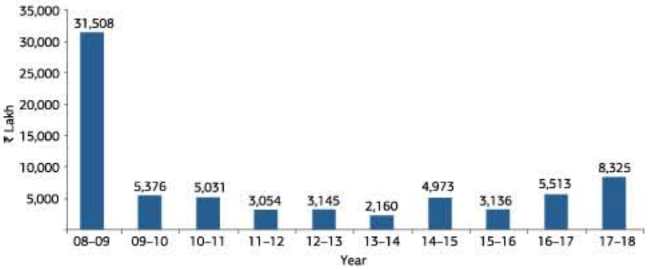
IFB

Annual Report
2017–2018

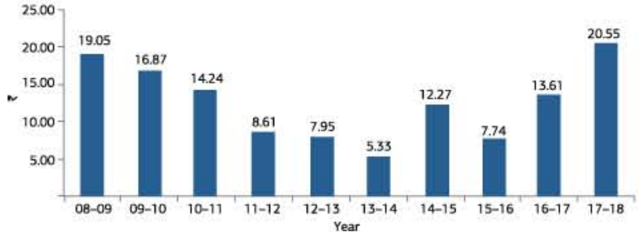
IFB Industries Limited

10 YEAR HIGHLIGHTS

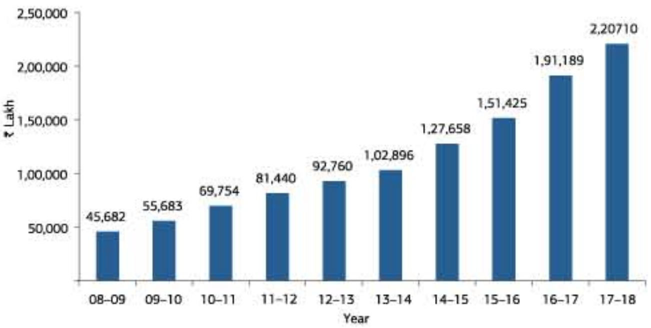
Profit After Tax (₹ in Lakh)



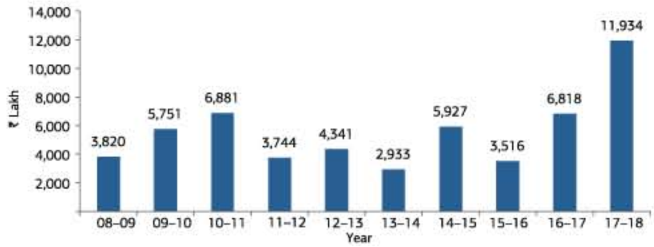
Basic EPS Before Exceptional Items (₹)



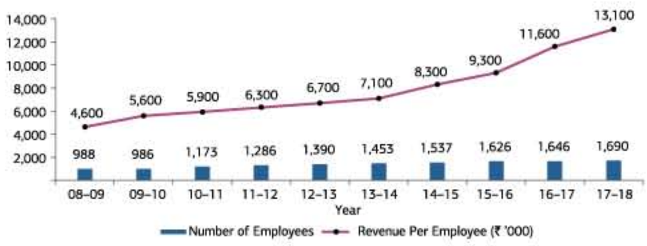
Total Revenue (₹ in Lakh)



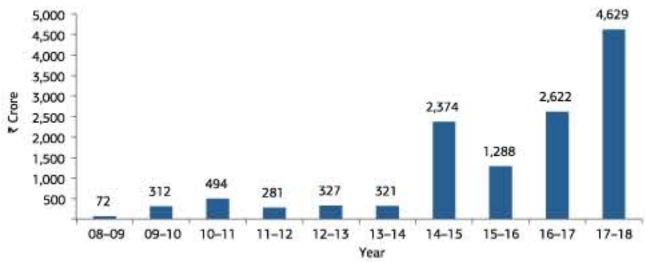
Profit Before Tax, and Exceptional Items (₹ in Lakh)



Employees and Productivity



Market Capitalisation (₹ in crore)



2016–17 and 2017–18 are as per Ind AS; earlier years are as per previous GAAP.

BOARD OF DIRECTORS

Executive Chairman
Mr. Bijon Nag

Joint Executive Chairman & Managing Director
Mr. Bikram Nag

Deputy Managing Director
Mr. Sudam Maitra

Director and CFO
Mr. Prabir Chatterjee

Independent Directors
Dr. Rathindra Nath Mitra
Mr. R. Muralidhar
Ms. Sangeeta Shankaran Sumesh
Mr. Rahul Choudhuri
Mr. Ashok Bhandari

Non-Executive Director
Mr. Sudip Banerjee

AUDIT COMMITTEE

Chairman
Dr. Rathindra Nath Mitra

Members
Ms. Sangeeta Shankaran Sumesh
Mr. Prabir Chatterjee
Mr. Ashok Bhandari

COMPANY SECRETARY

Mr. G. Ray Chowdhury

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

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, India
Tel : (091) (33) 3048 9299
Fax : (091) (33) 3048 9230
CIN : L51109WB1974PLC029637
E-mail : investors@ifbglobal.com
Website : www.ifbindustries.com

CORPORATE OFFICE

Plot No. IND-5, Sector – I
East Kolkata Township
Kolkata - 700 107
Tel : (091) (33) 3984 9524
Fax : (091) (33) 2442 1003
E-mail : investors@ifbglobal.com

CONTENTS

IFB

IFB INDUSTRIES LTD.

CIN : L51109WB1974PLC029637
Registered Office : 14 Taratala Road, Kolkata -700 088
Tel : 91 33 30489299, Fax : 91 33 30489230, E-mail : investors@ifbglobal.com
Website : www.ifbindustries.com

NOTICE TO MEMBERS

Notice is hereby given that the forty second Annual General Meeting of the members of **IFB Industries Limited** will be held on Friday the 27 day of July, 2018 at 9.30 A.M. at Club Ecovista, Ecospace Business Park, Premises no 2F/11, Action Area II, Rajarhat, New Town, Kolkata- 700 156 , to transact the following business :

ORDINARY BUSINESS :

1) To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the year ended March 31,2018, including the audited Balance Sheet as at March 31, 2018, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2) To receive, consider and adopt Audited Consolidated Financial Statement for the year ended March 31, 2018 and the Report of the Auditors thereon.

3) To appoint a director in place of Mr. Sudip Banerjee (DIN: 05245757), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS :

4) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution.

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the reappointment of Mr. Bijon Nag (DIN: 00756995), designated as Executive Chairman of the Company for a period of 2 (two) years, with effect from 01.06.2018 , on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting .

FURTHER RESOLVED THAT the Board (the term “ Board” includes Board of Directors of Company and the Nomination and Remuneration Committee) be and is hereby authorized to vary and / or modify the terms and conditions including remuneration, benefits and perquisites payable / made available to the appointee in such manner as may be agreed upon between the board and the appointee.

FURTHER RESOLVED THAT the board be and is hereby authorized to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any committee of directors or to any director or to any employee of the Company to give effect to the aforesaid resolutions.

FURTHER RESOLVED THAT in the event of loss or inadequate profits of the Company in any financial year during the term of the office of the appointee, the remuneration shall be subject to Schedule V of the Companies Act, 2013, as mentioned in the Explanatory Statement."

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

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, or any amendment or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ashok Bhandari (DIN: 0012210) be and is hereby appointed as an Independent Director of the Company for a term of three years with effect from 30.01.2018 not liable to retire by rotation.”

6) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel)

Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the Company be and is hereby accorded to the reappointment of Mr. Prabir Chatterjee (DIN: 02662511), designated as Director and Chief Financial Officer of the Company for a period of 2 (two) years with effect from 01.04.2018 , on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting .

FURTHER RESOLVED THAT the Board (the term " Board" includes Board of Directors of Company and the Nomination and Remuneration Committee) be and is hereby authorized to vary and / or modify the terms and conditions including remuneration, benefits and perquisites payable / made available to the appointee in such manner as may be agreed upon between the board and the appointee.

FURTHER RESOLVED THAT the board be and is hereby authorized to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any committee of directors or to any director or to any employee of the Company to give effect to the aforesaid resolutions.

FURTHER RESOLVED THAT in the event of loss or inadequate profits of the Company in any financial year during the term of the office of the appointee, the remuneration shall be subject to Schedule V of the Companies Act, 2013, as mentioned in the Explanatory Statement."

7) **To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the Company be and is hereby accorded to the reappointment of Mr. Sudam Maitra (DIN: 00035398), designated as Deputy Managing Director of the Company for a period of 2 (two) years with effect from 31.07.2018, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting .

FURTHER RESOLVED THAT the Board (the term " Board" includes Board of Directors of Company and the Nomination and Remuneration Committee) be and is hereby authorized to vary and / or modify the terms and conditions including remuneration, benefits and perquisites payable / made available to the appointee in such manner as may be agreed upon between the board and the appointee.

FURTHER RESOLVED THAT the board be and is hereby authorised to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any committee of directors or to any director or to any employee of the Company to give effect to the aforesaid resolutions.

FURTHER RESOLVED THAT in the event of loss or inadequate profit of the Company in any financial year during the term of the office of the appointee, the remuneration shall be subject to Schedule V of the Companies Act, 2013, as mentioned in the Explanatory Statement."

8) **To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (" The Act") read with Rule 14 of Companies (Audit and Auditors) Rules, 2014,the remuneration payable during the year 2018-19 to M/s. MANI & CO, Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2018-19, amounting to Rs.6,00,000/- (Rupees Six lacs Only) plus tax as applicable and reimbursement of conveyance on actual basis as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

Registered Office :
14, Taratolla Road
Kolkata - 700 088
CIN : L51109WB1974PLC029637
E-mail :investors@ifbglobal.com
Website :www.ifbindustries.com

Date : May 29, 2018

By Order of the Board

G Ray Chowdhury
Company Secretary

NOTES :

i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE " MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

ii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

iii) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

iv) Members/Proxies/ Authorised Representative are requested to bring their attendance slip along with their copy of Annual Report to the meeting.

v) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

vi) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Corporate Office of the Company at Plot No. IND-5, Sector-1, East Kolkata Township, Kolkata - 700107 on all working days, except Saturdays, during business hours up to the date of the meeting.

vii) **The company has notified closure of Register of Members and share transfer books from July 21, 2018 to July 27, 2018 (both days inclusive) for the purpose of AGM.**

viii) Instruction for remote e-voting, along with the Attendance Slip and Proxy Form, is annexed to this Notice of 42nd Annual General Meeting for the convenience of shareholders.

ix) Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the company/ CB Management Services (P) Ltd.

x) 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN to the Company/ CB Management Services (P) Ltd.

xi) The requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7 May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on July 30, 2014 for a period of five years.

xii) SEBI has issued a circular dated 8th June, 2018 that securities of listed companies can be transferred only in dematerialized form from a cut-off date. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

xiii) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form can be obtained from the company/ CB Management Services (P) Ltd.

xiv) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send share certificates to CB Management Services (P) Ltd., for consolidation into a single folio.

xv) Non resident Indian Members are requested to inform CB Management Services (P) Ltd. immediately of :

a) Change in their residential status on return to India for permanent settlement.

b) Notify immediately any change in their address.

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).

xvi) In compliance with section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, substituted by Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited. The facility for voting through ballot paper will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instructions for e-voting are annexed to the Notice.

xvii) The Annual Report 2017-18 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 are being sent by permitted mode.

xviii) The notice of the 42nd AGM and instructions for e-voting along with the Attendance slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

xix) Members may also note that the Notice of the 42nd AGM and the IFB Industries Ltd Annual Report 2017-18 will be available on the Company's website, www.ifbindustries.com. The physical copies of the documents will also be available at the Company's corporate office for inspection during normal business hours on working days except Saturdays. Members who require communication in physical form in addition to e-communication or have any other queries, may write to us at: investors@ifbglobal.com.

xx) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, CB Management Services Private Limited in case the shares are held by them in physical form.

xxi) Additional information, pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, in respect of the directors seeking appointment/ reappointment at the AGM is furnished as annexure to the Notice. The directors have furnished consent/ declaration for their appointment/ reappointment as required under the Companies Act, 2013 and the Rules thereunder.

xxii) The Register of Directors and Key Management Personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

xxiii) The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

xxiv) Members are requested to address all correspondence to the Registrar and Share Transfer Agents, C.B. Management Services Private Limited at P22 Bondel Road, Kolkata- 700019.

xxv) With a view to using natural resources responsibly, we request shareholders to update their email address, with the Depository Participants to enable the Company to send communications electronically.

xxvi) Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

xxvii) A Route Map of the Annual General Meeting venue is given in the last page of this Annual Report.

Statement Pursuant to Section 102(1) of the Companies Act, 2013

As required under section 102 of the Companies Act, 2013 the following explanatory statement sets out all material facts relating to business under Items no. 4 to 8 of the accompanying Notice :

Resolution no. 4

Section 196(3) of Companies Act, 2013, inter alia, provides that no Company shall continue the employment of a person who has attained the age of seventy years, as Managing Director, Whole -time Director or manager unless it is approved by the members by passing a Special Resolution, Part I of Schedule V to the Act contains such relaxation.

Mr. Bijon Nag (76) is the Promoter and Executive Chairman of the Company. He is a Mechanical Engineer and a prominent industrialist having more than three decades of vast experience in machine tool and engineering industries. Mr. Bijon Nag is also Chairman of IFB Agro Industries Limited and Director of IFB Automotive Pvt. Ltd. and Maruti Insurance Broking Pvt. Ltd.

The details of his other Directorship and memberships in other companies/committees are provided in the "Annexure" to the Notice.

He holds 157869 shares in the Company.

At the recommendation of Nomination & Remuneration Committee, the board of Directors at their meeting held on 29th May, 2018, subject to the approval of the Company, reappointed Mr. Bijon Nag as Executive Chairman of the company for a period of two years with effect from 01.06.2018.

Remuneration :

a) **Salary :** Rs. 5,50,000/- (Rupees Five lacs Fifty Thousand only) per month

b) **HRA** : Rs. 3,30,000/- (Rupees Three lakh Thirty Thousand only) per month

c) **SPA :** Rs. 65,000/- (Rupees Sixty Five Thousand only) per month

d) **Additional SPA :** Rs. 70,000/- (Rupees Seventy Thousand only) per month

e) **Medical Reimbursement** : As per the rules of the Company

f) **Leave Travel Allowance**: For self and family once in a year incurred in accordance with the Rules of the Company.

g) **Club Fees :** Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

h) **Personal Accident Insurance** : As per the rules of the Company.

i) **Gas & Electricity etc.** : As per the rules of the Company.

j) **Car :** Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company to the Chairman.

k) **Telephone** : Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

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

Other Benefits :

i) **Gratuity** : As per the rules of the Company.

ii) **Contribution to the Provident Fund, Superannuation Fund or Annuity Fund** : As per the rules of the Company.

iii) **Encashment of leave** : As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

The appointee shall not be entitled to any sitting fees for Board / Committee meetings.

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

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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

The above may be treated as an abstract of the terms of contract between the Company and Mr. Bijon Nag.

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

No director, Key managerial personnel or their relatives, except Mr. Bijon Nag and Mr. Bikram Nag are concerned or interested in the proposed resolution.

The board recommends the Special Resolution set forth in item no 4 for the approval of the Company.

Resolution no. 5

The Board at its meeting held on 30th January, 2018, on the recommendation of the Nomination and Remuneration Committee has recommended for approval of members, the appointment of Mr. Ashok Bhandari as Independent director of the Company for a term of three years with effect from 30th January, 2018 in terms of Section 149 and other applicable provisions read with Schedule IV of the Companies Act, 2013, or any amendments thereto or modification thereof (" the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notice under Section 160 of the Act proposing the appointment of Mr. Ashok Bhandari has been received. Requisite consent pursuant to Section 152 of the Act, has been filed by Mr. Bhandari.

Mr. Ashok Bhandari (65) a Chartered Accountant, was the Chief Financial Officer and President at Shree Cements Ltd for over 25 years. He left Shree Cements in December 2016 and is currently an independent consultant. Mr. Bhandari has over 40 years of experience as a key senior executive negotiating with banks, governments, JV partners and technology & equipment suppliers.

The details of his other Directorship and memberships in other companies/committees are provided in the "Annexure" to the Notice.

In the view of your Board, the association of Mr. Bhandari and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr. Bhandari that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (LODR) Regulations, 2015. In the opinion of your Board Mr. Bhandari fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director and he is Independent of the Management of the Company.

Mr. Bhandari does not hold any share in the Company in his individual capacity or on a beneficial basis for any other person.

No director, Key managerial personnel or their relatives, except Mr. Ashok Bhandari to whom resolution relates are concerned or interested in the proposed resolution.

The board recommends the Resolution set forth in item no 5 for the approval of the Company.

Resolution no. 6

Mr. Prabir Chatterjee (DIN : 02662511) is a B. Sc and a qualified Cost Accountant and has rich experience of above forty years in accounts, finance, costing, budgeting, management accounting etc.

Mr. Prabir Chatterjee (63) started his career with Dunlop India Ltd. Mr. Chatterjee is holding 18670 equity shares in the Company.

The details of his other Directorship and memberships in other companies/committees are provided in the "Annexure" to the Notice.

At the recommendation of Nomination & Remuneration Committee, the board of Directors at their meeting held on 29th May, 2018, subject to the approval of the Company, reappointed Mr. Prabir Chatterjee as Executive Director and Chief Financial Officer of the Company for a period of two years with effect from 01.04.2018.

Remuneration :

a) **Salary :** Rs. 4,25,000/- (Rupees Four Lakh Twenty Five Thousand only) per month

b) **SPA** : Rs. 1,14,188/- (Rupees One Lakh Fourteen Thousand One Hundred Eighty Eight only) per month.

c) **Additional SPA :** Rs. 51,250/- (Rupees Fifty One Thousand Two Hundred Fifty only) per month

d) **CEA** : Rs. 200/- (Rupees Two Hundred only) per month.

e) **Medical Reimbursement** : As per the rules of the Company.

f) **Leave Travel Allowance** : For self and family once in a year incurred in accordance with the Rules of the Company.

g) **Personal Accident Insurance** : As per the rules of the Company.

h) **Car :** Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company.

i) **Telephone** : Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

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

Other Benefits :

i) **Gratuity** : As per the rules of the Company.

ii) **Contribution to the Provident Fund, Superannuation Fund or Annuity Fund** : As per the rules of the Company.

iii) **Encashment of leave** : As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

The appointee shall not be entitled to any sitting fees for Board / Committee meetings.

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

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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

The above may be treated as an abstract of the terms of contract between the Company and Mr. Prabir Chatterjee.

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

No director, Key managerial personnel or their relatives, except Mr. Prabir Chatterjee to whom resolution relates are concerned or interested in the proposed resolution.

The board recommends the Resolution set forth in item no 6 for the approval of the Company.

Resolution no. 7

Mr. Sudam Maitra (DIN : 0035398) is a graduate in Mechanical Engineering from IIT, Delhi and has rich industrial experience of almost 41 years.

Mr. Maitra (63) started his career with GKW Ltd. and subsequently worked in companies like Bata India Ltd., TELCO (now TATA Motors) and Maruti Suzuki India Ltd. For 32 years he was associated with Maruti Suzuki India Ltd. and worked in all areas operations like manufacturing, quality, engineering, service, purchasing including supply chain. He was Chief Operating Officer (Supply Chain) till July, 2014, when he left Maruti Suzuki India Ltd.

Mr. Maitra is not holding any share in the Company.

The details of his other Directorship and memberships in other companies/committees are provided in the "Annexure" to the Notice.

At the recommendation of Nomination & Remuneration Committee, the board of Directors at their meeting held on 29th May, 2018, subject to the approval of the Company, reappointed Mr. Sudam Maitra as Deputy Managing Director of the Company for a period of two years with effect from 31.07.2018 .

Remuneration :

a) **Salary :** Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand only) per month

b) **HRA** : Rs. 2,25,000/- (Rupees Two Lakh Twenty Five Thousand only) per month

c) **SPA** : Rs. 2,23,755/- (Rupees Two Lakh Tweeny Three Thousand Seven Hundred Fifty Five only) per month

e) **Additional SPA** : Rs. 55,000/- (Rupees Fifty Five Thousand only) per month

e) **Medical Reimbursement** : As per the rules of the Company.

f) **Leave Travel Allowance**: For self and family once in a year incurred in accordance with the Rules of the Company.

g) **Personal Accident Insurance** : As per the rules of the Company.

h) **Car :** Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company.

i) **Telephone** : Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

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

Other Benefits :

i) **Gratuity** : As per the rules of the Company.

ii) **Contribution to the Provident Fund, Superannuation Fund or Annuity Fund** : As per the rules of the Company.

iii) **Encashment of leave** : As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

The appointee shall not be entitled to any sitting fees for Board / Committee meetings.

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

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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

The above may be treated as an abstract of the terms of contract between the Company and Mr. Sudam Maitra.

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

No director, Key managerial personnel or their relatives, except Mr. Sudam Maitra to whom resolution relates are concerned or interested in the proposed resolution.

The board recommends the Resolution set forth in item no 7 for the approval of the Company.

Resolution no. 8

The board on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year 2018-19 at a fee of Rs 6,00,000.

In accordance with the provisions of Section 148 of the Companies Act read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to Cost Auditors require ratification by the shareholders of the company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2019.

None of the directors/ Key Managerial Personnel of the company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at item no 8 of the notice.

The board recommends the resolution set forth in item no 8 for the approval of the Company.

By Order of the Board

G Ray Chowdhury
Company Secretary

Registered Office :
14, Taratolla Road
Kolkata - 700 088
CIN : L51109WB1974PLC029637
E-mail :investors@ifbglobal.com
Website :www.ifbindustries.com

Date : May 29, 2018

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Name of Director	**Mr. Sudip Banerjee**	**Mr. Bijon Nag**	**Mr. Ashok Bhandari**	**Mr. Prabir Chatterjee**	**Mr. Sudam Maitra**
Date of birth	01.02.1960	16.08.1942	02.02.1953	18.06.1955	01.06.1955
Nationality	Indian	Indian	Indian	Indian	Indian
Date of first appointment on the board	04.04.2012	01.04.1975	30.01.2018	01.04.2013	03.09.2014
Qualification	Graduate in Economics(H), Diploma in Management (AIMA)	Mechanical Engineer	Chartered Accountant.	B.Sc and Cost Accountant.	Graduate in Mechanical Engineering from IIT(Delhi)
Experience in functional area	Business Executive	A prominent Industrialist having more than three decades of vast experience in machine tool and engineering industries.	More than 40 years of experience as a key senior executive .	More than 40 years experience in accounts, finance, costing, budgeting, management accounting etc.	Business Executive
Relationship with other Directors	Not related to any Director	He is related to Mr. Bikram Nag and not related to any other Director	Not related to any Director	Not related to any Director	Not related to any Director
Shareholding in the Company	Nil	157869	Nil	18670	Nil
List of directorship held in other listed companies	Larsen & Toubro Infotech Ltd. Kesoram Industries Ltd. L & T Technology Services Ltd.	IFB Agro Industries Limited.	Intrasoft Technologies ltd. Maithan Alloys ltd. Skipper ltd. NPR Finance ltd. N.B.I. Industrial Finance company ltd.	Nil	Nil
Committee membership in other listed companies	Kesoram Industries Ltd. – Member of Audit Committee L & T Technology Services Ltd. – Member of Stakeholders Relationship Committee and CSR Committee	Nil	N.B.I. Industrial Finance company ltd. – Member of Nomination & Remuneration Committee and Stakeholders Relationship Committee	Nil	Nil

ANNEXURE TO THE NOTICE

VOTING THROUGH ELECTRONIC MEANS

i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through Remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue for the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

ii. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iii. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

iv. **The remote e-voting period commences on July 24, 2018 (9:00 am) and ends on July 26, 2018 (5:00 pm).** During this period, members of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date of July 20, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

v. The process and manner for remote e-voting are as under :

Step 1 : Log-in to NSDL e-voting system at https://www.evoting.nsdl.com

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details of Step 1 are mentioned below :

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******).
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID (For example if your Beneficiary ID is 12************** then your user ID is 12**************).
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

5. Your password details are given below :
   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   "**Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below :

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.

vii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

viii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of July 20, 2018.

ix. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice convening the AGM and holding shares upto the cut-off date i.e. July 20, 2018**,** may obtain his login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com .

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. **1800-222-990**.

x. Mr. Jitendra Patnaik, Practicing Company Secretary (Membership No. FCS 5045) proprietor of M/s. J. Patnaik & Associates, Company Secretaries has been appointed by the Board of Directors as the Scrutinizer for providing facility to the members of the Company, to scrutinize the voting and remote e-voting process in a fair and transparent manner.

xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail **(jpatnaikassociates@ gmail.com)** to with a copy marked to evoting@nsdl.co.in.

xii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

xiii. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the Companies in which you are the shareholder.

xiv. In case of joint holders, only one of the joint holders may cast his/her vote.

xv. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.

xvi. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "ballot paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

xvii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.

xviii. The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.ifbindustries.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately communicated to Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Association Limited.

DIRECTORS' REPORT to the Members

To the Members,

The Directors have pleasure in presenting before you the forty second Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31 March 2018.

