liabilities | 1,009 | 1,019 |
| 2. Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 7,426 | 1,460 |
| (ii) Trade payables | | |
| (A) total outstanding dues of micro enterprises and small enterprises | 3,517 | 3,833 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 40,847 | 41,908 |
| (iii) Other financial liabilities | 1,895 | 2,119 |
| (b) Other current liabilities | 9,425 | 6,931 |
| (c) Provisions | 388 | 418 |
| (d) Income tax liabilities (net) | - | 14 |
| Total equity and liabilities | 138,914 | 126,833 |



Notes:

- 1 The consolidated financial results of IFB Industries Limited and its subsidiaries (together, "the Group") were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 2 November 2019. This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 The Group is primarily engaged in the business of fine blanked components, home appliances and cold rolled steel sheets (others). Accordingly, the Group considers the above business segment as the primary segment. These segments have been reported in the manner consistent with the internal reporting to the Board of Directors, who are the chief operating decision makers.

3 Cash Flow Statement of the Group

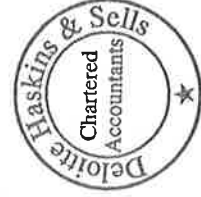
| | Rs. in lacs | |
|--|--------------------------------|-------------------------|
| | Six months ended 30.09.2019 | 30.09.2018 Unaudited |
| Profit before tax | 4,905 | 6,716 |
| Operating profit before working capital changes | 8,418 | 7,265 |
| A. Net cash from / (used in) operating activities | 2,485 | (6,120) |
| B. Net cash from / (used in) investing activities | (9,922) | 2,345 |
| C. Net cash from financing activities | 6,730 | 5,612 |
| Net change in cash and cash equivalents (A+B+C) | (707) | 1,837 |
| Cash and cash equivalents at the beginning of the year | 7,164 | 6,570 |
| Foreign currency translation adjustment on cash and cash equivalent | 13 | (12) |
| Cash and cash equivalents at the end of the period | 6,470 | 8,395 |

- 4 Effective from 1 April, 2019, the Group has adopted Ind AS 116, 'Leases'. On transition, the Group has recorded the lease liability at the present value of future lease payments discounted using the incremental borrowing rate and has also chosen to measure the right-of-use at the same value as the lease liability. The adoption of the new standard resulted in recognition of 'Right-of-use' asset and an equivalent lease liability as on 1 April, 2019. The impact of Ind AS 116 on the financial results for the six months ended 30 September, 2019 is as under:

| | Rs. in lacs | |
|---|--------------------------------|------------|
| | Six months ended 30.09.2019 | 30.09.2018 |
| Decrease in 'Other expenses' | | 153 |
| Increase in 'Depreciation and amortisation expense' | | 133 |
| Increase in 'Finance costs' | | 53 |
| Total decrease in 'Profit before Tax' | | 33 |

- 5 The Board of Directors of IFB Industries Limited (the Company), in their meeting held on 30 August 2019 accorded their consent to acquire on a going concern, the Stamping business on a slump sale basis and certain assets of Motor business from IFB Automotive Private Limited (a related party), for a consideration of **Rs. 3,500 lacs** and **Rs. 1,000 lacs** respectively. The transactions is at arm's length basis. The acquisition is in the same line of business of the Company and will help in consolidation and growth of Company's existing business.

- 6 Figures for the corresponding previous periods are re-arranged, wherever necessary, to conform to the figures of the current period.



On behalf of the Board of Directors

(Signature)
Bikram Nag

Joint Executive Chairman and Managing Director

Place: Kolkata

Date : 2 November 2019