FINANCIAL RESULTS

The performance during the period ended 31 March 2018 has been as under :

Rs. in lacs

Particulars	Standalone		Consolidated	
	2017-18	2016-17	**2017-18**	2016-17
Total revenue	**220,710**	191,189	**227,753**	193,254
Profit before depreciation/amortisation, finance costs and tax	**17,502**	11,612	**17,439**	11,407
Less : Finance costs	**430**	435	**544**	519
Less : Depreciation and amortisation	**5,138**	4,359	**5,381**	4,423
Profit before Tax	**11,934**	6,818	**11,514**	6,465
Less Current tax	**3,655**	1,489	**3,655**	1,489
Less Deferred tax (net)	**(46)**	(184)	**(69)**	(179)
Profit after tax	**8,325**	5,513	**7,928**	5,155
Other comprehensive income				
Items that will not to be classified to profit or loss —				
- Re measurements of defined benefit plan	**(679)**	(439)	**(687)**	(439)
- Income tax relating to items that will not be reclassified to profit or loss	**235**	152	**235**	152
Items that will reclassified to profit or loss —				
- Exchange differences in translating the financial statements of foreign operations	**–**	–	**182**	–
- Income tax relating to items that will be reclassified to profit or loss	**–**	–	**–**	–
Other comprehensive income	**(444)**	(287)	**(270)**	(287)
Total comprehensive income for the year	**7,881**	5,226	**7,658**	4,868
- Owners of the parents	**NA**	NA	**7,831**	5,040
- Non-controlling interests	**NA**	NA	**(173)**	(172)

Consolidated figure includes standalone figure and figure of Trishan Metals Private Ltd subsidiary company acquired during 2016-17, Global Appliances & Automotive Ltd. (GAAL), a wholly owned subsidiary company acquired during 2017-18 and step down subsidiary Thai Automotive and Appliances Ltd. (TAAL).

OPERATIONS - Standalone

Your company completed the year with better performance with decent top & bottom line growth. All business segments posted sound growth in revenues, profits and enhanced their market standing. Gross sale of products for the year grew by 16.5% to Rs 2,62,307 lacs. Net revenue from operations grew by 15.2% at Rs 2,18,865. Appliance business grew by 15.5% and Engineering business grew by 14.3%. Earning per share for the year stands at Rs 20.55. PBDIT on standalone basis achieved Rs 17,502 lacs as against Rs 11,612 lacs in previous year (2016-17) and achieved a growth rate of 50.7 %.

OPERATIONS - Consolidated

Net Revenue from operations on consolidated basis has achieved a figure of Rs 2,25,872 lacs. PBDIT on consolidated basis amounted to Rs 17,439 lacs. Since GAAL and its subsidiary were acquired only on July 13, 2017, figures for 2016-17 are not comparable.

DIVIDEND

Your Directors have decided not to recommend any dividend for the financial year under review to conserve resources for working capital, capital expenditure projects, acquisition etc.

TRANSFER TO RESERVE

The company does not propose to transfer any amount to Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Listing Obligations and Disclosure Requirements Regulations (LODR Regulations), 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has always taken adequate steps to adhere to all the stipulations laid down in LODR Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s. Deloitte Haskins & Sells, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Listing Obligations & Disclosure Requirements, Regulations, 2015 (LODR) is included as a part of this report.

LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fee for the year 2018-19 to NSE, BSE & CSE where the Company's Shares are listed. The company applied for delisting from CSE which is pending.

DEMATERIALISATION OF SHARES

97.81% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance **2.19%** is in physical form. The Company's Registrar is M/s C.B. Management Services Pvt. Ltd., having their registered office at P-22, Bondel Road, Kolkata- 700 019.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met six times during the financial year from 01 April 2017 to 31 March 2018. The dates on which the meetings were held are as follows :

26 May 2017, 27 July 2017, 30 October 2017, 21 December 2017, 30 January 2018 and 28 March 2018

DIRECTORS

Confirmation of Appointment :

The two years term as Executive Chairman of Mr. Bijon Nag is expiring on 31 May 2018. It is proposed to reappoint him for a further period of two years from 1 June 2018.

The two years term as Deputy Managing Director of Mr. Sudam Maitra is expiring on 30 July 2018. It is proposed to reappoint him for a further period of two years from 31 July 2018.

The two years term as Director & CFO of Mr. Prabir Chatterjee has expired on 31 March 2018. It is proposed to reappoint him for a further period of two years from 1 April 2018.

Mr. Sudip Banerjee retires by rotation and being eligible offers himself for reappointment.

Mr. Ashok Bhandari was appointed as Independent Director w.e.f 30th January 2018 for a period of three years.

During the year Board of Directors of your Company appointed Mr. Raj Shankar Ray as CEO, Home Appliance Division and Mr. Partha Sen as CEO, Engineering Division pursuant to Section 203 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that :

a) in the preparation of the annual accounts for the year ended 31 March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) 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 profit of the company for the same 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls in the company that are adequate and were operating effectively.

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013. The declaration was placed and noted by the Board in its meeting held on 29th May, 2018.

REMUNERATION POLICY

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and rules there to and Regulation 19 of SEBI (LODR) Regulation 2015 stating therein the Company's policy on Directors/ Key Managerial Personnel/ other employees appointment and remuneration by the Nomination and Remuneration Committee and approved by the Board of Directors. The said policy may be referred to company's website at**www.ifbindustries.com/Legal/Policies**. As part of the policy, the Company strives to ensure that :

the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / KMPs of the quality required to run the company successfully;

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

This part is covered under Corporate Governance Report.

AUDITORS' REPORT

The Auditors' Report do not contain any qualification, reservation or adverse remarks. The notes on Financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further explanation.

STATUTORY AUDITORS

At the Annual General Meeting held on 30 July 2014 Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 43rd Annual General Meeting. In terms of Companies Amendment Act, 2017 (came into force from May 7, 2018), the first proviso to section 139 of the Companies Act, 2013 i.e ratification at every Annual General Meeting the appointment of the Auditors has been omitted. Accordingly, M/s Deloitte Haskins & Sells, Chartered Accountants, will continue as Statutory Auditors of the Company till the conclusion of the 43rd Annual General Meeting. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

SECRETARIAL AUDIT

The provision of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company to be done from the financial year commencing on or after 1 April 2014 by a Company Secretary in practice. The board in its meeting held on 28 March 2018 appointed Mr. Jitendra Patanaik, Practising Company Secretary (Certificate of Practice no 3102) as the Secretarial Auditor for the financial year ended 31st March 2018.

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report as **Annexure-A**. The enclosed Secretarial Audit Report confirms compliance of applicable Secretarial Standard.

BUSINESS RESPONSIBILITY REPORT

In conformance to the requirements of the clause (f) of sub-regulation (2) of regulation 34 of Securities and Exchange Board of India (SEBI) Listing Regulations, the Business Responsibility Report for Financial Year 2017-18 is enclosed as a part of this report as **Annexure F** which forms part of this Report.

DIVIDEND DISTRIBUTION POLICY

The Board of Directors of IFB Industries Limited at its meeting held on May 29, 2018 has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") is available at our website **www.ifbindustries.com.**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed as a part of this report as **Annexure-B** to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company constituted a CSR Committee. The Committee comprises Independent Director, non-executive director and executive director. CSR Committee of the Board has developed a CSR Policy which is enclosed as part of this report as **Annexure-C**. Additionally, the CSR Policy has been uploaded on the website of the Company at http:// ifbindustries.com/ csrpolicy.php. Your company has judiciously identified the activities and accordingly projects mainly relating to (a) Promoting education and (b) skill development programme were undertaken in line with the CSR policy . The necessary budget outlay were assigned to aforesaid projects. However, due to multi year project and certain delay at implementation level at different schools ,the company could not spend the allotted budget outlays. The company made an expenditure of Rs 62.04 lacs only against the budgeted amount of Rs 100.43 lacs.

VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at **www.ifbindustries.com under legal/ investors relation/policy documents/Vigil Mechanism Policy link.**

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company or materiality of related party transaction. The policy on materiality of related party transaction and dealing with related party transaction as approved by the board may accessed on company's website at the link **www.ifbindustries.com under legal/investors relation /policy documents/ related party policy link**. Your directors draw attention of members to note 38 to the Financial Statements which set out related party disclosures.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure D**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is separately enclosed as **Annexure E**.

The number of permanent employees on the role of the company as on 31 March 2018 is 1690.

DEPOSITS

Your company has not accepted any deposit from the public / members u/s 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules during the year.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Risk management is the process of minimizing or mitigating the risk. It starts with the identification and evaluation of risk followed by optimal use of resources to monitor and minimize the same. The company is exposed to several risks. They can be categorized as operational risk and strategic risk. The company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate those risks.

Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique/ relatively high risk profiles.

A strong and independent Internal Audit function at the Corporate level carries out risk focused audits across all business, enabling identification of areas where risk management processes may need to be strengthened. The Audit committee of the board reviews internal audit findings and provides strategic guidance on internal controls.

FAMILARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

To familiarize the Independent Directors with the strategy, operations and functions of our company, the executive directors/ senior managerial employees make presentation to the Independent Directors about the company's strategy, operations, product and service offerings, markets, finance, quality etc. Independent Directors are also visiting factories and branch offices to familarise themselves with the operations of the company and to offer their specialized knowledge for improvement of the performance of the company.

Further, at the time of appointment of an Independent director, the company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a director. The format of the letter of appointment is available at our website **www.ifbindustries.com** under legal/investors relation/ appointment of independent directors.

SUBSIDIARY COMPANIES

IFB Industries Limited, has subsidiary Trishan Metals Pvt. Ltd (TMPL), wholly owned subsidiary Global Automotive & Appliances Pte Ltd. (GAAL) and step down subsidiary Thai Automotive and Appliances Ltd. (TAAL).

Trishan Metals Private Ltd :

IFB Industries Ltd. holds 51.12% equity shares of TMPL, which was acquired during 2016-17. TMPL's performance has still not reached its potential, mainly due to a delay in line balancing at the plant, leading to inadequate capacity utilization. It is expected that things will stabilize during 1st half of 2018-19.

Rs in lacs

	2017-18	2016-17
Sales	**7772**	3790
PBDIT	**(112)**	(350)
PBT	**(346)**	(529)
PAT	**(368)**	(818)

As you can see that sales has increased, however much below the budget. The loss was due to lower capacity utilization. It is expected that in current financial Trishan Metals will be in profit.

Global Automotive & Appliances Pte Ltd. (GAAL) and step down subsidiary Thai Automotive and Appliances Ltd. (TAAL).

IFB Industries Ltd. acquired 100 % equity shares of GAAL during July 2017. GAAL holds 100% equity holding in TAAL. GAAL acts as a special purpose vehicle for further investment in TAAL. TAAL is engaged in the business of Fine Blanking and Conventional Blanking and its acquisition will help IFB to consolidate its position in similar type of business in Thailand. We expect sound growth of TAAL during 2018-19.

We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the company and its subsidiary Trishan Metals Pvt. Ltd and Global Automotive & Appliances Pte Ltd. Further, the report on the performance and financial position of the subsidiary companies in the prescribed form AOC-1 is enclosed as a part of this report as **Annexure-G**.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated financial statements and related information of the company and financial statement of the subsidiary companies will be available on our website **www.ifbindustries.com**. These documents will also be available for inspection during business hours at the corporate office of company.

ACKNOWLEDGEMENT

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Customers and Shareholders for their continued support.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Date : 29 May 2018

Prabir Chatterjee
Director & CFO

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns :

Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would primarily be driven by a favourable population composition and increasing disposable income. India's robust economic growth and rising household income are expected to increase consumer spending to US $ 4 trillion by 2025.

Government Initiatives – A new consumer Protection bill has been approved by the Union Cabinet, Government of India that will make the existing laws more effective with a broader scope. The Union Cabinet has approved incentives upto Rs 10,000 crore(US$ 1.47 billion) for investors by amending the M-SIPS scheme, in order to further incentivize investments in electronics sector, create employment opportunities and reduce dependence on imports by 2020. The Ministry of Electronics and Information Technology has revised National Policy on Electronics 2012 (NPE) to focus on increasing competitiveness, innovation, R&D, Promoting/ incentivizing exports in ESDM. The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) under the automatic route in Electronic Systems Design & Manufacturing sector. FDI into single brand retail has been increased from 51 per cent to 100 per cent; the government is planning to hike FDI limit in multi-brand retail to 51 percent.

By 2025, India would rise from the 12th to the 5th largest position in the consumer durables market in the world. The consumer durables market in India is expected to reach US $ 20.6 billion by 2020. Demand growth is likely to accelerate with rising disposable income and easy access to credit. Increasing electrification of rural areas and wide usability of online sales would aid growth in demand.

Appliance Division has ended the year on a stronger note in revenue terms and also in EBITDA margins. During the year the Indian rupee was more or less stable. Our focus remains on a key agenda of localization for some of high cost imports as a key de-risking mechanism against future currency depreciation impact on our business. The localization plan has also driven margin improvements . Our focus on localizing manufacturing within India has resulted in a new generation of electronic components for models being manufactured in India. The work will result in a significant portion of electronic controller imports being substituted by localized production. The expected customer demand combined with the launch of new models and plans to reduce material costs, together provide a robust outlook for the division. The Appliance Division continues to deliver a well-positioned and differentiated range of products in both domestic and industrial categories. The products include domestic washing machines, industrial washing systems (including dry cleaning and other finishing equipment like ironers etc) , microwave ovens, domestic and industrial dishwashers, clothes dryers, modular kitchens, kitchen appliances (hobs, chimneys and built-in ovens), air conditioners, a range of service products etc.

The updates on the products and the relative market position of our future plans are as given hereunder :

Washing Category

Front Loaders (Domestic Segment)

New models of front loaders introduced over the last two years have done well and we will be continuing to strengthen the range through introduction of newer models on an ongoing basis. We remain extremely competitive in terms of customer interfaces, features and product performance. Our dominant market share continues and our range of models covers a full spectrum of features- wash program for delicate clothes, intuitive user interface, smart mobile based technologies and much more. Ongoing product development continues to focus loT capabilities, water and energy efficiency, user convenience and interface designs. IFB Front Load washing Machines can uniquely handle delicate fabrics and in the Indian context, with multiple types of clothes, deliver performance that is superior to that of competing brands. The company has achieved a sale of 406284 numbers during 2017-18 and volume sale is up by 20% as compared to 2016-17. For exports, your company has commenced small volume supplies to a Japanese major under an OEM arrangement.

Top loaders (Domestic Segment)

The market share for the company continues to expand in this category. The product range has fully automatic top loaders in the 6.5 to 9.5 kg capacity segments with high-end "Deep Clean" technology and unique wash features. The top loaders continue to enjoy a niche position in the market with their aesthetics, features and wash performance.

This category will continue to be a revenue growth and margin driver for the company along with the front loader category. The Company is working on additions to the product range to further strengthen its presence in the segment. The company has achieved a sale of 208684 numbers during 2017-18 registering a growth of 19% as compared to 2016-17.

During 2017-18, the installed top load capacity was sretched and we were unable to supply to the market in full. Our capacity has now been upgraded and we aim to drive significant growth in top load placements across the markets as well as increase the volumes from this category. Our target is 30,000 units per month from the 1st quarter of current fiscal year.

Clothes Dryers and Dishwashers (Domestic Segment)

Both of these are niche product segments of the company and the Company's market shares are high in both the cloth dryer and dishwasher categories. The Company has begun to focus on e- Commerce to drive penetration in these two categories, as well as via exchange programme through IFB points.

Industrial segment - Dish washing and Laundry Equipment (Industrial Segment)

The IFB range covers the categories of glass washers, under counter dishwashers as well as hood type and rack conveyor type dishwashing equipment. The company has significant presence in varied customer segments including defence establishments, pubs and bars, large institutions, hotels and restaurants, etc.

IFB's range of industrial laundry equipment (with capacities upto 160 kg) is also well established. This includes a complete range of dryers, ironers, finishing equipment for clothing, including suits and special silk wear. The growth in these categories is also being driven through a network for enquiry generation from our other businesses.

Kitchen Appliances

In this category, the range includes products like chimneys, hobs and built-in-ovens. These are products which are aspiration led – and with the modernizing of the Indian kitchens and the rising disposable incomes- your company expects significant growth from these products in the medium term of-3 years.

The IFB Points are a key vertical for driving growth in this segment and 45-50 % of the company's sales in this category is generated from IFB Points.

Microwave Ovens

IFB continues to be the third largest player with a market share of around 20%. New models featuring our unique 'Oil Free Cooking' technology have been already introduced into the market and helped to drive growth. IFB has registered industry leading growth in this category, in a market which has remained largely flat. IFB's microwave cooking class program under the brand name ' Spice Secrets' educate customers on how to optimize microwave oven usage post purchase. We are now at a level of 800 plus classes every month across the country every month, meeting 18000 customers every month through these classes. With the new range, the Company continues to innovate new cooking programs in the microwave ovens to enable cooking with olive oil for healthy cooking option. Your company wishes to use the new range to drive 'health' as a platform for increasing customer connect.

Modular Kitchens

The stores in Goa, Bangalore and Kolkata are now fully operational and are building significant enquiry pipelines. A completely new design format has already been in operation in Goa and Bangalore showroom since Jan'18 and received a very good response. IFB's design offerings for this category use modular systems with unique features such as food grade, termite resistant and boiling water proof plywood. This is unique across the Indian market. We are strengthening the organizational structure for this category in areas such as product and retail design to expand this business going forward. Our intention is to present to customers a range of modular kitchens with appliances (stand alone and built-in) in line with global trends. The Company aims at 8-10 stores during FY 2018-19 with the complete modular kitchen range displayed. The network of existing and future IFB Points will also promote the modular kitchen range to customers.

Built-in Ovens, Chimneys and Hobs

We continue to increase our presence in all markets with our products displayed in 750 stores across the country. There is a special focus on promotions and sales from our IFB Point channel. The channel continues to be a key driver for growth in this category and currently 50% of sales of this set of product is from this exclusive store network.

Cooling category

Air conditioner

Our range of Air conditioners feature energy efficient and superior performance products at high ambient temperatures. The IFB range is uniquely placed in the market, with features such as 52 degree complaint compressors across all models with green gas and copper piping features designed for high-end performance. IFB is also unique in terms of a complete green range at par with the best in the market. The key action is in the area of distribution expansion, which is an ongoing exercise.

The appliance division operates via five key channel segments through which it reaches its customers base —

1. Multi brand stores -
   a. These include large format (modern retail) chain stores that operate on a pan-India basis.
   b. The regional/town level single stores inclusive of regional and geography specific chain stores.

   The above channels contribute 60 % by volume of IFB's sales.
2. IFB exclusive stores (IFB Points and the IFB website) and e Commerce. These stores display the full range of products that the company offers and allow customers to see, touch and feel the full range. The IFB website is also an important online store serving the same purpose. IFB Point & IFB website contribute 25 % percent of sales by volume. The target is to reach a network of 500+ exclusive stores of approximate size not exceeding 500 sq ft in the first phase. This will include Company owned Company operated (CoCo) stores. As on date, the company has 440 + nos of IFB Points across India, of which 131 are CoCo stores.
3. The CSD /Defence Canteens, Institutions etc. These customers buy directly from the Company, including industrial products. These channels contribute 1% of the Company's sales by volume and are a significant channel for direct customer contact. The Company expects this contribution to remain stable in subsequent quarters with growth in Industrial category and also institutional sales of products like air conditioners.
4. The channel of dealers who are Sales and Service Dealers (SSD). This segment, largely catering to customers who buy air conditioners, contributes 1% of sales. It will grow as the company drives expansion in the air conditioner business
5. The channel of distributors- This a channel on which significant work has happened in last few quarters, which will drive volume gains going forward. The channel accounts for 12 % of sales and as IFB continues to expand its channel reach, this segment is growing. It is key to the expansion of IFB's reach into small towns and up-country areas across India. Over the last few quarters, this channel has added 9,000 retailers to the IFB Network and this will be a key lever to the growth plans for the future and we will continue to focus on increasing the segment.

One of the key strengths for the Appliances Division is the service function and its reach to the customers. We have a total of 825 service franchisees across India, with a plan to increase the number of franchisees to 900 by the end of current fiscal year. Currently, we have 30 service training centres, which are fully equipped to impart training on all aspects of assembly, dismantling, installation and trouble shooting of our products.

Sales of additives and accessories continue to be a key focus area and are expected to continue to contribute significantly, both to the topline and bottomline in the current year. IFB's 4 million plus customer base has a high potential for the company to generate revenues through the sale of additives and accessories. The company's own call centre at Goa, which we call 'service center' continues to be effective in issue resolution and customer feed back/ cross selling initiatives with a total manning of 110 people as on date. IFB has also outsourced call centres at Munnar and Hyderabad. The service centre at Goa focuses on outbound calls to track and improve customer satisfaction and drives in reduction in the number of pending customer issues through focused data tracking. In the Company's customer contact programme, we continue to contact customers directly and then visit them. This is increasing customer satisfaction and also enabling higher revenues from the customers visits.

Amongst the major issues, Appliance Division is addressing are:

1. Retail dominance from large players and consolidating small players - this presents the company with a cost challenge.
2. Competition continued attempts to "buy" market share by under-cutting and offering large margins to channel.

Your company continues, in answer to the above challenges, to be focused on differentiating itself through a value led product range planning. Local challenges are addressed as applicable and needed. Your company is confident of its ability to remain a dominant market share player across categories it is present in and will keep investing in building market networks and product development capability.

The Indian auto-components industry can be broadly classified into the organized and unorganized sectors. The organized sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision components while unorganized sector comprises low-valued products and caters mostly to aftermarket category. The Indian automotive aftermarket is expected to grow at a CAGR of 10.5 per cent and reach Rs 75,705 crore by year 2019-20, according to the Automotive Component Manufacturers Association of India (ACMA). The Indian Auto Component Industry is expected to register a turnover of US$ 100 billion backed by strong exports ranging between US $ 80- US $ 100 billion by 2026, from the current US $ 11.2 billion.

The Foreign Direct Investment (FDI) inflows into the Indian automobile industry during the period April 2000-December 2017 were recorded at US $ 18.41 billion, as per data by DIPP.

Government Initiatives - Electric cars in India are expected to get new green number plates and may also get free parking for three years along with toll waivers.

The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vechicles in India) scheme.

The rapidly globalizing world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable mode of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto component manufacturers, who would need to adapt to the change via systematic research and development.

Your company has undertaken a drive to increase its customer base. Despite stiff competition, the engineering division including the after market division grew by 24 per cent. The AFM vertical focused on brand building for the "ULTRAMILES" retail brand and expanding into new geographics.

Despite stiff competition growth in the Fine Blanking Division (FBD) has been achieved. The FBD is aggressively building a profitable order book. The FBD is also focusing successfully on increasing the customer base, both in auto and non-auto segments and substantial orders are on the card. It has taken steps to further strengthen its R&D activities to be able to provide higher value added products to its customers. Through better utilization of machines and tools and better planning, the Fine Blanking Division will increase its productivity with less capital expenditure. This will improve the top line as well as the bottom line.

The issues that FBD is successfully addressing include –

i. Strong pricing pressure from customers & competitors.

ii. Higher cost of CRC and HRC steel.

iii. Consistent increase in power cost.

iv. Rapid increase in minimum wages.

v. High cost for new machinery & technology

vi. Timely Raw material availability

vii. Fluctuation in volumes in the automobile exerts pressure in meeting inventory and debtors matrix.

b) Internal Control Systems and their Adequacy

Your Management has put in place effective Internal Control Systems to provide reasonable assurance for :

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

Key elements of the Internal Control Systems are as follows

(i) Corporate policies for Financial Reporting and Accounting.

(ii) A Management information system updated from time to time as may be required.

(iii) Annual Budgets and Long Term Business Plans.

(iv) Internal Audit System.

(v) Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

(vi) Application of Internal Financial Control - Your company has in place adequate internal financial controls with reference to the Financial Statements.

Such controls have been tested at during the year and no reportable material weakness in the design or operations was observed. Moreover regular review of the processes ensure that such systems are reinforced on an ongoing basis.

Over and above Company's in house Internal Audit team, the Company has appointed PWC to ensure compliance and effectiveness of the Internal Control Systems . The company has appointed M/s Aparajita to conduct compliance audit for factories and three branches.

The Audit Committee regularly reviews the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance.

c) Financial and Operational Performance :

The Highlights of Financial Operational Performance are given below :

(Rs. in lacs)

S. No.	Particulars	Standalone		Consolidated	
		2017-18	**2016-17**	**2017-18**	**2016-17**
1	Revenue from operations	**218,865**	189,906	**225872**	191,912
2	Other Income	**1,845**	1283	**1881**	1,342
3	Sub-total	**220,710**	191,189	**227,753**	193,254
4	Total Expenditure (Before interest)	**209,206**	184,806	**216,783**	187,308
5	PBDIT	**17502**	11,612	**17439**	11407
6	PBDIT %	**7.93%**	6.07%	**7.65%**	5.90%
7	Profit After Tax	**8,325**	5,513	**7,928**	5,155
8	Inventory holding in days	**40**	38	**40**	39
9	Current Ratio (Current Assets / Current Liabilities)	**1.53**	1.42	**1.50**	1.38
10	Head counts	**1690**	1646	**1804**	1693

d) Human Resources Development and Industrial Relations :

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 recruiting, maintaining and developing its human asset base. It offer's a wide range of career development programmes including on the job training and job rotation amongst others. A highly evolved Human Resource Policy has ensured a minimal rate of attrition amongst executives.

IFB's welfare activities for employees include Medical Care, Group Insurance etc.

e) Cautionary Statement :

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. The Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Date : 29 May 2018

Prabir Chatterjee
Director & CFO

ANNEXURE - A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
IFB Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IFB Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **IFB Industries Limited** and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **IFB Industries Limited** ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the period under review)

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the period under review)

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the period under review)

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the period under review)

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the period under review), and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other applicable laws generally applicable to the Industry/Company.

a) Factories Act, 1948;

b) The Payment of Wages Act, 1936;

c) The Minimum Wages Act, 1948;

d) The Payment of Gratuity Act, 1972;

e) The Child Labour (Prohibition & Regulations) Act, 1986;

f) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;

g) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;

h) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard-I and II issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited, Bombay Stock Exchange Limited & Calcutta Stock Exchange Ltd.

In respect of other laws specifically applicable to the Company, I have relied in information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, during the year under review, due to demise of an independent director and resignation of another independent director the composition in the Board of Directors was not as per statute. However, the same was complied with by the end of the financial year.

Adequate notice is given to all directors to schedule the Board Meetings/ committee meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has not incurred any specific event that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **J. PATNAIK & ASSOCIATES**
Company Secretaries

J. Patnaik
Proprietor
FCS No.: 5045, C.P. No.: 3102

Place : Kolkata
Date : 21/05/2018

ANNEXURE - B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.

Information on conservation of Energy, Technology absorption, Foreign Exchange earning and outgo required to be disclosed under section 134 of the companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A)	**Conservation of Energy :**	Energy conservation continues to receive priority attention at all levels.
	1. Steps taken or impact on conservation of energy.	All the factories have implemented measures to maintain the power factor in excess of 0.97 to reduce reactive power losses. High energy illumination is being replaced, on an ongoing basis, by lower power consuming illumination (Eg LED lights) in the working area. Asbestos sheets on roofing have been replaced with translucent corrugated sheets to allow more natural light. Also, the absence of asbestos is reducing the overall heat generation below the roofing – leading to a cooler ambience in working areas / office spaces. All lighting in offices are covered by auto-shut off mode sensors – which only activate lighting when movements are traceable.
	2. Steps taken by the company for utilising alternate source of energy.	Areas like the paint shop have already been shifted to LPG led burners - diesel usage has been eliminated A complete program on sustainable manufacturing has been initiated – led by the former CTO – to build a world class sustainable working manufacturing process – and the company is working with CII on this – expected roll outs / conclusions and changes will happen in next 12 months.
	3. The capital investment on energy conservation equipments.	Not Significant, as work has been done over the years.
(B)	**Technology absorption :**	
	1. The efforts made towards technology absorption.	In its Home Appliance Division, the company continues to work with partners from countries like Italy, China, Korea etc. - to enhance knowledge and capability developments.
	2. The benefits derived like product improvement, cost reduction, product development or import substitution.	Localization of electronic controllers – this is a major import substitution agenda for the Company – in line with the Government's Make in India program Testing and validation of products. iOT, wireless controls and app based controls for appliances, Advance Sensors. Internal design teams are working on technology upgrades, cost reduction and product improvement projects on an ongoing basis.

	3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. The details of technology imported. b. The year of import. c. Whether the technology been fully absorbed. d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	The technology imported in the last three years includes a design for Top loaders, with which the company substituted imports and saved foreign exchange for the country. The technology has been fully absorbed. The company, over the last three years, has also localized key material compositions in the area of composite plastic polymers for the plastic tubs in washing machine – these were earlier imported and are now completely manufactured in India. Engineering division have recruited some tooling experts from Korea to acquire knowledge in complex tool design and manufacturing. Engineering Division had installed some press automation for component evacuation which will help in reduction of air consumption and also will help in protecting the parts from dent and damages.
(C)	**The expenditure incurred on Research and Development**	Data provided in the table below :

Expenditure on R&D			**(Rs in lacs)**
Sl No	**Particulars**	**2017 - 18**	**2016 - 17**
A	Capital	**613**	**1,362**
B	Recurring	**3,260**	**2,149**
Total		**3,873**	**3,511**

(D)	**The foreign exchange earnings and Outgo :** The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note 40 under note to the Financial Statements.

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Date : 29 May 2018

Prabir Chatterjee
Director & CFO

ANNEXURE - C

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR) constituted pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below :

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. Weblink :	:	The CSR Committee decided to spend amount towards promoting education and Skill development programme during the year 2017-18 www.ifbindustries.com /csr_policy.php.
2	The Composition of the CSR Committee.	:	Members of CSR Committee : Dr. Rathindra Nath Mitra - Chairman Mr. Sudip Banerjee - Member Mr. Prabir Chatterjee - Member
3	Average net profit of the company for last three financial years.	:	Average net profit of Rs. 5,021.47 lacs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	:	Rs. 100.43 lacs
5	Details of CSR spent during the financial year 2017-18 (a) Total amount to be spent for the financial year 2017-18 (b) Amount un spent, if any	 : :	 Rs. 100.43 lacs Rs. 38.39 lacs

The CSR Committee confirms that implementation and monitoring of CSR Policy is in compliance with CSR objective and policy of the Company.

(c) Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
Sl. No.	**CSR project or activity identified.**	**Sector in which the project is covered.**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.**	**Amount outlay (budget) project or programs wise. (Rs. Lacs)**	**Amount spent on the projects or programs sub-heads : 1) Direct on projects or programs- 2) Overheads: (Rs. Lacs)**	**Cumulative expenditure upto the reporting period. (Rs. Lacs)**	**Amount spent direct or through implementing agency.**
1.	Donation to school towards infrastructure	Education	Bakrey Free Primary School, Gangarampur Dist. South 24 Parganas (W.B.)		7.06	7.06	Direct
		Education & Skill Development	Shanta Durga High School. Dist. South Goa		8.30		
			Shri Dayanand Arya High School, Dist. South Goa		2.98		
			P.T.A of Immaculate Heart of Mary School, Dist. Goa	62.00	3.69		
			Shri Bhumika Primary School, Dist - Goa		6.00	30.47	Direct

1	2	3	4	5	6	7	8
Sl. No.	**CSR project or activity identified.**	**Sector in which the project is covered.**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.**	**Amount outlay (budget) project or programs wise. (Rs. Lacs)**	**Amount spent on the projects or programs sub-heads : 1) Direct on projects or programs- 2) Overheads: (Rs. Lacs)**	**Cumulative expenditure upto the reporting period. (Rs. Lacs)**	**Amount spent direct or through implementing agency.**
			Lady of Amparo Primary School, Dist – Goa		3.50		Direct
			Gomantak Marathi Shikshan Parishad, Goa		2.00		
			Shree Mahalasa Narayani Primary School, Goa		4.00		
			Vishwa Kannadiga Jagruti Samavesha, Dist - Karnataka		0.25	2.55	Direct
			High School Section of Govt.Muniyal, Karkala Taluk Karnataka State		2.00		
			Saftey Institute & Jayakarnataka		0.30		
2.	Education, Skill development programme	Education & Skill development	In and around Kolkata	38.43	10.86	21.96	Throuh implementing agency, Karma kutir, Ashok Piramal Foundation
			In and around Jodhpur, Rajasthan		11.10		Yuva Pahal Sansthan
Total				**100.43**	**62.04**	**62.04**	

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman & Managing Director

Prabir Chatterjee
Director & CFO

Place : Kolkata
Date : 29 May 2018

ANNEXURE - D

Form No MGT-9

EXTRACT OF THE ANNUAL RETURN

As on the financial year ended on 31 March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L51109WB1974PLC029637
iii)	Registration Date	12.09.1974
iii)	Name of the Company	**IFB INDUSTRIES LIMITED**
iv)	Category/Sub Category of the Company	Company Limited by shares
v)	Address of registered office & Contact Details	14 Taratala Road Kolkata-700088 Tel: (033) 3048 9299 Fax: (033) 30489230
vi)	Whether shares listed on recognized Stock Exchange(s)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	CB Management Services Pvt Ltd P-22 Bondel Road, Kolkata-700 019 Tel No: (033) 4011 6700/22806692/93/94 Fax No: (033) 2287 0263

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

SL No.	Name & Description of the main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Engineering Manufacture of diverse part and accessories for Motor Vehicle, etc.	29301	17%
2.	Home Appliance Products	27501	83%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Trishan Metals Private Limited	U27109WB1996PTC079844	Subsidiary	51.12	2(87)
2	Global Automotive & Appliances Pte. Ltd	N.A	Subsidiary	100	2(87)
3	Thai Automotive & Appliances Ltd.	N.A	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No.of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	292771	–	292771	0.72	292771	–	292771	0.72	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	30080428	–	30080428	74.24	30080428	–	30080428	74.24	–
e) Banks / FIs	–	–	–	–	–	–	–	–	–
f) Other	–	–	–	–	–	–	–	–	–
Sub Total (A)(1):	**30373199**	**–**	**30373199**	**74.96**	**30373199**	**–**	**30373199**	**74.96**	**–**
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FIs	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A)(2) :	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**30373199**	**–**	**30373199**	**74.96**	**30373199**	**–**	**30373199**	**74.96**	**–**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3593266	35763	3629029	8.96	966189	35763	1001952	2.47	–6.49
b) Banks / FIs	8011	1647	9658	0.02	7814	1647	9461	0.02	0.00
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
i) Foreign Portfolio Investors	654645	17512	672157	1.66	3357035	17512	3374547	8.33	6.67
j) Alternate Investment Funds	–	–	–	–	2790	–	2790	0.01	0.01
k) Others (specify)	–	–	–	–	–	–	–	–	–
Sub Total (B)(1) :	**4255922**	**54922**	**4310844**	**10.64**	**4333828**	**54922**	**4388750**	**10.83**	**0.19**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No.of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1919423	38293	1957716	4.83	1401420	38088	1439508	3.55	–1.28
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1817224	837694	2654918	6.55	1818073	772933	2591006	6.40	–0.15
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1138970	10447	1149417	2.84	1521269	20247	1541516	3.80	0.96
c) Other (specify)									
i) NRI	45375	1999	47374	0.12	166044	1999	168043	0.42	0.30
ii) Clearing Member	25328	–	25328	0.06	16774	–	16774	0.04	–0.02
iii) OCB	–	–	–	–	–	–	–	–	–
iv) Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2) :	**4946320**	**888433**	**5834753**	**14.40**	**4923580**	**833267**	**5756847**	**14.21**	**–0.19**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**9202242**	**943355**	**10145597**	**25.04**	**9257408**	**888189**	**10145597**	**25.04**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**39575441**	**943355**	**40518796**	**100.00**	**39630607**	**888189**	**40518796**	**100.00**	**–**

ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bijon Nag	157869	0.3896	–	157869	0.3896	–	–
2	Priyambada Nag	131902	0.3255	–	131902	0.3255	–	–
3	Bikram Nag	3000	0.0074	–	3000	0.0074	–	–
4	Mac Consultants Pvt Ltd.	706197	1.7429	–	706197	1.7429	–	–
5	CPL Industries .Ltd.	74813	0.1846	–	74813	0.1846	–	–
6	CPL Projects .Ltd.	523535	1.2921	–	523535	1.2921	–	–
7	IFB Agro Industries.Ltd.	172733	0.4263	–	172733	0.4263	–	–
8	Shubh Engineering Ltd.	260723	0.6435	–	260723	0.6435	–	–
9	Asansol Bottling & Packaging Company Pvt Ltd	3366428	8.3083	–	3366428	8.3083	–	–
10	IFB Automotive Pvt.Ltd.	18856833	46.5385	–	18856833	46.5385	–	–
11	Special Drinks Pvt.Ltd.	17250	0.0426	–	17250	0.0426	–	–
12	ZIM Properties Pvt.Ltd.	34300	0.0847	–	34300	0.0847	–	–
13	Windsor MarketiersPvt.Ltd.	19600	0.0484	–	19600	0.0484	–	–
14	Lupin Agencies Pvt.Ltd.	37600	0.0928	–	37600	0.0928	–	–
15	Nurpur Gases Pvt.Ltd.	6010416	14.8336	–	6010416	14.8336	–	–
	Total	30373199	74.9608	-	30373199	74.9608	–	-

iii) Change in Promoters Shareholding (please specify, if there is no change) : NO CHANGE

SL. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**30373199**	**74.96**	**30373199**	**74.96**
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g. allotment/ transfer/bonus sweat equity etc.) :	No Change in Shareholding during the year			
	At the end of the year	**30373199**	**74.96**	**30373199**	**74.96**

iv) Shareholding Pattern of top ten shareholders(Other than Directors, Promoters and Holders of GDRs and ADRs

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	DSP BLACKROCK MICRO CAP FUND						
	a) At the beginning of the year	01.04.2017		1144821	2.83	1144821	2.83
	b) Changes during the year	29.09.2017	Sale	237534	0.59	907287	2.24
		20.10.2017	Sale	599965	1.48	307322	0.76
		27.10.2017	Sale	23792	0.06	283530	0.70
		17.11.2017	Sale	283530	0.70	0	0.00
	c) At the end of the year	31.03.2018				0	0.00
2.	TATA BALANCED FUND						
	a) At the beginning of the year	01.04.2017		985000	2.43	985000	2.43
	b) Changes during the year	07.04.2017	Sale	25000	0.06	960000	2.37
		02.06.2017	Sale	60000	0.15	900000	2.22
		23.06.2017	Sale	100000	0.25	800000	1.97
		14.07.2017	Sale	250000	0.62	550000	1.36
		21.07.2017	Sale	100000	0.25	450000	1.11
		18.08.2017	Sale	450000	1.11	0	0.00
	c) At the end of the year	31.03.2018				0	0.00
3.	CHATTERJEE MANAGEMENT SERVICES PRIVATE LIMITED						
	a) At the beginning of the year	01.04.2017		680260	1.68	680260	1.68
	b) Changes during the year	**NIL**					
	c) At the end of the year	31.03.2018				680260	1.68
4.	BENGAL VIPANAPAN PVT LTD						
	a) At the beginning of the year	01.04.2017		478893	1.18	478893	1.18
	b) Changes during the year	07.04.2017	Sale	29806	0.07	449087	1.11
		14.04.2017	Sale	105000	0.26	344087	0.85
		21.04.2017	Sale	75994	0.19	268093	0.66
		28.04.2017	Sale	130000	0.32	138093	0.34
		05.05.2017	Sale	120000	0.30	18093	0.04
		26.05.2017	Sale	2500	0.01	15593	0.04
		02.06.2017	Sale	15593	0.04	0	0.00
	c) At the end of the year	31.03.2018				0	0.00

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	DOLLY KHANNA						
	a) At the beginning of the year	01.04.2017		426955	1.05	426955	1.05
	b) Changes during the year	12.05.2017	Sale	3000	0.01	423955	1.05
		27.10.2017	Buy	750	0.00	424705	1.05
		03.11.2017	Sale	1800	0.00	422905	1.04
		10.11.2017	Sale	560	0.00	422345	1.04
		01.12.2017	Buy	706	0.00	423051	1.04
		15.12.2017	Sale	2995	0.01	420056	1.04
		22.12.2017	Sale	735	0.00	419321	1.03
		29.12.2017	Sale	355	0.00	418966	1.03
		05.01.2018	Sale	2854	0.01	416112	1.03
		12.01.2018	Sale	985	0.00	415127	1.02
		02.02.2018	Sale	1400	0.00	413727	1.02
		16.02.2018	Sale	895	0.00	412832	1.02
		02.03.2018	Sale	218	0.00	412614	1.02
		09.03.2018	Sale	4722	0.01	407892	1.01
		16.03.2018	Sale	1050	0.00	406842	1.00
		23.03.2018	Sale	1090	0.00	405752	1.00
		30.03.2018	Sale	1506	0.00	404246	1.00
	c) At the end of the year	31.03.2018				404246	1.00
6.	UTI-MID CAP FUND						
	a) At the beginning of the year	01.04.2017		410506	1.01	410506	1.01
	b) Changes during the year	23.06.2017	Sale	6221	0.02	404285	1.00
		26.01.2018	Sale	1042	0.00	403243	1.00
		02.02.2018	Sale	6235	0.02	397008	0.98
	c) At the end of the year	31.03.2018				397008	0.98
7.	DSP BLACKROCK EUITY FUND						
	a) At the beginning of the year	01.04.2017		319149	0.79	319149	0.79
	b) Changes during the year	21.10.2017	Sale	211046	0.52	108103	0.27
		27.10.2017	Sale	108103	0.27	0	0.00
	c) At the end of the year	31.03.2018				0	0.00

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	KOTAK MAHINDRA (INTERNATIONAL) LIMITED						
	a) At the beginning of the year	01.04.2017		225692	0.56	225692	0.56
	b) Changes during the year	26.05.2017	Buy	8289	0.02	233981	0.58
		02.06.2017	Buy	70026	0.17	304007	0.75
		09.06.2017	Buy	10060	0.02	314067	0.78
		16.06.2017	Buy	1650	0.00	315717	0.78
		23.06.2017	Buy	6550	0.02	322267	0.80
		30.06.2017	Buy	204488	0.50	526755	1.30
		14.07.2017	Buy	100000	0.25	626755	1.55
		21.07.2017	Buy	253005	0.62	879760	2.17
		28.07.2017	Buy	700	0.00	880460	2.17
		04.08.2017	Buy	4985	0.01	885445	2.19
		11.08.2017	Buy	43510	0.11	928955	2.29
		18.08.2017	Buy	6221	0.02	935176	2.31
		25.08.2017	Buy	450912	1.11	1386088	3.42
		01.09.2017	Buy	570	0.00	1386658	3.42
		22.09.2017	Buy	144841	0.36	1531499	3.78
		29.09.2017	Buy	238952	0.59	1770451	4.37
	c) At the end of the year	31.03.2018				1770451	4.37
9.	TATA MID CAP GROWTH FUND (FORMERLY TATA TRUSTEE CO. LTD.A/C TATA MUTUAL FUND A/C TATA MID CAP GROWTH FUND)						
	a) At the beginning of the year	01.04.2017		225000	0.56	225000	0.56
	b) Changes during the year	13.10.2017	Sale	25000	0.06	200000	0.49
		10.11.2017	Sale	15000	0.04	185000	0.46
		17.11.2017	Sale	25000	0.06	160000	0.39
		08.12.2017	Sale	2106	0.01	157894	0.39
		15.12.2017	Sale	5124	0.01	152770	0.38
		22.12.2017	Sale	22770	0.06	130000	0.32
		12.01.2018	Sale	10000	0.02	120000	0.30
		19.01.2018	Sale	21500	0.05	98500	0.24
		26.01.2018	Sale	10000	0.02	88500	0.22

SL. No.	NAME	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		02.02.2018	Sale	9030	0.02	79470	0.20
		09.02.2018	Sale	3470	0.01	76000	0.19
		23.03.2018	Sale	100	0.00	75900	0.19
	c) At the end of the year	31.03.2018				75900	0.19
10.	JWALAMUKHI INVESTMENT HOLDINGS						
	a) At the beginning of the year	01.04.2017		209078	0.52	209078	0.52
	b) Changes during the year	30.06.2017	Buy	72000	0.18	281078	0.69
		20.10.2017	Buy	886938	2.19	1168016	2.88
	c) At the end of the year	31.03.2018				1168016	2.88
11.	HDFC SMALL CAP FUND						
	a) At the beginning of the year	01.04.2017		0	0.00	0	0.00
	b) Changes during the year	05.05.2017	Buy	136899	0.34	136899	0.34
		12.05.2017	Buy	123300	0.30	260199	0.64
		26.05.2017	Buy	10100	0.02	270299	0.67
		02.06.2017	Buy	4500	0.01	274799	0.68
		23.06.2017	Buy	6000	0.01	280799	0.69
		06.10.2017	Buy	2006	0.00	282805	0.70
		13.10.2017	Buy	9000	0.02	291805	0.72
		20.10.2017	Buy	5200	0.01	297005	0.73
		01.12.2017	Sale	10000	0.02	287005	0.71
		09.03.2018	Sale	13167	0.03	273838	0.68
		16.03.2018	Sale	1489	0.00	272349	0.67
	c) At the end of the year	31.03.2018				272349	0.67

v) **Shareholding of Directors & Key Managerial Personnel**

SL. No.	For each of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bijon Nag						
	a) At the beginning of the year	01.04.2017		157869	0.3896	157869	0.3896
	b) Changes during the year	NIL					
	c) At the end of the year	31.03.2018				157869	0.3896
2.	Bikram Nag						
	a) At the beginning of the year	01.04.2017		3000	0.0074	3000	0.0074
	b) Changes during the year	NIL					
	c) At the end of the year	31.03.2018				3000	0.0074
3.	Prabir Chatterjee						
	a) At the beginning of the year	01.04.2017		25000	0.0617	25000	0.0617
	b) Changes during the year	12.01.2018	Sale	6330	0.0156	–	–
	c) At the end of the year	31.03.2018				18670	0.0461
4.	Goutam Ray Chowdhury (Company Secretary)						
	a) At the beginning of the year	01.04.2017		20500	0.0506	20500	0.0506
	b) Changes during the year	05.01.2018	Sale	1540	0.0038	–	–
		12.01.2018	Sale	732	0.0018	18228	0.0450
	c) At the end of the year	31.03.2018				18228	0.0450
5	Raj Shankar Ray (CEO -HAD)						
	a) At the beginning of the year	01.04.2017		15000	0.0370	15000	0.0370
	b) Changes during the year			NIL	NIL	NIL	NIL
	c) At the end of the year	31.03.2018		NIL	NIL	15000	0.0370
6	Partha Sen (CEO - Engineering)						
	a) At the beginning of the year	01.04.2017		NIL	NIL	NIL	NIL
	b) Changes during the year			NIL	NIL	NIL	NIL
	c) At the end of the year	31.03.2018		NIL	NIL	NIL	NIL

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	284,817,472	–	–	284,817,472
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1,930,866	–	–	1,930,866
Total (i+ii+iii)	**286,748,338**	**–**	**–**	**286,748,338**
Change in Indebtedness during the financial year				
* Addition	1,917,995,311	–	–	1,917,995,311
* Reduction	1,987,650,833	–	–	1,987,650,833
Net Change	**(69,655,522)**	**–**	**–**	**(69,655,522)**
Indebtedness at the end of the financial year				
i) Principal Amount	215,763,980	–	–	215,763,980
ii) Interest due but not paid	–	–	–	
iii) Interest accrued but not due	1,328,836	–	–	1,328,836
Total (i+ii+iii)	**217,092,816**	**–**	**–**	**217,092,816**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Rs.)

Sl. No.		Particulars of Remuneration	Name of the Directors				Total Amount
			Mr. Bijon Nag (WTD)	Mr. Sudam Maitra (WTD)	Mr. Bikram Nag (MD)	Mr. Prabir Chatterjee (WTD)	
1		Gross salary					
	a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act	10,019,713	10,215,568	–	7,800,166	28,035,447
	b)	Value of perquisite u/s 17(2) of the Income-tax Act, 1961	215,807	–	–	–	215,807
	c)	Profit in lieu of salary under section 17(3) Income Tax Act 1961	–	–	–	–	–
2		Stock Option	–	–	–	–	–
3		Sweat Equity	–	–	–	–	–
4		Commission - as % of profit - others, specify	–	–	–	–	–
5		Others, please specify	–	–	–	–	–
		Total (A)	**10,235,520**	**10,215,568**	**–**	**7,800,166**	**28,251,254**
		Ceiling as per the Act					**115,560,000**

B. Remuneration to other directors **(Rs.)**

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Rathindra Nath Mitra	Mr. Ranga natharao Muralidhar	Ms. Sangeeta Sumesh	Mr. Rahul Choudhuri	Mr. Ashok Bhandari	Mr. Sudip Banerjee	
1	**Independent Directors**							
	Fee for attending board committee meetings	6,25,000	70,000	4,50,000	2,50,000	60,000	–	14,55,000
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	6,25,000	70,000	4,50,000	2,50,000	60,000	–	14,55,000
2	**Other Non-Executive Directors**							
	Fee for attending board committee meetings	–	–	–	–	–	4,00,000	4,00,000
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**–**	**4,00,000**	**4,00,000**
	Total (B)=(1+2)	**6,25,000**	**70,000**	**4,50,000**	**2,50,000**	**60,000**	**4,00,000**	**18,55,000**
	Total Managerial Remuneration (A+B)							**3,01,06,254**
	Ceiling as per the Act							**12,71,16,000**

C. Remuneration to Key Managerial Personnel other than Directors **(Rs.)**

		Goutam Ray Chowdhury (Company Secretary)	Raj Shankar Ray (Chief Executive Officer-HAD)*	Partha Sen (Chief Executive Officer-FBD)*	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61,74,020	75,80,597	64,54,815	2,02,09,432
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	1,335	–	33,535
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–			–
2.	Stock Option	–			–
3.	Sweat Equity	–			–
4.	Commission	–			–
	- as % of profit	–			–
	others, specify…	–			–
	Others, please specify	–			–
5.	**Total(A)**	**62,06,420**	**75,81,732**	**64,54,815**	**2,02,42,967**

* Appointed as KMP w.e.f. 26.05.2017

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES – There was no penalty/ punishment imposed upon the company during financial year 2017-18.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Date : 29 May 2018

Prabir Chatterjee
Director & CFO

ANNEXURE - E

PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given hereunder.

1) The ratio of remuneration of each director to the median remuneration of the employees of the Company :

Name	Ratio of remuneration to Median remuneration of employee (including whole time directors)
Mr. Bijon Nag	17.82
Mr. Bikram Nag	Not applicable
Mr. Sudam Maitra	17.78
Mr. Prabir Chatterjee	13.58

2) Percentage increase in remuneration of each director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary in the financial year 2017-18

Name	Designation	% increase in remuneration in the Financial Year
Mr. Bijon Nag	Executive Chairman	21.10 *
Mr. Sudam Maitra	Deputy Managing Director	6.36
Mr. Prabir Chatterjee	Director and CFO	10.78 *
Mr. G Ray Chowdhury	Company Secretary	47.10 *
Mr. Rajshankar Ray	CEO, Home Appliances Division	33.19 *
Mr. Partha Sen	CEO, Engineering Division	24.59

* Increase in remuneration % (Percentage) is partly due to availing arrear LTA, Leave Salary, Medical etc. during the year under review.

3) Percentage increase in the median remuneration of employees in the financial year 2017-18 :

The median remuneration of employees (including whole time directors) was Rs.5.74 lacs and Rs. 5.09 lacs in financial year 2017-18 and 2016-17 respectively. The increase in median remuneration was 12.77%.

4) The number of permanent employees on the rolls of the Company as on 31 March 2018 is 1690 nos.

5) Average percentage increase in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.

Average percentage increase in salaries of employees other than managerial personnel during 2017-18	9.30%
The percentage increase in the Managerial Remuneration	21.05%

6) Key parameter for any variable component of remuneration availed by the Directors :

No variable component of remuneration was awailed by the directors.

7) Affirmation that the remuneration is as per the remuneration policy of the Company :

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the information on employees' particulars of employees drawing remuneration in excess of the limits set out in the said rules which is available for inspection of Members at the Corporate Office of the Company during business hours on working days, except Saturday up to the date of ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Date : 29 May 2018

Prabir Chatterjee
Director & CFO

ANNEXURE - F

BUSINESS RESPONSIBILITY REPORT

The Company is conscious of its responsibilities towards various stakeholders such as customers, vendors, employees, shareholders, Bankers, Statutory authorities and to the society at large. Our Business Responsibility Report includes the responses of the Company to the questions on its practices and performance on key principles defined by the Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 covering topics across environment, governance and stakeholder relationships. We provide hereunder the Business Responsibility Report in the format provided under Regulation 34(2)(f) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L51109WB1974PLC029637
2. Name of the Company: IFB Industries Limited
3. Registered Office Address : 14, Taratala Road, Kolkata – 700088
   Website: www.ifbindustries.com
   E-mail id : investors@ifbglobal.com
4. Financial Year reported: 2017-2018
5. Sector(s) that the Company is engaged in (industrial activity code-wise)

Sl. No.	Name and Description of main products/ service	NIC Code of the Product/Service
1	Engineering – Manufacture of diverse parts and accessories for motor vehicles etc.	29301
2	Home Appliances Products	27501

6. List three key products/services that the Company manufactures/provides (as in balance sheet)
   (a) Diverse parts and accessories for motor vehicles etc.
   (b) Washing Machine
   (c) Microwave Ovens
7. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Provide details of major 5): NIL. However, the company has a subsidiary, Global Automotive & Appliances Pte. Ltd. at Singapore and a step down subsidiary Thai Automotive & Appliances Ltd. at Thailand.
   (b) Number of National Locations : The Company's business and operations are spread across the country. Details of Plant locations are provide in the section, 'General Shareholder Information' in the Corporate Governance Report.
8. Markets served by the Company – IFB's products and services have a national presence and some products are exported.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : Rs. 40,51,87,960/-
2. Total Turnover (INR) : Rs. 220,710 lacs
3. Total profit after taxes (INR) : Rs.8,325 lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 1.23% of average profit for previous three years.
5. List of activities in which expenditure in 4 above has been incurred:-

(a) Promoting Education

(b) Skill Development Programme

SECTION C : OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? – Yes. The company has two subsidiaries and one step down subsidiary.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - No

SECTION D : BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number 00827155
2. Name : Mr. Bikram Nag
3. Designation : Joint Executive Chairman and Managing Director

(b) Details of the BR Head

No.	Particulars	Details	Details
1	DIN Number(if applicable)	N.A	N.A
2	Name	Mr. Rajshankar Ray	Mr. Partha Sen
3	Designation	CEO – HAD	CEO – Engineering Division
4	Telephone number	0832 3044800	033 30489299
5	e-mail id	rajshankar_ray@ifbglobal.com	partha_sen@ifbglobal.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.	√	√	√	√	√	√	√	√	√
2	Has the policy being formulated in consultation with the relevant stakeholders?	√	√	√	√	√	√	√	√	√
3	Does the policy conform to any national / international standards? If yes, specify?	√	√	√	√	√	√	√	√	√
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/CEO/ appropriate Board director?	√	√	√	√	√	√	√	√	√
5	Does the Company have a specified committee of the Board /Director/Official to oversee the implementation of the Policy?	√	√	√	√	√	√	√	√	√

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	√	√	√	√	√	√	√	√	√
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	√	√	√	√	√	√	√	√	√
8	Does the Company have in house structure to implement the policy/ policies.	√	√	√	√	√	√	√	√	√
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	√	√	√	√	√	√	√	√	√
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	√	√	√	√	√	√	√	√	√

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – Not applicable

3. **Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year : Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? –

Yes. Being published once a year with the Annual Report of the Company since the financial year ended 31st March, 2018. The report can viewed at www.ifbindustries.com/legal/investors/

SECTION E : PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. It extends only to the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the past financial year the following are the details of the stakeholders complaints received by the Company along with the details of complaints resolved satisfactorily: -

No. of stakeholders' complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending at the end of the year	0
% of complaints resolved successfully during the year	100%

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) *Not directly applicable – however, the following points can be noted*

a. *The front loading and top loading automatic washers save water during the washing process – compared to manual washing.*

b. *The appliances manufactured and marketed are energy efficient – and benchmarked to global standards*

c. *Fine blanking Division manufactures components etc. on the basis of drawings and designs given by customers/ own design team. FBD follows the process as agreed and approved by the customers.*

(b) *The design process currently followed does not directly incorporate social and environmental inputs – however, the manufacturing process followed by the company and by its suppliers – direct control on environmental friendly processes, effluent discharge control related areas are fully addressed as mandated by the Government.*

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional) :

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not specifically measured throughout the value chain Use of solar energy through wheeling and banking. Sewage and water effluent treatment effectively done to reuse the water to reduce consumption of water.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We do not have specific information on usage at customer end.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

No formal procedures written specifically for sustainable sourcing as on date – as this is still evolving within India. As written earlier, the supplier partners of the company adhere to all environmental and social standards as mandated by the Government of India.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, the company has built up a complete small producers supplier base over the years – generating employment in the local community

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

For capacity and capability enhancement, the company's suppliers visit technology hubs in India and abroad. They also attend exhibitions and learn about new raw material / processing trends. The company organises discussions / interactions with leading global players also – along-with the local / small supplier partners – thus involving them in all projects and driving the upgradation agenda.

FBD : Most of the subcontracting works done on the products of the company are done through local small vendors and MSME suppliers. The parties are trained and their competencies increased through intervention of company's vendor development department.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. –

Yes, the company actively promotes a product "End Of Life" return policy. The company enables exchange of old products and the returned products are then recycled by approved partners in an environmentally friendly manner – in accordance with regulations of the Government of India

FBD : Scrap generated in the process are disposed of to Mini steel plants and copper smelters for recycling into another value added product.

Principle 3

1. Please indicate the Total number of employees.-
1690 employees in IFB Industries Ltd – inclusive of the appliances, motor and engineering divisions
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.- *800 nos. – across all divisions of the company*
3. Please indicate the Number of permanent women employees.- *200 nos. across all the division*
4. Please indicate the Number of permanent employees with disabilities - *None*
5. Do you have an employee association that is recognized by management - *Not applicable*
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year : *Not applicable*

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
   (a) Permanent employees *100%*
   (b) Permanent Women employees *100%*
   (c) Casual / Temporary/ Contractual employees *60 – 70%*
   (d) Employees with disabilities *– Not applicable*

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No –
No – in terms of mapping stake holders upto supplier / sales partner levels
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.- No
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. - *No*

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? – The policy covers only the Company. *The HR policy applies to employees of the company only.*
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?-
There was one investor complaint during 2017-18 which has been addressed during the year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others. –
All supplier partners and also the company itself adhere to the environment and social norms as mandated by the Government of India.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Not applicable.

3. Does the company identify and assess potential environmental risks? *Not applicable*.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Not applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The company has projects on energy efficiency at the work place and in its products. Details of the energy efficiency of the company's products and it's activities are listed on the company's website

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? – *Yes*

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - *NIL*

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :

   Confederation of Indian Industries, GIDC (Local Goa chamber), CEAMA-CII

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Not Applicable

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Not applicable

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

   Not applicable

3. Have you done any impact assessment of your initiative?

   Not applicable

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The company's contribution in CSR projects during 2017-18 was Rs 62.04 lacs which has been elaborated in Annexure- C

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Currently the company is working in Goa, West Bengal and Rajasthan with specific schools – and working to establish infrastructure and programs to promote education and skill development for under privileged.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   These are handled on an ongoing manner – through a contact centre / service teams

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information) – *Yes*

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.- *No*

   Did your company carry out any consumer survey/ consumer satisfaction trends? – *Yes, these are done on an ongoing manner – through the contact centres, service teams etc as applicable on an ongoing basis.*

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Date : 29 May 2018

Prabir Chatterjee
Director & CFO

ANNEXURE - G

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Rs. in lacs)

Sl. No.	1	2	3
Name of the subsidiary	**Trishan Metals Private Limited**	**Global Automotive & Appliances Pte Ltd.**	**Thai Automotive & Appliances Ltd.**
The date since when subsidiary was acquired	11-Jul-16	13-Jul-17	13-Jul-17
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as holding company i.e. 31 March 2018		
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	US Dollar	Thai Bhatt
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		65.17	2.09

(Rs. in lacs)

Sl. No.	1	2	3
Name of the subsidiary	**Trishan Metals Private Limited**	**Global Automotive & Appliances Pte Ltd.**	**Thai Automotive & Appliances Ltd.**
Share capital	2347	2976	2763
Reserves and surplus	(1541)	(32)	(1132)
Total assets	4452	2946	2198
Total Liabilities	3646	2	567
Investments	–	–	–
Turnover	7772	–	1976
Loss before taxation	(369)	(4)	(36)
Provision for taxation	23	–	
Profit / Loss after taxation	(346)	(4)	(36)
Proposed Dividend	–	–	–
Extent of shareholding (in percentage)	51.12%	100%	100%

Notes :

The following information shall be furnished at the end of the statement :

1. There are no subsidiaries which are yet to commerce operations.
2. There are no subsidiaries which have been liquidated or sold during the year.

Part B Associates and Joint Ventures

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Since there are no associates and joint ventures as at 31 March, 2018, the information required in Part B has not been furnished.

Notes :

1. There are no associates or joint ventures which are yet to commerce operations.
2. There are no associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors
of **IFB Industries Limited**

Joint Executive Chairman and Managing Director **Bikram Nag**

Director and Chief Financial Officer **Prabir Chatterjee**

Kolkata
29 May 2018

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR")]

1) Company's philosophy on code of 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.

2) **Board of Directors**

A) Composition of the Board of Directors as on 31 March 2018 is as follows :

The Board of Directors of the Company had an optimum combination of Executive, Non-Executive and Independent Directors. The Composition of the board as on 31 March 2018 is as per "SEBI LODR".

Category	No. of Directors	%
Executive Directors	4	40.00
Non-Executive & Independent Directors	5	50.00
Non-Executive & Non-Independent Director	1	10.00
Total	**10**	**100.00**

B) Particulars of Directorships & Committee Chairmanship/Membership of other Companies & Attendance at the Board Meetings & Last AGM held on 28 July 2017

Name	Executive/ Non-Executive	Independent/ Non-independent	No. of Board Meetings attended during 2017-18	Last AGM Attended	No. of Directorships in other Indian Public Limited Companies as on 31 March 2018*		No. of Committee position held in other Indian public limited Companies as on 31 March 2017**	
					Chairman	Member	Chairman	Member
Mr Bijon Nag (Executive Chairman)	Executive	Non-Independent	1	Yes	2	NIL	NIL	NIL
Mr Bikram Nag (Joint Executive Chairman & MD)	Executive	Non-Independent	6	Yes	2	1	NIL	NIL
Mr Prabir Chatterjee	Executive	Non-Independent	6	Yes	NIL	1	NIL	NIL
Mr Sudam Maitra	Executive	Non-Independent	6	Yes	NIL	1	NIL	NIL
Mr Sudip Banerjee	Non-Executive	Non-Independent	6	Yes	NIL	3	NIL	2
Dr Rathindra Nath Mitra	Non-Executive	Independent	6	Yes	NIL	1	1	NIL
Mr Raganath Rao Muralidhar	Non-Executive	Independent	1	Yes	NIL	NIL	NIL	NIL

Name	Executive/ Non-Executive	Independent/ Non-independent	No. of Board Meetings attended during 2017-18	Last AGM Attended	No. of Directorships in other Indian Public Limited Companies as on 31 March 2018*		No. of Committee position held in other Indian public limited Companies as on 31 March 2017**	
					Chairman	Member	Chairman	Member
Ms. Sangeeta Shankaran Sumesh	Non-Executive	Independent	6	Yes	NIL	NIL	NIL	NIL
Mr. Rahul Choudhuri	Non-Executive	Independent	4	Yes	NIL	1	NIL	NIL
Mr. Ashok Bhandari (Appointed on 30.01.2018)	Non-Executive	Independent	1	–	1	8	NIL	3

* Number includes only Public limited companies as per Companies Act, 2013.

** Only Membership/ Chairmanship of Audit Committee, Stakeholder's Relationship Committee have been considered.

None of the Directors held directorship in more than 10 Public Limited Companies and/or were members of more than 10 committees or acted as Chairman of more than 5 committees across all Public Limited Companies in which they were Directors.

None of the Independent Directors served as Independent Director in more than 7 listed Companies.

The Executive Directors were not Independent Director of any other listed Company.

No Director is related to any other Director on the Board except Mr. Bijon Nag and Mr. Bikram Nag in terms of the definition of "Relative" given under the Companies Act, 2013.

No shares or any other convertible instrument is held by any Non-Executive Director during the year.

C) Board Meetings held in the financial year 2017-2018

The Board meets at least once in a quarter in order to consider amongst other business, the quarterly performance of the Company and its financial results. The gap between any two meetings does not exceed 120 days.

During the year under review six meetings were held on following dates:

26 May 2017, 27 July 2017, 30 October 2017, 21 December 2017, 30 January 2018 and 28 March 2018.

D) Independent Directors :

The Company has complied with the definition of Independent Director as per "SEBI LODR" and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

i) Training of Independent Directors :

Whenever new Non-executive and Independent Directors are inducted on the Board they are introduced to our Company's culture through appropriate session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website at **http://ifbindustries.com/financial.php**.

ii) Performance Evaluation of Board, its committees and individual Directors

The Board evaluates the performance of Board, its committees and individual directors which has been recommended by Nomination and Remuneration Committee. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

iii) Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 28 March 2018, without the attendance of Non-Independent Directors and members of Management. Four out of five Independent Directors were present at the meeting.

iv) Familiarisation program for Independent Directors

The familiarisation of the Independent Directors is done by the Managing Director/ Executive Director / Sr. Management Personnel who conducts presentations/ programmes to familiarise the Independent Directors with the operations and functioning of the Company.

Such presentation/ programs enable the Independent Directors to directly interact with senior leadership of the company and help them to know Company's strategy, business model, product, market, finance, human resource, technology and such other areas as may arise from time to time. Presentations cover annual results, budgets, policies, internal audit etc.

The presentation/ program familiarizes the Independent Directors with their role, rights and responsibilities specified under the Companies Act and the "SEBI LODR". The Web link of the familiarization programme is given under the official website of the company under the web link: **http://www.ifbindustries.com/ifb-admin/assets/1522670811_Familiarization_Programmes_Independent_Directors_2017_18.pdf**

The Company is also conducting familiarisation program whenever a new Independent Director is inducted on the Board of the Company.

E) 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 under the weblink: **http://ifbindustries.com/legal.php**. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct.

3. Audit Committee

A) Terms of Reference

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. The broad terms of reference of this Committee cover the matters specified for Audit Committees under section 177 of the Companies Act, 2013 as well as "SEBI LODR":

i) Overview of the Company's financial reporting processes and financial information disclosure;

ii) Review with the Management, the annual and quarterly financial statements before submission to the Board; matters to be included into the Director Responsibility Statement;

iii) Monitoring the auditor's independence and performance, and effectiveness of audit process;

iv) Review with the Management, the Internal and External Audit Reports and the adequacy of internal control systems and risk management systems;

v) Review the adequacy and effectiveness of accounting and financial controls of the company, compliance with the Company's policies and applicable laws and regulations;

vi) Review the functioning of the Whistle Blower Mechanism;

vii) Recommending the appointment and removal of External Auditors and fixation of audit terms;

viii) Review of utilisation proceeds raised from Public/Right issue.

B) Composition, Name of members, Number of meetings, Chairman and attendance of the Audit Committee during the financial year 2017-18 :

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Chairman	4	4
Mr. Prabir Chatterjee	Member	4	4
Ms. Sangeeta Sumesh	Member	4	4
Mr. Ashok Bhandari*	Member	4	–

* Mr. Ashok Bhandari inducted in the Committee as a Member on 30th January, 2018.

- The Company Secretary acted as the 'Secretary' to the Audit Committee.
- The Chairman of the audit committee is an Independent Director.

C) No. of Meetings held during the year

During the year under review four meetings were held of the members of the Committee which are as follows :

25 May 2017, 26 July 2017, 28 October 2017 and 29 January 2018.

M/s Deloitte Haskins & Sells, Statutory Auditors, PWC, Internal Auditors & in house Internal Auditors of the Company are invited to attend the Audit Committee Meetings.

The Minutes of the Audit Committee are circulated to all the members of the Board.

4. Nomination and Remuneration Committee :

A) Terms of reference :

This Committee identifies the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also carries out evaluation of each director's performance. The Committee also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

B) Composition, Name of members, Number of meetings, Chairperson and attendance of the Nomination and Remuneration Committee during the financial year 2017-18 :

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Chairman	3	3
Mr. Ranganatharao Muralidhar	Member	3	–
Mr. Sudip Banerjee	Member	3	3

C) No. of meetings held during the year

During the year under review three meetings were held on 26 May 2017, 30 October 2017 and 29 January 2018.

D) Nomination and Remuneration Policy

The Nomination and Remuneration policy may be referred to at the Company's official website at the web link **http://ifbindustries.com/nomination_remuneration_policy.php.**

E) Remuneration paid or payable to Directors for the year ended 31 March 2018 are as follows :

(Rs.)

Name of Director	Sitting Fees	Salary and Perquisites	Total	Stock Option granted
Mr. Bijon Nag	–	10235520	10235520	NIL
Mr. Bikram Nag	–	–	–	NIL
Mr. Prabir Chatterjee	–	7800166	7800166	NIL
Mr. Sudam Maitra	–	10215568	10215568	NIL
Mr. Sudip Banerjee	4,00,000	–	4,00,000	
Dr. Rathindra Nath Mitra	6,25,000	–	6,25,000	NIL
Ms. Sangeeta Shankaran Sumesh	4,50,000	–	4,50,000	NIL
Mr. Ranganathrao Muralidhar	70,000	–	70,000	NIL
Mr. Rahul Choudhuri	2,50,000	–	2,50,000	NIL
Mr. Ashok Bhandari	60,000	–	60,000	NIL
Total	**18,55,000**	**2,82,51,254**	**3,01,06,254**	

- No severance fee is payable, no stock option has been given & no performance bonus is granted.
- Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non – executive Directors.
- The Minutes of the Audit Committee are circulated to all the members of the Board.

5. Corporate Social Responsibility Committee (CSR)

A) Terms of reference

The Committee formulates and recommend to the Board a CSR Policy. Committee framed a mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR Policy from time to time. This policy has been placed in the website of the company at the weblink **http://ifbindustries.com/csr_policy.php**

B) No of meetings held during the year

During the year the Committee had one meeting i.e. on 29 January 2018

C) Composition, Name of Members and Attendance

The CSR Committee of the company consists of Non-Executive, Independent and Executive Director :

Name of Director	Position	No of Meetings held	No of Meetings attended
Dr. Rathindra Nath Mitra	Chairman	1	1
Mr. Sudip Banerjee	Member	1	1
Mr. Prabir Chatterjee	Member	1	1

6. Risk Management

This part is covered under the Directors Report.

7. Investor's Grievance & Stakeholder's Relationship Committee :

A) Terms of reference :

The terms of reference of the Committee includes the following :

a) To review all complaints recorded in SCORES of SEBI and replies made to the same by the RTA/Company Secretary.

b) To receive report on all complaints recorded in SCORES of the Registrar and Share Transfer Agent and note the corrective actions taken by the Registrars.

c) To take action of all grievances and complaints lodged by stock exchange, shareholder associations and other bodies.

d) To review grievances of other Stakeholders of the Company given in their individual capacity.

e) Overview activities relating to Share maintenance and related work.

B) Composition and attendance of the Investors Grievance & Stakeholder's Relationship Committee during the financial year 2017-18 :

Name of Members	Executive/ Non-Executive	Member/ Chairman	No. of Meetings held	No. of Meetings attended
Dr. Rathindra Nath Mitra	Non-Executive	Chairman	27	27
Mr. Prabir Chatterjee	Executive	Member	27	27

In view of compulsory trading of shares in dematerialized form and consequent lowering of volume of physical transfers there were very few complaints which were adequately addressed at the level of the Compliance Officer and CB Management Services (P) Ltd., the Registrar & Shares Transfer Agent of the Company for shares both in physical and demat modes.

C) No. of Meetings Held during the year

During the year under review twenty seven meetings were held on the following dates :

03 April 2017, 17 April 2017, 27 April 2017, 10 May 2017, 19 May 2017, 8 June 2017, 21 June 2017, 28 June 2017, 10 July 2017, 21 July 2017, 02 August 2017, 11 August 2017, 01 September 2017, 11 September 2017, 21 September 2017, 03 October 2017, 20 October 2017, 01 November 2017, 16 November 2017, 24 November 2017, 11 December 2017, 26 December 2017, 12 January 2018, 25 January 2018, 12 February 2018, 14 March 2018 and 22 March 2018.

D) Complaints

No. of shareholders complaints received so far	1
No. of complaints not solved to the satisfaction of shareholders	0
No. of pending complaints	0
No of Complaint disposed off	1

E) Name, Designation and Address of the Compliance Officer :

Mr. G Ray Chowdhury, Company Secretary
IFB Industries Limited
Plot No IND-5 Sector 1,
East Kolkata Township
Kolkata - 700 107
Tel : (033) 39849524
Fax : (033) 24421003
E-Mail : investors@ifbglobal.com

8. General Body Meetings :

A) Location and time where last three AGMs were held :

Annual General Meeting	Date	Time	Venue of the AGM	No of Special Resolutions passed
41st Annual General Meeting	28 July 2017	9.30 A.M	Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156.	–
40th Annual General Meeting	22 July 2016	9.30 A.M	Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156.	1
39th Annual General Meeting	31 July 2015	9.30 A.M	Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156.	4

B) Whether any special resolution passed in the previous three AGMs : Yes

C) Whether any special resolution passed last year through postal ballot : No

i) Details of voting pattern : Not Applicable

ii) Person who conducted the postal ballot exercise : Not Applicable

D) Whether any special resolution is proposed to be conducted through postal ballot : No

E) Procedure for postal ballot :

Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process under the Companies Act, 2013 and Rules made there under, if any. : Not Applicable

9. Means of communication :

The quarterly, half yearly and annual results of the Company are forthwith communicated to the Stock Exchanges 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 leading newspapers such as Business Standard (English) and Aajkal (Bengali). Presentation of quarterly Results were made to the Stock Exchanges & also in company website during the year 2017-18. Investors calls on such presentations were duly attended and redressed by company representative.

The quarterly, half-yearly and annual financial results and Official News releases are posted in respective Stock Exchange web-sites and also on the website of the Company.

10. General Shareholder Information :

i) 42nd AGM date, time and venue : 27 July 2018
At 9.30. A.M
Club Ecovista, Ecospace Business Park,
Premises No. 2F/11, Action Area II,
Rajarhat, New Town, Kolkata 700156.

ii) Financial Year : 1 April 2017 to 31 March 2018.

iii) Book Closure date : July 21 2018 to 27 July 2018

iv) Dividend payment date : Dividend is not recommended.

v) Listing on Stock Exchange :
a) Bombay Stock Exchange Limited (BSE)
b) The National Stock Exchange of India Limited (NSE)
c) The Calcutta Stock Exchange Association Limited (CSE) (applied for delisting)

vi) Listing Fees to Stock Exchange : The listing Fees for NSE, BSE & CSE has been paid with in time limit for the year 2018-19.

vii) Stock Code :

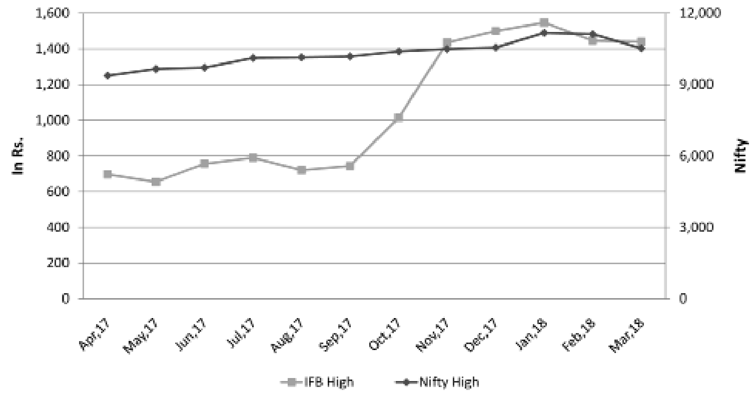
BSE	:	505726
NSE	:	IFB IND
CSE	:	10019067

viii) Market Price Data (In Rupees) : Monthly High and Low quotation along with the volume of shares traded at National Stock Exchange of India Ltd during the Financial Year 2017-18.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
Period	**Monthly Low (Rs.)**	**Monthly High (Rs.)**	**Monthly Volume**
Apr-17	597.75	697.00	882453
May-17	586.25	654.95	787897
Jun-17	634.00	757.00	1160111
Jul-17	688.95	790.00	507953
Aug-17	628.80	720.55	503532
Sep-17	689.00	744.80	466025
Oct-17	709.10	1015.00	1919676
Nov-17	875.80	1435.00	1802844
Dec-17	1202.50	1500.00	709739
Jan-18	1205.00	1546.95	643491
Feb-18	1086.00	1445.00	207516
Mar-18	1120.00	1440.00	237792

ix) Share price performance in comparison to broad based indices- NSE High V/S NIFTY High on a month to month basis

IFB High vs Nifty High – Monthly price movement chart



x) Registrar & Share Transfer Agent : CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel : (033) 4011 6700/2280 6692/2282 3643/2287 0263
Fax : (033) 4011 6739, E-mail : rta@cbmsl.com
Website :www.cbmsl.com

xi) Share Transfer System

In order to expedite the process, the Board of Directors has also delegated the authority to approve the share transfers to the Stakeholder's Relationship Committee of the Company. The transactions of shares held in Demat and Physical form are handled by the Company's Depository Registrar, CB Management Services (P) Ltd.

Shares transferred in physical form during the years are as follows :

Particulars	**2017-18**	2016-17
No. of Shares Transferred	**3654**	1007
Total No. of Shares	**4,05,18,796**	4,05,18,796
% on Share Capital	**0.00**	0.00

xii) Distribution of Shareholding & Shareholding Pattern :

A) Distribution of Shareholding as on 31 March 2018 :

No. of Equity Shares Held	**As on 31 March 2018**				As on 31 March 2017			
	No. of share holders	**% of Share holders**	**No. of Shares**	**% of Share holding**	No. of share holders	% of Share holders	No. of Shares	% of Share holding
1-500	**16798**	**94.68**	**1531341**	**3.78**	15188	93.90	14,06,382	3.47
501-1000	**448**	**2.52**	**342733**	**0.85**	472	2.92	3,68,115	0.91
1001-2000	**200**	**1.13**	**293576**	**0.72**	195	1.21	2,95,049	0.73
2001-3000	**85**	**0.48**	**221419**	**0.55**	94	0.58	2,44,115	0.60
3001-4000	**34**	**0.19**	**121273**	**0.30**	40	0.25	1,43,688	0.35
4001-5000	**37**	**0.21**	**174843**	**0.43**	40	0.25	1,90,198	0.47
5001-10000	**54**	**0.30**	**377504**	**0.93**	63	0.39	4,64,069	1.15
10001 and above	**86**	**0.49**	**37456107**	**92.44**	82	0.50	3,74,07,180	92.32
Total	**17742**	**100.00**	**4,05,18,796**	**100.00**	16,174	100.00	4,05,18,796	100.00

B) Shareholding Pattern as on 31 March 2018 :

	No. of Shares	% of total
Indian Promoters	3,03,73,199	74.96
Mutual Funds/UTI	1001952	2.47
Banks, Financial Institutions & Insurance companies	9461	0.02
Foreign Portfolio Investors	3374547	8.33
Private Corporate Bodies	1439508	3.55
Indian Public	4132522	10.20
Non –Resident Indians/Foreign Portfolio Investor	168043	0.42
Clearing Members	16774	0.04
Alternate Investment Funds	2790	0.01
Total :	**4,05,18,796**	**100.00**

xiii) Dematerialization of shares :

As on 31 March 2018, 97.81% of the Company's total shares representing 3,96,30,607 shares were held in dematerialised form and the balance 2.19% representing 8,88,189 shares were held in physical form.

xiv) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is exposed to foreign currency risk for the raw materials, finished goods and capital goods that it imports and export of finished goods and engages in foreign currency hedging with banks by way of currency forward contracts in order to protect its foreign exchange exposure arising from its foreign-currency denominated purchase in terms of the foreign exchange risk management policy of the Company.

xv) Outstanding GDRs/ADRs/Warrants or any convertible instruments : The Company has not issued any Convertible instruments, GDRs/ ADRs/Warrants.

xvi) Plant locations :
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, CorlimIndl. Estate, Corlim Ilhas, Goa - 403 110
16/17, VisveswariahIndl. Estate, Whitefield Road,
Bangalore - 560 048

xvii) Address for correspondence :
Corporate Office
Plot No. IND 5, Sector I,
East Calcutta Township, Kolkata - 700 107.
Tel. : (033) 39849475, Fax : (033) 39849676
E-mail : investors@ifbglobal.com

11. Other Disclosures :

A) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with interests of the Company. Transactions with the related parties are disclosed in Note No. 38 "Notes to Financial Statements" annexed to the Financial Statements for the year. The Policy on Related Party has been given under Company's official website under the web link: **http://ifbindustries.com/csr_policy.php**

B) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter related to capital markets during the last 3 years: None.

C) The financial statements for the year 2017-18 have been prepared in accordance with the applicable accounting standards prescribed by The Institute of Chartered Accountants of India and there are no deviations.

D) The Board has noted and reviewed the Compliance Reports of all laws applicable to the Company, which were placed before each of its meeting held during the year 2017-18.

E) The Company has adopted Whistle Blower/Vigil Mechanism Policy for Directors and employees which has been placed in the website of the Company under the web link **http://www.ifbindustries.com/vigil_mechanism.php.** No personnel has been denied access to the Audit Committee.

F) The Company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate risk.

G) **Reconciliation of Share Capital Audit :**

A Qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit during the financial year 2017-18 on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the Total Paid up Share Capital is in agreement with the total No. of Shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.

H) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI LODR.

This Corporate Governance Report of the Company for the year 2017-18 as on 31 March 2018 are in compliance with the requirements of Corporate Governance under SEBI LODR as applicable.

12. Requirement under PART E of Schedule II

i) The Board

It is not applicable as the company is having one Executive Chairman.

ii) Shareholders' Rights

The Company's financial results are published in the newspaper and also posted on its website (www. ifbindustries.com). Hence, Financial Results are not send to the Shareholders. However the Company furnishes the financial results on receipt of request from the shareholders.

iii) Modified opinion in Audit Report

Statutory Auditors have provided an unmodified opinion in their Audit Reports on the Financial for Standalone and Consolidated Reports of IFB Industries Ltd for the year ended 31 March 2018.

iv) Separate Post of Chairman and Chief Executive Officer

The Company has appointed separate persons as Chairman, Managing Director and CEO's.

v) Reporting of Internal Auditor

PWC & the Company's Internal Auditor reports directly to the Audit Committee.

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman
& Managing Director

Place : Kolkata
Dated : 29 May 2018

Prabir Chatterjee
Director & CFO

CERTIFICATION BY CHIEF EXECUTIVE OFFICERS (CEOs) AND CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17(8) OF (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have reviewed the financial statements and the cash flow of **IFB Industries Limited** ('the Company') for the year ended 31 March 2018 and to the best of our knowledge and belief :

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to Company's code of conduct.

We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify the deficiencies.

There has not been any significant changes in the Internal Control over financial reporting during the year.

There has not been any significant change in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements:

We are not aware of any instances during the year of fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

We further declare that all Board members and senior management personnel have affirmed compliance with the code of conduct for board of directors and senior management.

Yours truly,

	Partha Sen	**Raj Shankar Ray**	**Prabir Chatterjee**
Place : Kolkata	*Chief Executive Officer*	*Chief Executive Officer*	*Director and*
Date : 29 May 2018	*Engineering Division*	*Home Appliance Division*	*Chief Financial Officer*

INDEPENDENT AUDITORS' CERTIFICATE on Corporate Governance

To the Members of **IFB Industries Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 August, 2017.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of IFB INDUSTRIES LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in Listing Regulations.

Auditor's responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31 March, 2018.
9. 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
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 29 May 2018

Independent Auditor's Report to the Members of IFB INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **IFB INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone

Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March2018, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 37 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 29 May 2018

ANNEXURE "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **IFB INDUSTRIES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 29 May 2018

ANNEXURE "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment 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 property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax,Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (Rs. in Lacs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2009-10 and 2012-13 to 2014-15	269
Central Excise Act, 1944	Excise duty including penalty	Commissioner Appeals	2010-11 to 2013-15	31
		Central Excise and Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2009-10	43 [a]
Central Sales Tax Act and Local Sales Tax Act	Sales Tax including trade tax	Assessment officer	1991-92 to 1994-95	176
		Assistant Commissioner	2002-03	1
		Additional Commissioner	2008-09 and 2009-10	10
		Commissioner Appeal	2009-10, 2011-12 and 2015-16	10 [b]
		Deputy Commissioner (Appeals)	2009-10 and 2010-11	1 [c]
		Deputy Commissioner	2013-14	1 [d]
		Trade Tax Tribunal	1999-2000	1 [e]
		Joint Commissioner	2011-13	11 [f]
		Commercial Tax Appellate Board	2009-10	42 [g]
		Sr. Jt. Commissionerate, Corporate division	2013-15	167 [h]
		Appellate Tribunal	2002-03 to 2005-06	15 [i]
		High Court	2007-2008 to 2013-2014	43
		Supreme Court	2001-02 to 2002-03	62 [j]
Customs Act, 1962	Customs duty	Additional Director General, Directorate of Revenue Intelligence	2008-2012	2
The Finance Act, 1994	Service Tax and Penalty	Assistant Commissioner	2013-2015	7
		Central Excise and Service Tax Appellate Tribunal (CESTAT)	2005-06 to 2011-12	529

[a] Net of Rs. 6.47 Lacs paid under protest
[b] Net of Rs. 3.92 Lacs paid under protest
[c] Net of Rs. 0.78 Lacs paid under protest
[d] Net of Rs. 0.21Lacs paid under protest
[e] Net of Rs. 0.47 Lacs paid under protest
[f] Net of Rs. 8.48Lacs paid under protest
[g] Net of Rs. 16.25 Lacs paid under protest
[h] Net of Rs. 22.68 Lacs paid under protest
[i] Net of Rs. 56.31 Lacs paid under protest
[j] Net of Rs. 82.96 Lacs paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 29 May 2018

Standalone Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
ASSETS				
1. **Non-current assets**				
(a) Property, plant and equipment	3A	**27,641**	28,591	25,913
(b) Capital work-in-progress	3A	**227**	801	1,258
(c) Investment property	4	**11**	11	11
(d) Intangible assets	3B	**1,726**	1,885	1,275
(e) Intangible assets under development	3B	**447**	588	1,119
(f) Financial assets				
(i) Investments	5	**3,360**	1,200	-
(ii) Loans	6	**54**	54	47
(iii) Others	7	**854**	921	765
(g) Deferred tax assets (net)	18	**-**	420	248
(h) Income tax assets (net)	8	**289**	553	457
(i) Other non-current assets	9	**2,477**	2,776	3,065
2. **Current assets**				
(a) Inventories	10	**31,070**	23,488	21,441
(b) Financial assets				
(i) Investments	5	**9,267**	5,148	1,758
(ii) Trade receivables	11	**17,234**	13,824	11,546
(iii) Cash and cash equivalents	12	**6,241**	4,566	4,756
(iv) Other bank balances	13	**68**	66	54
(v) Loans	6	**55**	56	46
(vi) Others	7	**46**	20	71
(c) Other current assets	9	**7,133**	3,154	2,448
Total assets		**1,08,200**	88,122	76,278
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	**4,128**	4,128	4,128
(b) Other equity		**50,901**	43,020	37,794
Liabilities				
1. **Non-current liabilities**				
(a) Financial liabilities				
(i) Borrowings	15	**1,000**	1,875	100
(ii) Other financial liabilities	16	**9**	29	28
(b) Provisions	17	**4,197**	2,653	2,615
(c) Deferred tax liabilities (net)	18	**526**	-	-
(d) Other non-current liabilities	19	**1,050**	857	695
2. **Current liabilities**				
(a) Financial liabilities				
(i) Borrowings	20	**408**	348	1,540
(ii) Trade payables		**36,639**	26,300	22,529
(iii) Other financial liabilities	16	**1,417**	1,341	584
(b) Other current liabilities	19	**7,473**	6,997	5,701
(c) Provisions	17	**387**	574	564
(d) Income tax liabilities (net)		**65**	-	-
Total equity and liabilities		**1,08,200**	88,122	76,278

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Standalone Statement of Profit and Loss for the year ended 31 March 2018

		Notes	31 March 2018 Rs. in Lacs	31 March 2017 Rs. in Lacs
I	Revenue from operations	21	**2,18,865**	1,89,906
II	Other income	22	**1,845**	1,283
III	**Total income (I + II)**		**2,20,710**	1,91,189
IV	**Expenses**			
	(a) Cost of materials consumed	23	**88,030**	71,186
	(b) Purchases of stock-in-trade	24	**38,434**	30,734
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**(6,016)**	(1,378)
	(d) Excise duty on sale of goods	26	**4,014**	15,841
	(e) Employee benefits expense	27	**21,114**	16,146
	(f) Finance costs	28	**430**	435
	(g) Depreciation and amortisation expense	29	**5,138**	4,359
	(h) Other expenses	30	**57,632**	47,048
	Total expenses (IV)		**2,08,776**	1,84,371
V	**Profit before tax (III - IV)**		**11,934**	6,818
VI	**Tax expense**			
	(a) Current tax	31	**3,655**	1,489
	(b) Deferred tax	31	**(46)**	(184)
VII	**Profit for the year (V - VI)**		**8,325**	5,513
VIII	**Other comprehensive income**			
	A (i) Items that will not to be reclassified to profit or loss			
	- Remeasurements of the defined benefit plan		**(679)**	(439)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	31	**235**	152
	B (i) Items that will be reclassified to statement of profit and loss		**–**	–
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		**–**	–
	Total other comprehensive income		**(444)**	(287)
IX	**Total comprehensive income for the year (VII + VIII)**		**7,881**	5,226
X	Earnings per equity share (Face value Rs. 10 each)			
	(a) Basic (in Rs.)	32	**20.55**	13.61
	(b) Diluted (in Rs.)	32	**20.55**	13.61

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Standalone Cash Flow Statement for the year ended 31 March 2018

		31 March 2018 Rs. in Lacs	31 March 2017` Rs. in Lacs
A.	**Cash flows from operating activities**		
	Profit before tax	**11,934**	6,818
	Adjustments for:		
	Depreciation and amortisation expense	**5,138**	4,359
	Gain on disposal of property, plant and equipment	**(131)**	(1)
	Write-off of property, plant and equipment	**29**	32
	Write-off of debts/ advances	**59**	45
	Allowances for doubtful debts and advances	**45**	23
	Dividend from investments in mutual fund	**(102)**	(68)
	Net gain on disposal of mutual funds measured at fair value through statement of profit and loss (FVTPL)	**(13)**	(103)
	Write back of liabilities no longer required	**(83)**	(179)
	Write back of provision on assets no longer required	**(17)**	(7)
	Unrealised exchange gain	**(10)**	(43)
	Interest income on financial assets	**(142)**	(107)
	Net gain arising on mutual funds measured at FVTPL	**(345)**	(227)
	Net (gain)/loss arising on derivative instruments measured at FVTPL	**(192)**	151
	Finance costs	**302**	317
	Operating profit before working capital changes	**16,472**	11,010
	Adjustments for:		
	Trade payables	**10,435**	4,160
	Provisions	**678**	(391)
	Other financial liabilities	**78**	(141)
	Other liabilities	**669**	1,458
	Trade receivables	**(3,466)**	(2,343)
	Other financial assets	**47**	(141)
	Other assets	**(3,482)**	(865)
	Loans and advances	**1**	(17)
	Inventories	**(7,582)**	(2,047)
	Cash generated from operations	**13,850**	10,683
	Income tax paid (net of refunds)	**(2,099)**	(1,421)
	Net cash from operating activities	**11,751**	9,262
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	**(3,801)**	(6,259)
	Sale of property, plant and equipment	**402**	1
	Investment in subsidiaries	**(2,160)**	(1,200)
	Purchase of current investments	**(26,960)**	(14,590)
	Sale of current investments	**23,301**	11,598
	Increase in other bank balances	**(2)**	(12)
	Interest income on financial assets	**142**	107
	Net cash used in investing activities	**(9,078)**	(10,355)
C.	**Cash flows from financing activities**		
	Proceeds from borrowing	**18,878**	14,535
	Repayment of borrowing	**(19,568)**	(13,327)
	Finance costs	**(308)**	(305)
	Net cash from/(used in) financing activities	**(998)**	903
Net change in cash and cash equivalents (A+B+C)		**1,675**	(190)
Cash and cash equivalents at the beginning of the year		**4,566**	4,756
Cash and cash equivalents at the end of the year [refer note 12]		**6,241**	4,566

Note : The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS-7- Statements of Cash Flow.
The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Standalone Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	As at the beginning of the reporting year	Changes in equity share capital during the year	As at the end of the reporting year
	Rs. in lacs	Rs. in lacs	Rs. in lacs
For the year ended 31 March 2017	4,128	–	**4,128**
For the year ended 31 March 2018	4,128	–	**4,128**

B. Other equity

	Reserves and surplus				Total
	Share premium account	Capital redemption reserve	Debt restructuring reserve	Retained earnings	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Balance as at 01 April 2016	17,433	1,605	8,981	9,775	37,794
Profit for the year	–	–	–	5,513	5,513
Other comprehensive income (net of tax)	–	–	–	(287)	(287)
Total comprehensive income for the year	–	–	–	5,226	5,226
Balance as at 31 March 2017	17,433	1,605	8,981	15,001	43,020
Profit for the year	–	–	–	8,325	8,325
Other comprehensive income (net of tax)	–	–	–	(444)	(444)
Total comprehensive income for the year	–	–	–	**7,881**	**7,881**
Balance as at 31 March 2018	**17,433**	**1,605**	**8,981**	**22,882**	**50,901**

Share premium accounts This reserve represents premium on issue of shares and expenses on employee stock purchase scheme and can be utilised in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve This reserve has been created under the Companies Act, 1956 on redemption of redeemable preference shares and can utilised in accordance with the provisions of the Companies Act, 2013.

Debt restructuring reserve This reserve represents the principal loan amount that were waived off in earlier years.

Retained earnings This reserve represents the cumulative profits of the company and effects of remeasurement of defined benefit plans. This can be utilised in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 42 are an integral part of the financial statements.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors of **IFB Industries Limited**

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Notes to the standalone financial statements for the year ended 31 March 2018

1. SIGNIFICANT ACCOUNTING POLICIES :

a. Background

IFB Industries Limited ("the Company") is a Listed Public Limited Company having its registered office in Kolkata. The Company is engaged in the business of manufacturing of fine blanked components and in manufacturing and trading of home appliances.

b. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under section 133 of the Companies Act, 2013. These financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 01April 2017.

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 41 - First-time Adoption of Ind AS.

c. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the standalone financial statements for the year ended 31 March 2018

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1- Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customers (which generally coincides with their delivery to customers),the amount of revenue can be measured reliably and recovery of the consideration is probable.Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax, value added tax and goods and services tax. It is measured at the fair value of the consideration received or receivable for goods supplied net of returns and discounts to customers.

Revenue from services is recognised at the fair value of the consideration received or receivable for services rendered in the periods in which the services are rendered on a prorated basis over the period or as per the terms of the contract.

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the tools and moulds, in whose case the life of the assets has been assessed as 5 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Buildings	30 years
Buildings (Roads and Fences)	5 years
Plant and equipment	10 – 15 years

Notes to the standalone financial statements for the year ended 31 March 2018

Plant and equipment (Tools and Moulds)	5 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3-6 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the standalone statement of profit and loss.

f. Investment property

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 – Property, Plant and Equipment requirement for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in standalone statement of profit and loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of 01 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

g. Intangible assets

Intangible assets that the Company acquires separately and from which it expects future economic benefits are capitalised upon acquisition and measured initially at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. All directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. All directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 01 April 2016 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial

Notes to the standalone financial statements for the year ended 31 March 2018

obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortised over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortised.

The estimated useful lives of intangible assets of the Company are as follows:

Computer software	3 years
Technical knowhow	5 years

All intangible assets are tested for impairment. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the Standalone statement of profit and loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

h. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the standalone statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in standalone statement of profit and loss.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Notes to the standalone financial statements for the year ended 31 March 2018

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the standalone statement of profit and loss in the period in which they are incurred.

j. Foreign currency transactions

The functional and presentation currency of the Company is Indian Rupee.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions.Gains / losses arising on foreign currency transactions settled during the year are recognised in the standalone statement of profit and loss.

Exchange differences arising on translation of monetary items are recognised in the standalone statement of profit and loss

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

Non-monetary items denominated in foreign currency are carried at cost.

k. Derivatives

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign exchange risks.

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the standalone statement of profit and loss.

l. Investment in subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment, if any.

m. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs of inventories are determined using weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

n. Employee benefits

Retirement benefit costs

Contribution payable for provident fund and superannuation fund, which are defined contribution schemes are recognised as an employee benefit expense in the standalone statement of profit and loss.

For retirement benefit - defined benefit plan i.e.gratuity, other long-term employee benefits i.e., leave encashment and sick leave, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit in other comprehensive income for gratuity and standalone statement of profit and loss for leave encashment and sick leave in the period in which they occur.

Notes to the standalone financial statements for the year ended 31 March 2018

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

o. Taxation

Tax expenses comprises current and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid to tax authorities in accordance with the Income Tax Act, 1961. The Company's current tax is calculated using tax rates and tax laws that have been enacted during the period, together with any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Notes to the standalone financial statements for the year ended 31 March 2018

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Minimum Alternate Tax (MAT) credit entitlement is recognised only to the extent there is convincing evidence that the Company will pay normal tax during the period specified by the Income Tax Act, 1961. In the year in which the MAT credit becomes eligible to be recognised as an asset,the said asset is created by way of credit to the standalone statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

p. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.

b) related to incurring specific expenditures are taken to the standalone statement of profit and loss on the same basis and in the same periods as the expenditures incurred.

c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

q. Warranties

Warranty costs are estimated by the Management on the basis of a technical evaluation and based on specific warranties, claims and claim history. Provision is made for estimated liability in respect of warranty cost in the year of sale of goods. Warranty provisions are measured at discounted amounts. The Company discounts its provision for warranty to present value at reporting dates. Consequently, the unwinding of discount is recognised in the standalone statement of profit and loss.

Provision for warranty is expected to be utilised over a period of one to five years.

r. Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure of contingent liability is made.

s. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Notes to the standalone financial statements for the year ended 31 March 2018

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the standalone statement of profit and loss on a straight-line basis over the term of the lease unless the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Company as lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the standalone statement of profit and loss.

Rentals payable under operating leases are charged to the standalone statement of profit and loss on a straight-line basis over the term of the relevant lease unless the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

t. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated expenses and taxes.

"Unallocated Expenses" represents revenue and expenses attributable to the enterprise as a whole and are not attributable to segments.

u. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Notes to the standalone financial statements for the year ended 31 March 2018

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through standalone statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

Financial assets and liabilities are offset and the net amount is included in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

v. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Recognition

Financial assets include investments, trade receivables, derivative instruments, cash and cash equivalents, other bank balances, loans and other financial assets. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the standalone statement of profit and loss.

Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(b) Fair value through other comprehensive income, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) Fair value through statement of profit and loss, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on their fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are classified for measurement at amortised cost. Derivative instruments are measured at fair value through statement of profit and loss while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit and loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Notes to the standalone financial statements for the year ended 31 March 2018

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment

At each reporting date a financial asset such as investment, trade receivable, loans and other financial assets held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss is assessed and loss allowance is recognised if the credit quality of that financial asset has deteriorated significantly since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in standalone statement of profit and loss.

Reclassification

When and only when the business model is changed the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through standalone statement of profit and loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial instruments.

De-recognition

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Consequently, if the asset is one that is measured at

(a) Amortised cost, the gain or loss is recognised in the standalone statement of profit and loss.

(b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the standalone statement of profit and loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

w. Financial liabilities and equity instruments

Classification:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the standalone financial statements for the year ended 31 March 2018

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received.

Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the standalone statement of profit and loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the balance sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

x. Earning per share

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

2A. USE OF ESTIMATES AND JUDGEMENTS :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are related to:

(i) Useful life of property, plant and equipment and intangible assets
(ii) Provision for product warranties
(iii) Provision for employee benefits
(iv) Fair value of financial assets / liabilities
(v) Provisions and contingent liabilities

Useful life of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

Provision for product warranties

Provision is estimated in respect of warranty cost in the year of sale of goods and it represents the present value of the management's best estimate of the future outflow of economic benefit that will be required under the

Notes to the standalone financial statements for the year ended 31 March 2018

company's obligation for warranties. It is estimated by the management on the basis of a technical evaluation and based on specific warranties, claims and claim history.

The determination of provision for product warranties takes into account assumptions which is a subject matter of judgement.

Provision for employee benefits

The determination of Company's liability towards defined benefit obligation and other long term employee benefits to employees is made through independent actuarial valuation including determination of amounts to be recognised in the standalone statement of profit and loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to accounts.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation, if required.

Provisions and contingent liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

2B. RECENT ACCOUNTING PRONOUNCEMENTS :

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21–The Effects of Changes in Foreign Exchange Rates which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 01 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115 - Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115 - Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018. The effect on adoption of Ind AS 115 on the financial statements is expected to be insignificant.

Notes to the standalone financial statements for the year ended 31 March 2018

3A. Property, Plant and Equipment Rs. in Lacs

Particulars of Assets		Gross Block						
		As at 01 April 2016	Additions	Adjustments/ disposals	As at 31 March 2017	**Additions**	**Adjustments/ disposals**	**As at 31 March 2018**
(a)	**Land**	527	–	–	527	**–**	**–**	**527**
	Land	527	–	–	527	**–**	**–**	**527**
(b)	**Buildings**	3,756	934	–	4,690	**68**	**(2)**	**4,756**
	Buildings	3,230	249	–	3,479	**12**	**(2)**	**3,489**
	R and D buildings	526	685	–	1,211	**56**	**–**	**1,267**
(c)	**Plant and equipment**	20,185	4,656	(33)	24,808	**3,056**	**(329)**	**27,535**
	Plant and equipment	18,870	4,428	(33)	23,265	**3,000**	**(329)**	**25,936**
	R and D plant and equipment	1,315	228	–	1,543	**56**	**–**	**1,599**
(d)	**Furniture and fixtures**	882	572	(2)	1,452	**374**	**(3)**	**1,823**
	Furniture and fixtures	865	281	(2)	1,144	**349**	**(3)**	**1,490**
	R and D furniture and fixtures	17	291	–	308	**25**	**–**	**333**
(e)	**Vehicles**	47	11	–	58	**–**	**–**	**58**
	Vehicles	30	–	–	30	**–**	**–**	**30**
	R and D vehicles	17	11	–	28	**–**	**–**	**28**
(f)	**Office equipment**	204	64	(1)	267	**74**	**(1)**	**340**
	Office equipment	203	58	(1)	260	**74**	**(1)**	**333**
	R and D office equipment	1	6	–	7	**–**	**–**	**7**
(g)	**Computers**	312	393	–	705	**178**	**(1)**	**882**
	Computers	280	362	–	642	**166**	**(1)**	**807**
	R and D computers	32	31	–	63	**12**	**–**	**75**
Total		25,913	6,630	(36)	32,507	**3,750**	**(336)**	**35,921**
Total		24,005	5,378	(36)	29,347	**3,601**	**(336)**	**32,612**
Total R and D		1,908	1,252	–	3,160	**149**	**–**	**3,309**
Capital work-in-progress		1,258	801	(1,258)	801	**227**	**(801)**	**227**

3B. Intangible assets Rs. in Lacs

(a)	**Computer software**	254	1,049	–	1,303	**144**	**–**	**1,447**
	Computer software	211	938	–	1,149	**115**	**–**	**1,264**
	R and D computer software	43	111	–	154	**29**	**–**	**183**
(b)	**Technical knowhow**	1,021	–	–	1,021	**435**	**–**	**1,456**
	R and D technical knowhow	1,021	–	–	1,021	**435**	**–**	**1,456**
Total		1,275	1,049	–	2,324	**579**	**–**	**2,903**
Total		211	938	–	1,149	**115**	**–**	**1,264**
Total R and D		1,064	111	–	1,175	**464**	**–**	**1,639**
Intangible assets under development		1,119	29	(560)	588	**447**	**(588)**	**447**

1. *R and D denotes research and development.*
2. *Carrying amount as at 31 March 2016 has been considered as the deemed cost as at 01 April 2016 for property, plant and equipment and intangible assets.*
3. *Certain portion of land and building has been given on operating lease.*

Notes to the standalone financial statements for the year ended 31 March 2018

3A. Property, Plant and Equipment

Rs. in Lacs

		Depreciation and amortisation							Net Book Value		
		Upto 01 April 2016	For the year	Adjustments/ disposals	Upto 31 March 2017	**For the year**	**Adjustments/ disposals**	**Upto 31 March 2018**	**As at 31 March 2018**	As at 31 March 2017	As at 01 April 2016
(a)	**Land**	–	–	–	–	–	–	–	**527**	527	527
	Land	–	–	–	–	–	–	–	**527**	527	527
(b)	**Buildings**	–	212	–	212	**224**	–	**436**	**4,320**	4,478	3,756
	Buildings	–	176	–	176	**181**	–	**357**	**3,132**	3,303	3,230
	R and D buildings	–	36	–	36	**43**	–	**79**	**1,188**	1,175	526
(c)	**Plant and equipment**	–	3,352	(3)	3,349	**3,720**	**(35)**	**7,034**	**20,501**	21,459	20,185
	Plant and equipment	–	3,219	(3)	3,216	**3,578**	**(35)**	**6,759**	**19,177**	20,049	18,870
	R and D plant and equipment	–	133	–	133	**142**	–	**275**	**1,324**	1,410	1,315
(d)	**Furniture and fixtures**	–	139	–	139	**179**	**(1)**	**317**	**1,506**	1,313	882
	Furniture and fixtures	–	122	–	122	**148**	**(1)**	**269**	**1,221**	1,022	865
	R and D furniture and fixtures	–	17	–	17	**31**	–	**48**	**285**	291	17
(e)	**Vehicles**	–	8	–	8	**8**	–	**16**	**42**	50	47
	Vehicles	–	5	–	5	**5**	–	**10**	**20**	25	30
	R and D vehicles	–	3	–	3	**3**	–	**6**	**22**	25	17
(f)	**Office equipment**	–	65	(1)	64	**70**	–	**134**	**206**	203	204
	Office equipment	–	64	(1)	63	**69**	–	**132**	**201**	197	203
	R and D office equipment	–	1	–	1	**1**	–	**2**	**5**	6	1
(g)	**Computers**	–	144	–	144	**199**	–	**343**	**539**	561	312
	Computers	–	123	–	123	**177**	–	**300**	**507**	519	280
	R and D computers	–	21	–	21	**22**	–	**43**	**32**	42	32
Total		–	3,920	(4)	3,916	**4,400**	**(36)**	**8,280**	**27,641**	28,591	25,913
Total		–	3,709	(4)	3,705	**4,158**	**(36)**	**7,827**	**24,785**	25,642	24,005
Total R and D		–	211	–	211	**242**	–	**453**	**2,856**	2,949	1,908
Capital work-in-progress		–	–	–	–	–	–	–	**227**	801	1,258

3B. Intangible assets

Rs. in Lacs

(a)	**Computer software**	–	175	–	175	**467**	–	**642**	**805**	1,128	254
	Computer software	–	130	–	130	**413**	–	**543**	**721**	1,019	211
	R and D computer software	–	45	–	45	**54**	–	**99**	**84**	109	43
(b)	**Technical knowhow**	–	264		264	**271**	–	**535**	**921**	757	1,021
	R and D technical knowhow	–	264	–	264	**271**	–	**535**	**921**	757	1,021
Total		–	439	–	439	**738**	–	**1,177**	**1,726**	1,885	1,275
Total		–	130	–	130	**413**	–	**543**	**721**	1,019	211
Total R and D		–	309	–	309	**325**	–	**634**	**1,005**	866	1,064
Intangible assets under development		–	–	–	–	–	–	–	**447**	588	1,119

The amortisation of intangible assets is disclosed in the face of Statement of Profit or Loss under the heading "Depreciation and amortisation expenses"

Technical knowhow represents "Design Cost" for washing machines and the same is amortised over a period of 5 years. Out of the net block as at 31 March 2018 Rs. 494 lacs would be amortised in 2 years and Rs. 427 lacs would be amortised in 5 years.

Notes to the standalone financial statements for the year ended 31 March 2018

4. Investment property

Rs. in Lacs

	Gross Block / Net Book Value						
	As at 01 April 2016	Additions	Adjustments /disposals	As at 31 March 2017	**Additions**	**Adjustments /disposals**	**As at 31 March 2018**
Land	11	–	–	11	**–**	**–**	**11**
Total	11	–	–	11	**–**	**–**	**11**

1. The Company's investment properties consist of lands in India and it includes an amount of Rs. 7 lacs (31 March 2017: Rs. 7 lacs and 01 April 2016: Rs. 7 lacs) being assets given on an operating lease.
2. As at 31 March 2018, 31 March 2017 and 01 April 2016 the fair values of the properties are **Rs. 500 lacs**, Rs. 458 lacs and Rs. 422 lacs respectively. These valuations are based on valuations performed by NagChowdhury Associates, an accredited independent valuer. NagChowdhury Associates is a specialist in valuing these types of investment properties. A valuation model (market approach) in accordance with that recommended by Indian Institute of Surveyors has been applied. The fair value measurement can be categorised into level 3 category.
3. The company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. Information regarding income and expenditure of investment property:

	Year ended	
	31 March 2018 Rs. in Lacs	31 March 2017 Rs. in Lacs
Rental income derived from investment property	**6**	6
Profit arising from investment property	**6**	6

5. Investments

	As at 31 March 2018			As at 31 March 2017			As at 01 April 2016		
		Current	**Non Current**		Current	Non Current		Current	Non Current
	Nos	**Rs. in Lacs**	**Rs. in Lacs**	Nos	Rs. in Lacs	Rs. in Lacs	Nos	Rs. in Lacs	Rs. in Lacs
A. At cost									
Unquoted investments (fully paid)									
Investment in subsidiaries									
- Trishan Metals Private Limited (equity shares of Rs. 10/- each)	**1,20,00,000**	**–**	**1,200**	1,20,00,000	–	1,200	–	–	–
- Global Automotive & Appliances Pte. Ltd. (ordinary shares of USD. 1/- each)	**47,55,625**	**–**	**2,160**	–	–	–	–	–	–
Total		**–**	**3,360**		–	1,200	–	–	–

Notes to the standalone financial statements for the year ended 31 March 2018

5. Investments *(Contd.)*

		As at 31 March 2018			As at 31 March 2017			As at 01 April 2016		
			Current	Non Current		Current	Non Current		Current	Non Current
		Nos	Rs. in Lacs	Rs. in Lacs	Nos	Rs. in Lacs	Rs. in Lacs	Nos	Rs. in Lacs	Rs. in Lacs
B.	**At fair value through statement of profit and loss**									
	Investments in mutual fund - unquoted									
a)	ICICI Prudential Money Market Fund Option - Direct plan daily dividend (face value Rs. 100/-)	**19,83,515**	**1,986**	–	11,86,073	1,188	–	6,47,645	649	–
b)	Reliance Regular Savings Fund - Debt Plan - Growth plan - growth option (face value Rs. 10/-)	**50,84,272**	**1,230**	–	27,80,694	630	–	27,80,694	574	–
c)	ICICI Prudential Liquid - Direct Plan - Daily dividend - reinvestment (face value Rs. 100/-)	–	–	–	50,062	50	–	30,413	30	–
d)	Reliance Fixed Horizon Fund - XXX - Series 9 - Direct growth plan (face value Rs. 10/-)	–	–	–	–	–	–	50,00,000	505	–
e)	Kotak Low Duration Fund - Standard growth - regular plan (face value Rs. 10/-)	**72,503**	**1,538**	–	72,503	1,437	–	–	–	–
f)	Kotak Floater Short Term - Direct plan - growth (face value Rs. 1000/-)	–	–	–	32,430	866	–	–	–	–
g)	Reliance Medium Term Fund - Direct growth plan (face value Rs. 10/-)	**59,61,180**	**2,216**	–	15,75,397	546	–	–	–	–
h)	ICICI Prudential Flexible Income - Growth plan (face value Rs. 100/-)	–	–	–	69,350	216	–	–	–	–
i)	HSBC Income Fund - Short term plan - growth (face value Rs. 10/-)	–	–	–	7,98,139	215	–	–	–	–
j)	Aditya Birla Sun Life Savings Fund - Growth direct plan (face value Rs. 100/-)	**91,183**	**313**	–	–	–	–	–	–	–
k)	Franklin India Low Duration Fund - Growth plan (face value Rs 10/-)	**61,66,526**	**1,232**	–	–	–	–	–	–	–
l)	ICICI Prudential Liquid - Direct plan - growth (face value Rs 100/-)	**78,333**	**201**	–	–	–	–	–	–	–
m)	ICICI Prudential Regular Saving Fund - Growth (face value Rs 10/-)	**10,27,149**	**191**	–	–	–	–	–	–	–
n)	L&T Income Oppurtunities Fund - Growth (face value Rs 10/-)	**18,02,955**	**360**	–	–	–	–	–	–	–
Total			**9,267**	–		5,148	–		1,758	–
Total investments			**9,267**	**3,360**		5,148	1,200		1,758	–
Other disclosures										
Aggregate amount of unquoted investments			**9,267**	**3,360**		5,148	1,200		1,758	–
Aggregate amount of impairment in value of investments			–	–		–	–		–	–

Notes to the standalone financial statements for the year ended 31 March 2018

5. Investments *(Contd.)*

Details of investment in subsidiaries :	**As at 31 March 2018**	As at 31 March 2017	As at 01 April 2016
1. Name	**Trishan Metals Private Limited**	Trishan Metals Private Limited	Not applicable
Principal place of business	**West Bengal**	West Bengal	Not applicable
Proportion of the ownership interest and voting rights held	**51.12%**	51.12%	Not applicable
Method used to account for above stated subsidiary	**Cost**	Cost	Not applicable
2. Name	**Global Automotive & Appliances Pte. Ltd**	Not applicable	Not applicable
Principal place of business	**Singapore**	Not applicable	Not applicable
Proportion of the ownership interest and voting rights held	**100%**	Not applicable	Not applicable
Method used to account for above stated subsidiary	**Cost**	Not applicable	Not applicable

6. Loans

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	**Non Current**	Current	Non Current	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Unsecured, considered good						
- Loans to related parties (refer note 38)	**3**	**2**	2	2	2	–
- Other loans to employees	**52**	**52**	54	52	44	47
Total	**55**	**54**	56	54	46	47

7. Other financial assets

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	**Non Current**	Current	Non Current	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Margin money with more than 12 months maturity	**–**	**–**	–	1	–	1
Bank deposit with more than 12 months maturity	**–**	**6**	–	5	–	5
Security deposits						
- to related parties (unsecured, considered good) - refer note 38	**–**	**58**	–	218	–	219
- to others						
(i) Unsecured, considered good	**36**	**789**	10	696	29	539
(ii) Unsecured, considered doubtful	**–**	**14**	–	14	–	14
Less: Allowance for doubtful deposits	**–**	**14**	–	14	–	14
Others						
- Derivative instruments at fair value through profit or loss and not designated as hedges	**6**	**–**	–	–	36	–
- Interest accrued on fixed deposits	**2**	**1**	2	1	2	1
- Insurance and other claim receivable	**2**	**–**	8	–	4	–
Total	**46**	**854**	20	921	71	765
Security deposit to related parties includes advances to private limited companies in which any director is a director or a member	**–**	**50**	–	50	–	50

Notes to the standalone financial statements for the year ended 31 March 2018

8. Income tax assets (net)

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Advance tax (net of provision)	**289**	553	457
Total	**289**	553	457

9. Other assets

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	**Non Current**	Current	Non Current	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Capital advance	**–**	**503**	–	275	–	715
Advances other than capital advance						
- deposit with statutory authorities	**1**	**461**	–	429	–	383
- advances with statutory authorities	**4,893**	**1,508**	2,000	2,062	1,255	1,953
- advances with related parties (refer note 38)	**1,275**	**–**	303	–	137	–
Other advances						
- advances for goods and services	**762**	**14**	593	14	774	14
- prepaid expenses	**198**	**–**	254	–	278	–
- prepaid lease rent	**4**	**5**	4	10	4	14
less : allowance for doubtful advances	**–**	**14**	–	14	–	14
Total	**7,133**	**2,477**	3,154	2,776	2,448	3,065
Advance with related parties includes advances to private limited companies in which any director is a director or a member	**763**	**–**	259	–	49	–

10. Inventories (valued at lower of cost and net realisable value)

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Raw materials	**7,150**	5,738	5,226
Work-in-progress	**1,602**	1,116	1,051
Finished goods	**10,051**	7,541	6,110
Stock-in-trade	**9,471**	6,451	6,569
Stores and spares	**2,796**	2,642	2,485
Total	**31,070**	23,488	21,441
The above includes goods in transit as under:			
Raw materials	**835**	1,046	910
Stock-in-trade	**3,530**	2,050	1,565
Stores and spares	**176**	69	69
	4,541	3,165	2,544

The cost of inventories recognised as an expense during the year was **Rs. 1,44,130 lacs** (31 March 2017: Rs. 1,22,588 lacs).

The cost of inventories recognised as an expense includes **Rs. 349 lacs** (31 March 2017 : Rs. 424 lacs) in respect of write-downs of inventory to its net realisable value. Further a sum of **Rs. 306 lacs** (31 March 2017: Rs. 84 lacs) is in respect of reversal of such write-downs. The write downs have been reduced primarily as a result of increased sales price or subsequent disposals.

Carrying amount of inventories carried at fair value **Rs. 898 Lacs** (31 March 2017: 1,245 lacs, 01 April 2016: Rs. 761 lacs)

Notes to the standalone financial statements for the year ended 31 March 2018

11. Trade receivables

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Unsecured, considered good			
- receivable from subsidiaries(*) (refer note 38)	**53**	35	1
- receivable from related parties other than subsidiaries(*) (refer note 38)	**777**	436	409
- receivable from others	**16,404**	13,353	11,136
Total	**17,234**	13,824	11,546
Unsecured, considered doubtful			
- receivable from others	**77**	49	33
Less : allowances for doubtful debts	**77**	49	33
Total	**–**	–	–
Total	**17,234**	13,824	11,546
(*) Includes trade receivable from private limited companies in which any director is a director or a member	**780**	437	409

Transfer of financial assets

The company discounted certain trade receivable with an aggregate carrying amount of **Rs. 1,940 lacs** (31 March 2017: Rs. 2,713 lacs) to a bank for cash proceeds of **Rs. 1,916 lacs** (31 March 2017: Rs. 2,669 lacs). If the trade receivable are not paid at maturity, the bank has the right to request the company to pay the unsettled balance. As the company has not transferred the significant risks and rewards relating to these trade receivable, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowings.

At the end of the reporting period, the carrying amount of the trade receivable that has been transferred but have not been derecognised and the carrying amount of the associated liability is as under :

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Trade receivable that has been transferred but have not been derecognised	**219**	348	613
Bill discounting liability for the above	**219**	348	613

Notes to the standalone financial statements for the year ended 31 March 2018

12. Cash and cash equivalents

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Balances with banks			
- current account	**5,786**	4,265	4,482
- deposit account	**27**	26	20
Cheques on hand	**374**	229	201
Cash on hand	**54**	46	53
Total	**6,241**	4,566	4,756

13. Other bank balances

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
In deposit account	**47**	45	34
Margin money deposits	**21**	21	20
Total	**68**	66	54

14. Equity share capital

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of shares	**Rs. in Lacs**	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Authorised share capital						
Equity shares of Rs. 10 each	**65,000,000**	**6,500**	65,000,000	6,500	65,000,000	6,500
Total	**65,000,000**	**6,500**	65,000,000	6,500	65,000,000	6,500

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of shares	**Rs. in Lacs**	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Issued, subscribed and fully paid up						
Equity shares of Rs. 10 each	**40,518,796**	**4,052**	40,518,796	4,052	40,518,796	4,052
Forfeited shares						
30,50,000 (31 March 2017: 30,50,000, 01 April 2016: 30,50,000) equity shares of Rs. 10 each, Rs. 2.50 paid - up	-	76	-	76	-	76
Total	**40,518,796**	**4,128**	40,518,796	4,128	40,518,796	4,128

There has been no change in equity share capital during the year.

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The

Notes to the standalone financial statements for the year ended 31 March 2018

voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	%	**No. of shares**	%	No. of shares	%	No. of shares
1. IFB Automotive Private Limited	**46.54%**	**18,856,833**	46.54%	18,856,833	46.54%	18,856,833
2. Nurpur Gases Private Limited	**14.83%**	**6,010,416**	14.83%	6,010,416	14.83%	6,010,416
3. Asansol Bottling & Packaging Company Private Limited	**8.31%**	**3,366,428**	8.31%	3,366,428	8.31%	3,366,428

15. Non-current borrowings

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Term loan from a bank - secured (*)	**1,000**	1,875	100
Total	**1,000**	1,875	100

(*) Repayable in 16 quarterly installments from the end of the 15th month from the date of first disbursement i.e. 09 March 2016.

The scheduled maturity of the above borrowings is as under:

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Repayable in first year	**750**	625	-
Current maturities of long-term debt (refer note 16)	**750**	625	-
In the second year	**750**	625	30
In the third to fifth year	**250**	1,250	70
Non-current borrowings	**1,000**	1,875	100

For sanction of term loan amounting to Rs 3,000 lacs by DBS Bank Ltd, following securities have been created :

First and exclusive floating charge over all present and future movable property, plant and equipment of the Company's engineering division located at Kolkata and Bangalore stored or to be stored at the Company's godown or premises or wherever else the same may be.

Notes to the standalone financial statements for the year ended 31 March 2018

16. Other financial liabilities

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	**Non Current**	Current	Non Current	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Current maturities of long-term debt (refer note 15)	**750**	–	625	–	–	–
Interest accrued but not due on borrowings	**13**	–	19	–	7	–
Derivative instruments at fair value through statement of profit and loss and not designated as hedges	**11**	–	197	–	82	–
Others						
Security deposit	**362**	**9**	264	29	251	28
Payable for property, plant and equipment and intangibles	**281**	–	236	–	244	–
Total	**1,417**	**9**	1,341	29	584	28

17. Provisions

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	**Non Current**	Current	Non Current	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Provision for employee benefits						
Gratuity	–	**1,068**	–	629	–	458
Leave	–	**817**	179	275	202	668
Sick Leave	**47**	**254**	42	216	35	175
Others						
Warranty	**340**	**2,058**	353	1,533	327	1,314
Total	**387**	**4,197**	574	2,653	564	2,615

Details of movement in warranty provisions

	Rs. in Lacs
Balance as at 01 April 2016	1,641
Additional provisions recognised	939
Effect of unwinding of discount	118
Amounts used (i.e. incurred and charged against the provision) during the period	(812)
Balance as at 31 March 2017	1,886
Additional provisions recognised	1,340
Effect of unwinding of discount	128
Amounts used (i.e. incurred and charged against the provision) during the period	(956)
Balance as at 31 March 2018	**2,398**

Notes to the standalone financial statements for the year ended 31 March 2018

a. Provision is estimated in respect of warranty cost in the year of sale of goods and it represents the present value of the management's best estimate of the future outflow of economic benefit that will be required under the company's obligation for warranties.

b. Provision for warranty is expected to be utilised over a period of 1 to 5 years.

c. The estimates may vary as a result of product quality, availability of spare parts, price of raw materials, altered manufacturing processess and discount rates.

d. Warranty costs are estimated by the management on the basis of a technical evaluation and based on specific warranties, claims and claim history.

18. Deferred tax assets / liabilities (net)

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Deferred tax liabilities	**3,868**	3,707	3,184
Less: Deferred tax assets	**3,342**	4,127	3,432
Total Deferred tax liabilities (net)	**526**	–	–
Total Deferred tax assets (net)	**–**	420	248

Breakup of deferred tax liabilities / asset balances is as under :

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Deferred tax liabilities			
On provision for warranty	**181**	128	115
On changes in fair value of investments	**158**	82	25
On property, plant and equipment and intangible assets	**3,529**	3,497	3,044
	3,868	3,707	3,184
Deferred tax assets			
On unused tax credits (Minimum Alternate Tax Credit) (*)	**2,452**	3,511	2,966
On changes in fair value of derivative instruments	**4**	3	2
On allowance for doubtful debts and advances	**99**	26	21
On employee benefits	**717**	518	374
Other timing differences	**70**	69	69
	3,342	4,127	3,432
Deferred tax (assets) / liabilities (net)	**526**	(420)	(248)

(*) Unused tax credits are due to expire starting from financial year 2025-26 to 2031-32.

Notes to the standalone financial statements for the year ended 31 March 2018

Movement of deferred tax (assets) / liabilities (net) is as under

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Deferred tax liabilities / (assets) as at the beginning of the year	(420)	(248)
Add: Deferred tax for the year recognised in profit and loss (@)	**(113)**	373
Add: Minimum alternate tax credit for the year (@)	**–**	(642)
Add: Minimum alternate tax credit related to previous years - Net (@)	**67**	85
Less: Minimum alternate tax credit utilisation relating to previous years	**3**	12
Less: Minimum alternate tax credit utilised during the year	**989**	–
Deferred tax liabilities / (assets) as at the end of the year	**526**	(420)

(@) refer note 31

19. Other liabilities

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Current	**Non Current**	Current	Non Current	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Income earned in advance on annual maintenance contracts and extended warranty services	**3,698**	**1,050**	3,201	857	2,859	695
Advance from customers	**1,177**	**–**	895	–	580	–
Others						
Statutory liabilities	**2,598**	**–**	2,901	–	2,262	–
Total	**7,473**	**1,050**	6,997	857	5,701	695

20. Current borrowings

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs	As at 01 April 2016 Rs. in Lacs
Secured			
Loans from banks			
Capex buyers credit	**–**	–	927
Bill discounting	**408**	348	613
Total	**408**	348	1,540

Hypothecation details for current borrowings existing as at 31 March 2018

For sanction of credit facilities amounting to Rs. 3,500 lacs by DBS Bank Ltd., following securities have been created:

(i) Hypothecation by way of first pari passu and floating charge over goods being finished goods, semi-finished goods, stocks of raw-materials, work-in-process located at various factories/ warehouses/ godowns of the company and whether in transit or lying at any other place and hypothecation by way of first pari passu and floating charge over

Notes to the standalone financial statements for the year ended 31 March 2018

the company's present and future book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets.

(ii) Hypothecation by way of exclusive charge over all present and future movable fixed assets of the engineering division of the Company including without limitation its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc. stored or to be stored at Company's godowns or premises situated at 14, Taratolla Road, Kolkata and 16/17, Visveswaraiah Industrial Estate, Whitefield Road, Bangalore - 560048 (Engineering Division) or wherever else the same may be.

Hypothecation details for credit facilities

For sanction of capex letter of credit amounting to Rs 2,000 lacs by Standard Chartered Bank, following securities have been created:

First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders) of the company including without limitations its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc stored or to be stored at the company's godown or premises situated at Plot no L-1, Verna Electronic City, Verna Industrial Estate, Goa - 403722 or wherever else the same may be.

For sanction of working capital facility amounting to Rs 10,000 lacs by Standard Chartered Bank, following securities have been created:

(i) First pari passu charge on all current assets, both present and future.

(ii) First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).

(iii) Second charge on the leasehold land and building of Goa (Verna) unit on all that piece and parcel of non-agricultural land bearing at No. L1 situated within the village panchayat of Nagoa, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa and registration sub district ILHAS in the state of Goa containing by admeasuring 48,695 square meters or thereabout.

21. Revenue from operations

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Gross revenue from sale of manufactured products	181,823	160,146
Revenue from sale of traded products	**80,484**	65,003
Total sale of products	**262,307**	225,149
Less: trade schemes and discounts	**53,086**	43,218
Sale of products (net of trade schemes and discounts)	**209,221**	181,931
Sale of services	**6,522**	5,649
Other operating revenues		
- Scrap sales	**2,971**	2,220
- Others	**151**	106
	218,865	189,906

Notes to the standalone financial statements for the year ended 31 March 2018

Details of sale of products

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
A.	**Finished goods**		
	Press tools and dies	**492**	212
	Fine blanked components and others	**34,981**	31,400
	Motor	**106**	253
	Home appliances		
	- Washing machines	**143,882**	126,443
	- Dryers	**1,741**	1,614
	- Others	**621**	224
		181,823	160,146
B.	**Stock-in-trade**		
	Home appliances		
	- Microwave ovens	**27,097**	21,220
	- Accessories and additives	**15,998**	13,576
	- Dishwashers	**5,171**	4,766
	- Air conditioners	**23,597**	20,363
	- Spares	**5,564**	2,153
	- Others	**3,057**	2,925
		80,484	65,003
	Details of sale of services :		
	Annual maintenance/ service contracts income	**5,594**	5,070
	Extended warranty income	**74**	47
	Others	**854**	532
		6,522	5,649

Notes to the standalone financial statements for the year ended 31 March 2018

22. Other income

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Interest income		
- Interest on financial assets measured at amortised cost	**142**	107
- Other interest	**32**	-
Dividend from investments in mutual fund	**102**	68
Other non-operating income		
(i) Operating lease rental income		
- Investment property	**6**	6
- Others	**35**	41
(ii) Gain on disposal of property, plant and equipment	**131**	1
(iii) Net foreign exchange gain	**(68)**	190
(iv) Net gain arising on financial instruments measured at fair value through statement of profit and loss (FVTPL)		
- Mutual fund	345	227
- Derivative instrument	**192**	(151)
(v) Net gain on disposal of financial instrument measured at FVTPL		
- Mutual fund	**13**	103
(vi) Insurance claim received	**144**	36
(vii) Write back of liabilities no longer required	**83**	179
(viii) Write back of provision on debts/advances no longer required	**17**	7
(ix) Recovery of balance written off in previous year	**6**	-
(x) Miscellaneous income	**665**	469
	1,845	1,283

23. Cost of materials consumed

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Raw material consumed		
Raw material inventory at the beginning of the year	**5,738**	5,226
Add: Purchases during the year	**89,442**	71,698
	95,180	76,924
Raw material inventory at the end of the year	**7,150**	5,738
Cost of materials consumed	**88,030**	71,186

Expenditure related to research and development at Verna, Goa included in note 23 are :

Raw material consumed	**114**	112

Notes to the standalone financial statements for the year ended 31 March 2018

24. Purchases of stock-in-trade

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Home appliances		
- Microwave ovens	12,222	9,142
- Accessories and additives	7,038	6,476
- Dishwashers	3,320	2,411
- Air conditioners	14,377	11,328
- Others	1,477	1,377
	38,434	30,734

25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Inventories as at the end of the year			
Stock-in-trade		9,471	6,451
Work-in-progress (@)		1,602	1,116
Finished goods		10,051	7,541
	(A)	21,124	15,108
Inventories as at the beginning of the year			
Stock-in-trade		6,451	6,569
Work-in-progress		1,116	1,051
Finished goods		7,541	6,110
	(B)	15,108	13,730
	(B - A)	(6,016)	(1,378)

Details of inventories		
Stock-in-trade		
- Microwave ovens	2,108	1,130
- Accessories and additives	478	434
- Dishwashers	1,270	670
- Air conditioners	4,777	3,303
- Others	838	914
	9,471	6,451

Notes to the standalone financial statements for the year ended 31 March 2018

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Finished goods		
- Washing machines	**8,591**	6,042
- Dryers	**142**	130
- Fine blanked components	**910**	869
- Press tools and dies	**391**	480
- Others	**17**	20
	10,051	7,541

(@) Includes semi finished fine blanked components and semi finished press tools and dies amounting to **Rs. 1,396 Lacs** (31 March 2017: Rs. 934 Lacs).

26. Excise duty on sale of goods

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Excise duty on sale of manufactured products	**3,946**	15,603
Excise duty on scrap sales	**68**	238
	4,014	15,841

27. Employee benefits expense

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Salaries and wages	**17,546**	13,484
Contribution to provident and other funds	**1,617**	1,162
Staff welfare expenses	**1,951**	1,500
	21,114	16,146
Expenditure related to research and development at Verna, Goa included in note 27 are :		
Salaries and wages	**2,326**	1,440
Contribution to provident and other funds	**178**	138
Staff welfare expenses	**99**	66
	2,603	1,644

28. Finance costs

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Interest on financial liabilities measured at amortised cost	**302**	317
Others	**128**	118
	430	435

Notes to the standalone financial statements for the year ended 31 March 2018

29. Depreciation and amortisation expense

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Depreciation of property, plant and equipment	**4,400**	3,920
Amortisation of intangible assets	**738**	439
	5,138	4,359

30. Other expenses

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Consumption of stores and spare parts	**10,437**	8,490
Rent	**2,356**	1,781
Insurance	**162**	141
Freight, octroi and carriage	**7,548**	5,910
Power and fuels	**2,252**	1,945
Ancillary cost	**4,975**	4,704
Rates and taxes	**434**	752
Expenditure on corporate social responsibility	**59**	28
Office expenses	**3,429**	3,169
Advertisement and sales promotion	**13,391**	9,722
Travelling	**3,040**	2,828
Repairs		
Buildings	**62**	52
Plant and machinery	**799**	645
Others	**657**	490
Write-off of property, plant and equipment	**29**	32
Write-off of debts/ advances	**42**	43
Write-off of statutory advances	**17**	2
Allowances for doubtful debts and advances	**45**	23
Bank charges	**127**	99
Directors' sitting fees	**19**	15
Service expenses	**4,512**	3,445
Warranty expenses	**1,340**	939
Miscellaneous expenses	**1,900**	1,793
	57,632	47,048
Payment to statutory auditors included under office expenses (excluding taxes)		
As auditors :		
Audit fees	**43**	40
Tax audit fees	**16**	15
Limited review fees	**16**	14
Others	**12**	9
Reimbursement of expenses	**3**	3
	90	81

Notes to the standalone financial statements for the year ended 31 March 2018

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Expenditure on corporate social responsibility		
(a) Gross amount required to be spent by the Company during the year	**100**	79
(b) Amount spent during the year on purpose other than construction/acquisition of assets in cash	**62**	28
Expenditure related to research and development at Verna, Goa included in note 30 are:		
Rent	**27**	16
Power and fuels	**62**	57
Ancillary cost	**12**	12
Office expenses	**249**	151
Travelling	**139**	122
Repairs		
Building	**3**	1
Plant and machinery	**14**	9
Others	**2**	8
Miscellaneous expenses	**35**	17
	543	393

31. Tax expense

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
A. Amount recognised in statement of profit and loss		
Current tax		
Income tax for the year	**3,652**	1,471
Adjustments related to previous years (net)	**3**	18
Total current tax	**3,655**	1,489
Deferred tax		
Deferred tax for the year	**(113)**	373
Minimum alternate tax credit for the year	**-**	(642)
Minimum alternate tax credit related to previous years (net)	**67**	85
Total deferred tax	**(46)**	(184)
	3,609	1,305

Notes to the standalone financial statements for the year ended 31 March 2018

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
B.	**Amount recognised in other comprehensive income**		
	Current tax :		
	On items that will not be reclassified to profit or loss		
	- Remeasurements of the defined benefit liabilities / (asset)	**(235)**	(152)
		(235)	(152)
C.	**Reconciliation of effective tax rate**		
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	**11,934**	6,818
	Income tax expense calculated @ 34.608% (31 March 2017 - 34.608%)	**4,130**	2,360
	Effect of income not taxable	**(35)**	(23)
	Effect of additional deductions under tax	**(632)**	(1,170)
	Effect of different tax rate on certain items	**(15)**	–
	Effect of non allowable expenses	**66**	35
	Effect of rate change on deferred tax (from 34.608% to 34.944%)	**25**	–
	Effect of adjustments relating to earlier year	**70**	1,305
	Income tax recognised in statement of profit and loss	**3,609**	1,305
	Tax rate used for current tax	**34.608%**	34.608%
	Tax rate used for deferred tax	**34.944%**	34.608%

32. Earnings per share

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
(a)	Profit after taxes available to equity shareholders	**8,325**	5,513
(b)	Weighted average number of equity shares outstanding	**40,518,796**	40,518,796
(c)	Basic and diluted earnings per equity share of face value Rs. 10 each (in Rs.) [(a)/(b)]	**20.55**	13.61

33. Defined benefit plan - Gratuity

The Company operates a defined benefit plan for gratuity for its employees. It is administered through approved trust in accordances with its trust deeds and rules. The concerned trusts are managed by trustees who provide guidance with regard to the management of their assets and liabilities and review their performance periodically. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and the investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure the adequacy of internal controls.

The liability arising in the defined benefit plan is determined by an independent professionally qualified actuary using the projected unit credit method.

Notes to the standalone financial statements for the year ended 31 March 2018

Risk management

The risks commonly affecting the gratuity liability and the financial results are expected to be:

1. Interest rate risk - The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yield falls, the defined benefit obligations will tend to increase.

2. Salary Inflation risk - Higher the expected increase in salary will increase the defined benefit obligation.

3. Demographic risk - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is importanty not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

I. Changes in defined benefit obligations

Rs. in Lacs

		Gratuity (funded)	
		31 March 2018	31 March 2017
1.	Defined benefit obligations at the beginning of the year	**2,618**	1,889
2.	Current service cost	**227**	168
3.	Interest costs	**176**	141
4.	Past service cost - plan amendments	**137**	–
5.	Acquisition cost / (credit)	**3**	4
6.	Effect of experience adjustment	**372**	29
7.	Effect of assumption change	**297**	502
8.	Benefits paid	**(129)**	(115)
9.	Defined benefit obligations at the end of the year	**3,701**	2,618

II. Changes in fair value of plan assets

Rs. in Lacs

		Gratuity (funded)	
		31 March 2018	31 March 2017
1.	Fair value of assets at the beginning of the year	**1,989**	1431
2.	Interest income on plan assets	**154**	123
3.	Employer contribution	**629**	458
4.	Return on plan assets (less than discount rate)	**(10)**	92
5.	Benefits paid	**(129)**	(115)
6.	Fair value of assets at the end of the year	**2,633**	1,989
	Actual returns	**144**	215

Notes to the standalone financial statements for the year ended 31 March 2018

III. Net assets / (liabilities) recognised in balance sheet

Rs. in Lacs

		Gratuity (funded)		
		31 March 2018	31 March 2017	01 April 2016
1.	Defined benefit obligations	**3,701**	2,618	1,889
2.	Fair value of plan assets	**2,633**	1,989	1,431
3.	Funded status - deficit	**1,068**	629	458
4.	Net liability recognised in balance sheet			
	– Current	**–**	–	–
	– Non current	**1,068**	629	458

IV. Components of employer expenses

Rs. in Lacs

		Gratuity (funded)	
		31 March 2018	31 March 2017
Recognised in statement of profit and loss			
1.	Current service cost	**227**	168
2.	Past service cost - plan amendments	**137**	–
3.	Net interest costs	**22**	18
4.	Total recognised in the statement of profit and loss (*)	**386**	186
Recognised in other comprehensive income			
1.	Effect of experience adjustment	**372**	29
2.	Effect of assumption change	**297**	502
3.	Return on plan assets (less than discount rate)	**10**	(92)
4.	Total recognised in other comprehensive income	**679**	439
Total expense recognised in total comprehensive income		**1,065**	625

(*) recognised in "Contribution to provident and other funds" in "Employee benefits expense" under note 27.

V. Actuarial assumptions

	Gratuity (funded)		
	31 March 2018	31 March 2017	01 April 2016
Discount rate	**7.4%**	6.9%	7.7%
Rate of salary increase	**10.0%**	8.0%	5.0%
Mortality rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal rate	**10.0%**	10.0%	10.0%

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 employment market.

Notes to the standalone financial statements for the year ended 31 March 2018

VI. Plan asset information

	Gratuity (funded)		
	31 March 2018	31 March 2017	01 April 2016
Cash	**21%**	21%	–
Scheme of insurance - conventional products	**11%**	–	–
Scheme of insurance - ULIP products	**68%**	79%	100%

In the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VII. Net asset / (liability) recognised in balance sheet (including experience adjustment impact)

Rs. in Lacs

		Gratuity (funded)		
		31 March 2018	31 March 2017	01 April 2016
1.	Present value of defined benefit obligations	**3,701**	2,618	1,889
2.	Fair value of plan assets	**2,633**	1,989	1,431
3.	Funded Status - deficit	**1,068**	629	458
4.	Experience adjustment of plan assets -gain/(loss)	**(10)**	92	(51)
5.	Experience adjustment of obligations - (loss)	**(372)**	(29)	(247)

VIII. Expected employer contribution for the next year (Rs. in Lacs)	**1,068**	629	458

IX. Sensitivity analysis

The sensitivity results below determine their individual impact on the plan's year end defined benefit obligations. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligations in similar or opposite directions, while the plans's sensitivity to such changes can vary over time.

Rs. in Lacs

		Gratuity (funded)	
		31 March 2018	31 March 2017
Defined benefit obligations on base assumptions (refer point no V)		**3,701**	2,618
a.	1% increase in discount rate	**3,487**	2,463
b.	1% decrease in discount rate	**3,941**	2,790
c.	1% increase in salary escalation rate	**3,919**	2,771
d.	1% decrease in salary escalation rate	**3,498**	2,474

X. Maturity analysis of benefit payments **Rs. in Lacs**

	Gratuity (funded)	
	31 March 2018	31 March 2017
Year 1	**453**	234
Year 2	**453**	261
Year 3	**440**	342
Year 4	**473**	324
Year 5	**506**	375
Next 5 years	**3,267**	2,461

The company has contributed **Rs. 1,231 lacs** (31 March, 2017: Rs. 976 lacs) to defined contribution schemes.

Notes to the standalone financial statements for the year ended 31 March 2018

34. Segment reporting

Rs. in Lacs

		Engineering	Home Appliances	Unallocated	Intersegment	Total
Revenue from sale of products and services	**31 March 2018**	**35,508**	**180,344**	**–**	**(109)**	**215,743**
	31 March 2017	31,415	156,165	–	–	187,580
Other operating revenue	**31 March 2018**	**2,631**	**491**	**–**	**–**	**3,122**
	31 March 2017	1,950	376	–	–	2,326
Revenue from operations	**31 March 2018**	**38,139**	**180,835**	**–**	**(109)**	**218,865**
	31 March 2017	33,365	156,541	–	–	189,906
Other income	**31 March 2018**	**359**	**1,122**	**549**	**(185)**	**1,845**
	31 March 2017	314	627	342	-	1,283
Total income	**31 March 2018**	**38,498**	**181,957**	**549**	**(294)**	**220,710**
	31 March 2017	33,679	157,168	342	–	191,189
Segment results before finance costs	**31 March 2018**	**3,987**	**9,675**	**(1,269)**	**(29)**	**12,364**
	31 March 2017	2,105	6,478	(1,330)	–	7,253
Less: finance costs	**31 March 2018**					**430**
	31 March 2017					435
Profit before tax	**31 March 2018**					**11,934**
	31 March 2017					6,818
Tax expense	**31 March 2018**					**3,609**
	31 March 2017					1,305
Profit for the year	**31 March 2018**					**8,325**
	31 March 2017					5,513
Segment assets	**31 March 2018**	**24,526**	**71,986**	**11,688**	**–**	**108,200**
	31 March 2017	22,856	58,188	7,078	–	88,122
	01 April 2016	20,308	53,125	2,845	–	76,278
Segment liabilities	**31 March 2018**	**9,122**	**41,064**	**2,985**	**–**	**53,171**
	31 March 2017	8,739	30,707	1,528	–	40,974
	01 April 2016	6,520	26,143	1,693	–	34,356

Other information :

Depreciation and amortisation expense	**31 March 2018**	**1,939**	**3,157**	**42**	**–**	**5,138**
	31 March 2017	1,639	2,674	46	–	4,359
Capital expenditure	**31 March 2018**	**1,232**	**2,390**	**(8)**	**–**	**3,614**
	31 March 2017	3,747	2,940	4	–	6,691
Non cash expenditure other than depreciation and amortisation	**31 March 2018**	**39**	**95**	**(1)**	**–**	**133**
	31 March 2017	12	88	–	–	100

Notes to the standalone financial statements for the year ended 31 March 2018

34. Segment reporting *(Contd.)*

		Rs. in lacs
Geographical information		
Revenue from external customers		
- Within India	**31 March 2018**	**219,014**
	31 March 2017	188,174
- Outside India	**31 March 2018**	**1,696**
	31 March 2017	3,015
Total	**31 March 2018**	**220,710**
	31 March 2017	191,189
Non - Current assets excluding financial assets and deferred tax assets		
- Within India	**31 March 2018**	**32,818**
	31 March 2017	35,205
	01 April 2016	33,098
- Outside India	**31 March 2018**	**–**
	31 March 2017	–
	01 April 2016	–
Total	**31 March 2018**	**32,818**
	31 March 2017	35,205
	01 April 2016	33,098

NOTES :

- The Company is primarily engaged in business of fine blanked components and home appliances. Accordingly the Company considers the above business segment as the primary segment. 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". 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.
- The geographical information considered for disclosure are revenue within India and revenue outside India.
- The company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes to the standalone financial statements for the year ended 31 March 2018

35. Leases

The Company is obligated under cancellable leases for residential, office premises, warehouses, etc. Total rental expense under cancellable operating lease amounted to **Rs. 2,352 Lacs** (31 March 2017: Rs. 1,777 lacs).

36. Commitments

Rs. in Lacs

		31 March 2018	31 March 2017	01 April 2016
i)	Outstanding capital commitments for tangible assets	**723**	1,101	1,050
ii)	Outstanding capital commitments for intangible assets	**43**	85	490

37. Contingent Liabilities : **Rs. in Lacs**

		31 March 2018	31 March 2017	01 April 2016
i)	Disputed sales tax matters, excise matters, income tax matters and other matters 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.)	**1,710**	2,043	1,956
ii)	Other claims against the Company not acknowledged as debts	**–**	16	16
iii)	Custom duty and interest obligation for advance licenses [1]	**752**	728	705

It is not practicable for the Company to estimate the closure of these cases and the consequential timings of cash flows, if any, in respect of the above.

[1] The Hon'ble Delhi High Court by its order dated 10 September 2015 set aside the order of Policy Relaxation Committee (PRC) with liberty to the petitioner to file a representation before the PRC. The respondents were directed to pass a reasoned order after giving the opportunity of hearing. The matter was heard by PRC and PRC by its order dated 13 October 2015 rejected the prayer of petitioner. Being aggrieved by PRC's order the company filed writ application before Division Bench of Delhi High Court. After prolonged hearing the bench by its order dated 03 April 2017 allowed the writ petition and set aside the order of PRC and directed PRC inter-alia to reconsider its order dated 13 October 2015 in the light of observation made by the Division Bench. Keeping in mind the direction of Hon'ble Delhi High Court and taking into consideration the genuine hardship expressed in the revised representation by the Company, the PRC in its meeting held on 05 September 2017 allowed most of the prayers of the Company and decided inter alia that Regional Authorities (RA) shall ensure that other requirement as per Free Trade Agreements (FTA)/ Hand Book of Procedures (HBP) are complied with. The Company is now dealing with RA to obtain discharge certificates.

Notes to the standalone financial statements for the year ended 31 March 2018

38. Related party disclosures

(A) The Company has the following related parties

Investor Company :	IFB Automotive Private Limited
Subsidiary Companies :	- Trishan Metals Private Limited (TMPL) *(w.e.f. 11 July 2016)* - Global Automotive and Appliances Pte Limited (GAAL) *(w.e.f. 13 July 2017)* - Thai Automotive and Appliances Limited (TAAL) – *subsidiary of GAAL*
Key Management Personnel (KMP) :	**Mr. Bijon Nag**, Executive Chairman
	Mr. Bikram Nag, Joint Executive Chairman and Managing Director
	Mr. Sudam Maitra, Deputy Managing Director
	Mr. Prabir Chatterjee, Director and Chief Financial Officer
	Mr. G. Ray Chowdhury, Company Secretary
	Mr. A K Nag, President
	Mr. Sujan Kumar Ghosh Dastidar, President, Legal
	Mr. Susanta Das, Head of Personnel and Administration
	Mr. Uma Shankar Ghosh Dastidar, Head – Taxation
	Mr. Rahul Choudhary, Vice President, Corporate affairs and banking (resigned w.e.f. 01 December 2017)
	Mr. Rajat Paul, Assistant Vice President, IT
	Mr. Diptanil Saha, General Manager (GM), Corporate affairs
	Mr. Soumitra Goswami, GM, Accounts and Finance
	Mr. Jayanta Chanda , GM, Finance
	Mr. Ashok Hazra, Assistant General Manager, Internal Audit
	Mr. Rajshankar Ray, Chief Executive Officer (CEO), Home Appliances Division
	Mr. A.S. Negi, National Service Head , Home Appliances Division
	Mr. B.M. Shetye, Vice President, Sustainability, Home Appliances Division
	Mr. Pawan Koul, Head of Goa Factory
	Mr. Sukhdev Nag, National Sales Head
	Mr. T.R. Ramesh, Business Head, Home Appliances Division, Central
	Mr. Ranjan Mohan Mathur, Business Head, Home Appliances Division – North and National Head, IFB Points
	Mr. Abhijit Gangopadhyay, Business Head, East
	Mr. Partha Sen, CEO, Engineering Division
	Mr. K.R.K. Prasad, CEO, Bangalore Engineering Factory.
	Mr. Arup Das, Head Marketing , Engineering Division
	Mr. R. Anand, Head, Motor Division

Notes to the standalone financial statements for the year ended 31 March 2018

Other related parties	- IFB Agro Industries Limited - Travel Systems Limited - IFB Global Limited - IFB Appliances Limited - Anjali foundation
Employee trusts where there is significant influence (Employee trusts)	- Indian Fine Blank Limited Employees Gratuity Fund (IFBLEGF) - IFBL Senior Management Superannuation Fund (IFBLSMSF) - IFBL Employees' (Category-I) Superannuation Scheme (IFBLESS-Cat-I) - IFBL Employees (Category Two) Group Superannuation Scheme (IFBLEGSS-Cat two)

(B) Transactions with related parties

Rs. in Lacs

Particulars		Investor Company		Subsidiaries*		KMP		Other related parties		Employee trusts		Total	
		31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
1)	Sales, service and other income	**3,258**	2,657	**154**	72	**3**	6	**13**	13	–	–	**3,428**	2,748
2)	Purchase of raw materials	**69**	21	**2,574**	805	–	–	**6**	66	–	–	**2,649**	892
3)	Expenditure on other services	**132**	104	–	–	**1**	–	**7,529**	6,046	–	–	**7,662**	6,150
4)	Purchase of duty entitlement pass book license	–	–	–	–	–	–	–	11	–	–	–	11
5)	Purchase of service (capitalised)	–	–	–	–	–	–	–	47	–	–	–	47
6)	Expenses recovered	**52**	86	**14**	11	–	–	–	–	–	–	**66**	97
7)	Purchase of shares of subsidiaries	**2,000**	–	**160**	1,200	–	–	–	–	–	–	**2,160**	1,200
8)	Contribution to employees' benefit plans	–	–	–	–	–	–	–	–	**993**	**757**	**993**	757
9)	Remuneration												
	– Short term benefits	–	–	–	–	**1,565**	1,129	–	–	–	–	**1,565**	1,129
	– Post employment benefits	–	–	–	–	**150**	212	–	–	–	–	**150**	212
	– Other long term benefits	–	–	–	–	**120**	84	–	–	–	–	**120**	84

** current year and last year numbers include transactions for the period prior to 13th July 2017 in respect of TAAL, which in earlier year was a related party other than a subsidiary.*

Notes to the standalone financial statements for the year ended 31 March 2018

(C) Outstanding balances with related parties

Rs. in Lacs

		Investor Company			Subsidiaries			KMP			Other related parties			Employee trusts			Total		
		31 Mar 2018	31 Mar 2017	01 Apr 2016	**31 Mar 2018**	31 Mar 2017*	01 Apr 2016*	**31 Mar 2018**	31 Mar 2017	01 Apr 2016	**31 Mar 2018**	31 Mar 2017	01 Apr 2016	**31 Mar 2018**	31 Mar 2017	01 Apr 2016	**31 Mar 2018**	31 Mar 2017	01 Apr 2016
1)	Trade receivables	**776**	436	409	**53**	35	1	**–**	–	–	**1**	–	–	**–**	–	–	**830**	471	410
2)	Security deposits given	**50**	50	50	**–**	–	–	**–**	–	1	**8**	168	168	**–**	–	–	**58**	218	219
3)	Advances given	**95**	34	49	**668**	225	–	**1**	1	1	**511**	43	87	**–**	–	–	**1,275**	303	137
4)	Loans given	**–**	–	–	**–**	–	–	**5**	4	2	**–**	–	–	**–**	–	–	**5**	4	2
5)	Trade payables	**33**	7	2	**96**	318	19	**10**	–	–	**1,194**	348	290	**–**	–	–	**1,333**	673	311
6)	Other payables	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**1,096**	654	471	**1,096**	654	471
7)	Advance taken	**33**	6	13	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**33**	6	13
8)	Security deposits taken	**–**	–	–	**–**	–	–	**–**	–	–	**–**	1	1	**–**	–	–	**–**	1	1

** includes balances in respect of TAAL, which in earlier year was a related party other than a subsidiary.*

Notes to the standalone financial statements for the year ended 31 March 2018

(D) Details of significant transactions with subsidiaries, KMPs, other related parties and employee trusts

Rs. in Lacs

		31 March 2018	31 March 2017
1)	**Sales, service and other income**		
	TMPL	**19**	3
	TAAL	**135**	69
	IFB Agro Industries Limited	**12**	12
2)	**Purchase of raw materials**		
	TMPL	**2,409**	682
	TAAL	**165**	123
3)	**Expenditure on other services**		
	Travel Systems Limited	**1,515**	1,131
	IFB Appliances Limited	**5,682**	4,610
4)	**Purchase of duty entitlement pass book license**		
	IFB Agro Industries Limited	**–**	11
5)	**Purchase of services (capitalised)**		
	Travel Systems Limited	**–**	47
6)	**Expenses recovered:**		
	TMPL	**14**	11
7)	**Purchase of shares of subsidiaries**		
	GAAL	**160**	–
	TMPL	**–**	1,200
8)	**Contribution to employees' benefit plans**		
	IFBLEGF	**629**	457
	IFBLSMSF	**156**	131
	IFBLESS-Cat-I	**189**	152

(E) Details of significant balances with subsidiaries, KMPs, other related parties and employee trusts

Rs. in Lacs

		31 March 2018	31 March 2017	01 April 2016
1)	**Trade receivables**			
	TAAL	**50**	34	1
2)	**Security deposits given**			
	IFB Agro Industries Limited	**8**	168	168
3)	**Advances given**			
	TMPL	**668**	225	–
	IFB Appliances Limited	**452**	–	51
	IFB Agro Industries Limited	**50**	43	36
4)	**Trade payable**			
	TMPL	**78**	310	–
	IFB Appliances Limited	**1,178**	321	278
5)	**Other payable**			
	IFBLEGF	**1068**	629	457
6)	**Security deposits taken**			
	IFB Agro Industries Limited	**–**	1	1

Notes to the standalone financial statements for the year ended 31 March 2018

39. Dues to micro, small and medium enterprises

The Ministry of micro, small and medium enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprise Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on the information received and available with the Company. Payable to micro and small enterprises as at **31 March 2018: Rs 666 lacs** (31 March 2017: Rs 475 lacs, 31 March 2016: Rs 283 lacs).

Further, in view of the management, the impact of the interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

40. Financial instruments and related disclosures

i) Capital management

The Company's capital management policy is focused on business growth and creating value for shareholders. The Company determines the amount of capital required on the basis of annual business plans and the funding needs are met through internal accruals and bank borrowings.

ii) Categories of financial instruments

Rs. in Lacs

	Note	**As at 31 March 2018**		As at 31 March 2017		As at 01 April 2016	
		Carrying value	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
A. Financial assets							
a) Measured at amortised cost :							
i) Trade receivables	11	**17,234**	**17,234**	13,824	13,824	11,546	11,546
ii) Cash and cash equivalents	12	**6,241**	**6,241**	4,566	4,566	4,756	4,756
iii) Other bank balances	13	**68**	**68**	66	66	54	54
iv) Loans	6	**109**	**109**	110	110	93	93
v) Other financial assets	7	**894**	**894**	941	941	800	800
b) Measured at fair value through statement of profit and loss :							
i) Investments	5	**9,267**	**9,267**	5,148	5,148	1,758	1,758
c) Derivatives measured at fair value through statement of profit and loss :							
i) Derivatives not designated as hedges	7	**6**	**6**	–	–	36	36
B. Financial liabilities							
a) Measured at amortised cost :							
i) Term loan from a bank	15	**1,000**	**1,000**	1,875	1,875	100	100
ii) Capex buyers' credit	20	**–**	**–**	–	–	927	927
iii) Bill discounting	20	**408**	**408**	348	348	613	613
iv) Trade payable		**36,639**	**36,639**	26,300	26,300	22,529	22,529
v) Other financial liabilities	16	**1,415**	**1,415**	1,173	1,173	530	530
b) Derivatives measured at fair value through statement of profit and loss:							
i) Derivative instruments not designated as hedges	16	**11**	**11**	197	197	82	82

Investments exclude investment in subsidiaries of **Rs. 3,360 lacs** (31 March 2017: 1,200 lacs, 01 April 2016: Nil) which are shown at cost in balance sheet as per Ind AS 27 - 'Separate Financial Statements'.

Notes to the standalone financial statements for the year ended 31 March 2018

iii) Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

a) Liquidity risks

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquid risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company has obtained fund and non-fund based working capital lines from banks. Furthermore, the Company has sufficient quantities of finished goods and stock-in-trade which are liquid and readily saleable. Hence the risk that the company may not be able to settle its financial liabilities as they become due does not exist.

The following tables shows a maturity analysis of the anticipated cash flows for the company's derivative and non-derivative financial liabilities.

As at 31 March 2018 **Rs. in Lacs**

	Total	Due within one year	Due after one year
Borrowings	**1,408**	**408**	**1,000**
Trade payables	**36,639**	**36,639**	**–**
Other financial liabilities (including current maturities of long-term debt)	**1,415**	**1,406**	**9**
Derivative financial liabilities	**11**	**11**	**–**
Total	**39,473**	**38,464**	**1,009**

As at 31 March 2017 **Rs. in Lacs**

	Total	Due within one year	Due after one year
Borrowings	2,223	348	1,875
Trade payables	26,300	26,300	–
Other financial liabilities (including current maturities of long–term debt)	1,173	1,144	29
Derivative financial liabilities	197	197	–
Total	29,893	27,989	1,904

As at 01 April 2016 **Rs. in Lacs**

	Total	Due within one year	Due after one year
Borrowings	1,640	1,540	100
Trade payables	22,529	22,529	–
Other financial liabilities (including current maturities of long-term debt)	530	502	28
Derivative financial liabilities	82	82	–
Total	24,781	24,653	128

Notes to the standalone financial statements for the year ended 31 March 2018

b) Market risks

The Company does not trade in equities. Treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within the acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in debt mutual funds. Such investments are susceptible to market risks that arise mainly from changes in interest rate which may impact the return and value of such investments. Mark to market movements in respect of these investments are measured at fair value through Statement of Profit and Loss.

Fixed deposits are held with highly rated banks and generally have a short tenure and are not subject to interest rate volatility.

The company has short-term borrowings which are generally not susceptible to interest rate volatility since they are for short tenure. Long term loans from banks are at highly competitive rates and as such these loans are not that material taking into account the Company's asset base. Hence interest rate fluctuations on borrowings does not affect the Company significantly.

c) Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro, RMB and THB) which are subject to the risk of exchange rate fluctuations.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows :

Rs. in lacs

	USD	Euro	RMB	JPY	SGD	Total
As at 31 March 2018						
Financial assets	**74**	**21**	**–**	**–**	**–**	**95**
Financial liabilities	**9,855**	**1,118**	**29**	**–**	**–**	**11,002**
As at 31 March 2017						
Financial assets	206	172	–	–	–	378
Financial liabilities	7,451	793	57	4	2	8,307
As at 01 April 2016						
Financial assets	177	20	–	35	–	232
Financial liabilities	5,310	780	74	569	–	6,733

The Company uses forward exchange contracts to hedge its exposure in foreign currency.

i) Forward exchange contracts that were outstanding for financial liabilities as at the end of respective reporting dates:

	No. of contracts	USD (lacs)	No. of contracts	Euro (lacs)	No. of contracts	JPY (lacs)
As at 31 March 2018	**47**	**94**	**8**	**5**	**–**	**–**
As at 31 March 2017	79	104	12	8	–	–
As at 01 April 2016	27	45	8	6	1	825

The aforesaid forwards have a maturity of less than one year from the year end.

Notes to the standalone financial statements for the year ended 31 March 2018

ii) Unhedged foreign currency exposure as at the end of the respective reporting dates:

	31 March 2018		31 March 2017		01 April 2016	
in lacs	**Financial asset**	**Financial liability**	Financial asset	Financial liability	Financial asset	Financial liability
USD	**1**	**58**	3	8	3	34
Rs	**67**	**3,777**	206	542	177	2,281
Euro	*	**9**	2	3	*	4
Rs	**21**	**706**	172	230	20	316
RMB	–	**3**	–	6	–	7
Rs	–	**29**	–	57	–	74
JPY	–	–	–	8	–	139
Rs	–	–	–	4	–	82
THB	–	*	–	*	–	–
Rs	–	**1**	–	1	–	–
AUD	–	–	–	*	–	–
Rs	–	–	–	2	–	–
SGD	–	–	–	*	–	–
Rs	–	–	–	2	–	–
CHF	–	–	–	–	–	*
Rs	–	–	–	–	–	1
Total Rs	**88**	**4,513**	378	838	197	2,754

*represents foreign currency less than 50,000.

iii) Foreign currency sensitivity

For every percentage point change in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, holding all other variables constant, the profit before tax would change by **Rs 109 lacs** for the year ended 31 March 2018 (31 March 2017: Rs 79 lacs).

d) Credit risk

Credit risk arise from the possibility that the counter party may not be able to settle their obligations. Financial instruments that are subject to such risk primarily consists of investments, trade receivables, bank deposits, loans, derivative instruments and other financial assets.

Bank deposits are primarily held with highly rated and different banks.

The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Further the credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities after due consideration of the counter parties credentials and financial capacity, trade practices and prevailing business and economic conditions.

The Company's historical experience of collecting receivable and the level of default indicates that the credit risk is low and generally uniform across markets. Loss allowances are recognised where considered appropriate by the management.

Notes to the standalone financial statements for the year ended 31 March 2018

The movement of allowance for doubtful advances and receivables is as under.

Rs. in Lacs

	31 March 2018	31 March 2017
Balance at beginning of the year	**63**	47
Provision recognised in the year	**45**	23
Amounts written off during the year as uncollectible	**(6)**	(2)
Amounts recovered during the year	**(3)**	(2)
Provisions written back	**(8)**	(3)
Balance at end of the year	**91**	63

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment would occur.

e) **Fair value hierarchy**

The fair value of trade receivables, current loans, other current financial assets, current borrowings, trade payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below :

Rs. in lacs

			Fair value hierarchy (Level)	Fair Value		
				31 March 2018	31 March 2017	01 April 2016
A.	**Financial Assets**					
	a)	**Measured at amortised cost**				
		Loans	3	**54**	54	47
		Other financial assets	3	**854**	921	765
	b)	**Measured at FVTPL:**				
		Investment in mutual funds	1	**9,267**	5,148	1,758
	c)	**Derivatives measured at FVTPL:**				
		Derivatives not designated as hedges	2	**6**	-	36
B.	**Financial Liabilities**					
	a)	**Derivatives measured at FVTPL:**				
		Derivatives not designated as hedges	2	**11**	197	82
	b)	**Measured at amortised cost**				
		Other financial liabilities	3	**9**	29	28

There were no transfers between Level 1 and Level 2 during the year ended 31 March 2018 and 31 March 2017.

41. **First-time adoption of Ind AS**

i) Ind AS 101 - First-time adoption of Indian Accounting Standards provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening balance sheet as per Ind AS as of 01 April 2016 (the transition date) by:

a) recognising all assets and liabilities whose recognition is required by Ind AS,

b) not recognising items of assets or liabilities which are not permitted by Ind AS,

c) reclassifying items from previous GAAP to Ind AS as required under Ind AS, and

d) applying Ind AS in measurement of recognised assets and liabilities.

Notes to the standalone financial statements for the year ended 31 March 2018

ii) **a) Reconciliation of total comprehensive income for the year ended 31 March 2017 is summarized as follows :**

		Rs. in Lacs
	Notes	**For the year ended 31 March 2017**
Profit after tax as reported under previous GAAP		**5,097**
Impact of measuring current investments at FVTPL	iv) a)	166
Impact of measuring derivative financial instruments at FVTPL	iv) b)	(5)
Impact of unwinding of discount on provision for warranty	iv) c)	37
Reclassification of re-measurement losses, arising in respect of defined benefit obligation, to other comprehensive income (OCI)	iv) d)	439
Tax adjustments		(221)
Profit for the year as reported under Ind AS		**5,513**
Other comprehensive income (net of tax)		(287)
Total comprehensive income as reported under Ind AS		**5,226**

b) Reconciliation of equity as reported under previous GAAP is summarized as follows :

			Rs. in lacs
	Notes	**As at 31 March 2017**	**As at 01 April 2016**
Equity as reported under previous GAAP		**46,757**	***41,660**
Impact of measuring current investments at FVTPL	(iv) a	239	73
Impact of measuring derivative financial instruments at FVTPL	(iv) b	(11)	(6)
Impact of unwinding of discount on provision for warranty	(iv) c	370	333
Tax adjustments		(207)	(138)
Equity as reported under Ind AS		**47,148**	**41,922**

** Net of Rs 173 lacs on account of reversal of revaluation gain of earlier year effected during the year ended 31 March 2017 as per the transitional provision of AS (10) "Property, Plant and Equipment" notified under Companies (Accounting Standards) Amendment Rules, 2016.*

iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

a) Property, plant and equipment and intangible assets were carried in the Balance sheet prepared in accordance with previous GAAP as at 31 March 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.

iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 01 April 2016 and the financial statements as at and for the year ended 31 March 2017 are detailed below:

a) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in statement of profit and loss.

b) Under previous GAAP, the premium or discount arising at the inception of forward exchange contracts entered into, to hedge existing assets/ liabilities were amortised as expense or income over the life of the contracts. Exchange

Notes to the standalone financial statements for the year ended 31 March 2018

difference on such contracts were recognised in the statement of profit and loss in the reporting period in which the exchange rates changed. Any profit or loss arising on cancellation or renewal of such a forward exchange contract were recognised as income or as an expense for the period. Under Ind AS, such derivative financial instruments are recognised at fair value through profit or loss and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the statement of profit and loss.

c) Under previous GAAP, discounting of provisions was not permitted and provisions were measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discount amounts, if the effect of time value of money is material. The Company has discounted the provision for warranty to present value at reporting dates. Consequently, the unwinding of discount has been recognised as a finance cost.

d) Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in statement of profit and loss. Under Ind AS, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the defined benefit liability are recognised in other comprehensive income instead of profit and loss. Consequently, the tax effect of the same has also been recognised in other comprehensive income instead of statement of profit and loss.

e) Under previous GAAP, all the lands were presented as fixed assets. Under Ind AS, the Company has reclassified lands given on operating lease and the lands held for a currently undetermined future use as investment property. Such reclassification has resulted in decrease in the value of property, plant and equipment by Rs. 11 lacs as at 01 April 2016 and 31 March 2017 and a corresponding increase in the value under Investment property as at respective dates.

f) Under previous GAAP, leasehold lands were presented as fixed assets and depreciated over the period of lease. Under Ind AS, such properties have been classified as Prepaid Lease rent (refer note 9 'Other assets') and have been amortised over the period of the lease. This has resulted in decrease in net book value of property, plant and equipment by Rs. 18 lacs as at 01 April 2016 and by Rs. 14 lacs as at 31 March 2017 and a corresponding increase in other assets by Rs. 18 lacs as at 01 April 2016 and by Rs. 14 lacs as at 31 March 2017.

   Such reclassification has resulted in decrease in depreciation and amortization expense by Rs. 4 lacs for the year ended 31 March 2017 and a corresponding increase in other expenses by Rs. 4 lacs but does not affect profit before tax and profit for the year ended 31 March 2017.

g) Under previous GAAP, grants received from the Government authorities with reference to investments under investment subsidy schemes and no repayment were ordinarily expected in respect thereof were treated as capital reserve. Under Ind AS, grants received from Government authorities are required to be recognised in the statement of profit and loss over the life of the asset. Accordingly, capital reserve amounting to Rs 25 lacs received as a part of investment subsidy in earlier years was recognised as retained earnings. However, there was no change in the equity as at 01 April 2016 and 31 March 2017.

42. The standalone financial statements were approved by the Board of Directors on 29 May 2018.

Independent Auditor's Report to the Members of IFB INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **IFB INDUSTRIES LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"),comprising the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31 March 2018 taken on record by the Board of Directors of the Parent and the subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary company, incorporated in India.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 29 May 2018

ANNEXURE "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **IFB INDUSTRIES LIMITED** (hereinafter referred to as "the Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place : Kolkata
Date : 29 May 2018

Consolidated Balance Sheet

	Notes	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
ASSETS			
1. **Non-current assets**			
(a) Property, plant and equipment	3A	**31,173**	30,600
(b) Capital work-in-progress	3A	**271**	844
(c) Investment property	4	**11**	11
(d) Goodwill on consolidation		**943**	426
(e) Intangible assets	3B	**1,739**	1,889
(f) Intangible assets under development	3B	**447**	588
(g) Financial assets			
(i) Loans	5	**54**	54
(ii) Others	6	**893**	921
(h) Deferred tax assets (net)	18	**–**	420
(i) Income tax assets (net)	7	**290**	555
(j) Other non-current assets	8	**2,566**	2,824
2. **Current assets**			
(a) Inventories	9	**31,907**	24,248
(b) Financial assets			
(i) Investments	10	**9,267**	5,414
(ii) Trade receivables	11	**18,749**	14,456
(iii) Cash and cash equivalents	12	**6,570**	4,567
(iv) Other bank balances	13	**211**	113
(v) Loans	5	**55**	56
(vi) Others	6	**48**	21
(c) Other current assets	8	**6,571**	3,062
Total assets		**1,11,765**	91,069
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**4,128**	4,128
(b) Other equity		**50,665**	42,834
Non-controlling interest		**394**	567
Liabilities			
1. **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	15	**1,341**	1,875
(ii) Other financial liabilities	16	**9**	29
(b) Provisions	17	**4,200**	2,653
(c) Deferred tax liabilities (net)	18	**865**	362
(d) Other non-current liabilities	19	**1,083**	897
2. **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	20	**940**	1,519
(ii) Trade payables		**38,546**	27,204
(iii) Other financial liabilities	16	**1,601**	1,348
(b) Other current liabilities	19	**7,536**	7,078
(c) Provisions	17	**392**	575
(d) Income tax liabilities (net)		**65**	–
Total equity and liabilities		**1,11,765**	91,069

The accompanying notes 1 to 43 are an integral part of the financial statements.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Consolidated Statement of Profit and Loss

		Notes	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
I	Revenue from operations	21	**2,25,872**	1,91,912
II	Other income	22	**1,881**	1,342
III	**Total income (I + II)**		**2,27,753**	1,93,254
IV	**Expenses**			
	(a) Cost of materials consumed	23	**92,843**	72,747
	(b) Purchases of stock-in-trade		**38,434**	30,732
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	**(6,046)**	(1,552)
	(d) Excise duty on sale of goods	25	**4,141**	16,068
	(e) Employee benefits expense	26	**21,639**	16,269
	(f) Finance costs	27	**544**	519
	(g) Depreciation and amortisation expense	28	**5,381**	4,423
	(h) Other expenses	29	**59,303**	47,583
	Total expenses (IV)		**2,16,239**	1,86,789
V	**Profit before tax (III - IV)**		**11,514**	6,465
VI	**Tax expense**			
	(a) Current tax	30	**3,655**	1,489
	(b) Deferred tax	30	**(69)**	(179)
VII	**Profit for the year (V - VI)**		**7,928**	5,155
VIII	**Other comprehensive income**			
	A (i) Items that will not to be reclassified to profit or loss			
	- Remeasurements of the defined benefit plan		**(687)**	(439)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30	**235**	152
	B (i) Items that will be reclassified to profit or loss			
	– Exchange differences in translating the financial statements of foreign operations		**182**	–
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Other comprehensive income		**(270)**	(287)
IX	**Total comprehensive income for the year (VII + VIII)**		**7,658**	4,868
	Profit for the year (V - VI)			
	Attributable to :			
	Owners of the parent		**8,097**	5,327
	Non-controlling interests		**(169)**	(172)
	Total comprehensive income for the year			
	Attributable to:			
	Owners of the parent		**7,831**	5,040
	Non-controlling interests		**(173)**	(172)
X	Earnings per equity share (Face value Rs. 10 each)			
	(a) Basic (in Rs.)	31	**19.98**	13.15
	(b) Diluted (in Rs.)	31	**19.98**	13.15

The accompanying notes 1 to 43 are an integral part of the financial statements.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Consolidated Cash Flow Statement

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
A.	**Cash flows from operating activities**		
	Profit before tax	**11,514**	6,465
	Adjustments for:		
	Depreciation and amortisation expense	**5,381**	4,423
	Gain on disposal of property, plant and equipment	**(131)**	(1)
	Write-off of property, plant and equipment	**29**	32
	Write-off of debts/ advances	**85**	101
	Allowances for doubtful debts and advances	**45**	26
	Dividend from investments in mutual fund	**(102)**	(68)
	Net gain on disposal of mutual funds measured at FVTPL	**(18)**	(108)
	Write back of liabilities no longer required	**(114)**	(179)
	Write back of provision on assets no longer required	**(17)**	(7)
	Income in respect to deferred revenue from government grant	**(10)**	(6)
	Unrealised exchange gain	**38**	(43)
	Interest income on financial assets	**(152)**	(116)
	Net gain arising on mutual funds measured at FVTPL	**(345)**	(244)
	Net (gain)/loss arising on derivative instruments measured at FVTPL	**(192)**	151
	Finance costs	**416**	401
	Operating profit before working capital changes	**16,427**	10,827
	Adjustments for:		
	Trade payables, provisions, financial and other liabilities	**11,682**	4,830
	Trade receivables, loans, financial and other assets	**(6,124)**	(3,185)
	Inventories	**(7,438)**	(2,573)
	Cash generated from operations	**14,547**	9,899
	Income tax paid (net of refunds)	**(2,098)**	(1,420)
	Net cash from operating activities	**12,449**	8,479
B.	**Cash flows from investing activities**		
	Cash outflow on acquisition of a subsidiary	**(2,000)**	–
	Purchase of property, plant and equipment	**(4,279)**	(6,387)
	Sale of property, plant and equipment	**402**	1
	Purchase of current investments	**(26,960)**	(15,370)
	Sale of current investments	**23,572**	12,134
	Increase in other bank balances	**(98)**	(13)
	Interest income on financial assets	**150**	115
	Net cash used in investing activities	**(9,213)**	(9,520)
C.	**Cash flows from financing activities**		
	Proceeds from borrowing	**19,341**	14,570
	Repayment of borrowing	**(20,207)**	(13,329)
	Finance costs	**(422)**	(389)
	Net cash from/(used in) financing activities	**(1,288)**	852
Net change in cash and cash equivalents (A+B+C)		**1,948**	(189)
Cash and cash equivalents at the beginning of the year		**4,567**	4,756
Cash and cash equivalents on acquisition of subsidiary		**55**	–
Cash and cash equivalents at the end of the year [refer note 12]		**6,570**	4,567

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 - Statements of Cash Flow.

The accompanying notes 1 to 43 are an integral part of the financial statements.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Consolidated Statement of Changes in Equity

A. Equity share capital

	As at the beginning of the reporting year	Changes in equity share capital during the year	As at the end of the reporting year
	Rs. in lacs	Rs. in lacs	Rs. in lacs
For the year ended 31 March 2018	4,128	–	**4,128**

B. Other equity

	Reserves and Surplus				Other comprehensive income	Attribuitable to owners of the parent	Non-controlling interest	Total
	Share Premium Account	Capital Redemption Reserve	Debt Restructuring Reserve	Retained earnings	Foreign currency translation reserve			
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Balance as at 01 April 2016 of Holding company	17,433	1,605	8,981	9,775	–	37,794	–	37,794
Minority share on acquisition of subsidiary	–	–	–	739	–	–	739	739
Profit for the year	–	–	–	5,155	–	5,327	(172)	5,155
Other comprehensive income (net of tax)	–	–	–	(287)	–	(287)	–	(287)
Total comprehensive income for the year	–	–	–	4,868	–	5,040	(172)	4,868
Balance as at 31 March 2017	17,433	1,605	8,981	15,382	–	42,834	567	43,401
Profit for the year	**–**	**–**	**–**	**7,928**	**–**	**8097**	**(169)**	**7,928**
Other comprehensive income (net of tax)	**–**	**–**	**–**	**(452)**	**182**	**(266)**	**(4)**	**(270)**
Total comprehensive income for the year	**–**	**–**	**–**	**7,476**	**182**	**7,831**	**(173)**	**7,658**
Balance as at 31 March 2018	**17,433**	**1,605**	**8,981**	**22,858**	**182**	**50,665**	**394**	**51,059**

Share premium accounts : This reserve represents premium on issue of shares and expenses on employee stock purchase scheme and can be utilised in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve : This reserve has been created under the Companies Act, 1956 on redemption of redeemable preference shares and can utilised in accordance with the provisions of the Companies Act, 2013.

Debt restructuring reserve : This reserve represents the principal loan amount that were waived off in earlier years.

Retained earnings : This reserve represents the cumulative profits of the company and effects of remeasurement of defined benefit plans. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Foreign currency translation reserve : Exchange differences on translating the financial statements of foreign operations.

The accompanying notes 1 to 43 are an integral part of the financial statements.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata
29 May 2018

For and on behalf of the Board of Directors

Joint Executive Chairman and Managing Director **Bikram Nag**
Director **Dr. Rathindra Nath Mitra**
Director and Chief Financial Officer **Prabir Chatterjee**
Company Secretary **G. Ray Chowdhury**

Kolkata
29 May 2018

Notes to the consolidated financial statements for the year ended 31 March 2018

1. **SIGNIFICANT ACCOUNTING POLICIES:**

a. **Accounting convention**

IFB Industries Limited ("the Holding Company") and its subsidiaries (together, "the Group") is engaged in the business of fine blanked components, home appliances and steel.

b. **Statement of compliance**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under section 133 of the Companies Act, 2013. These consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 01 April 2016. Details of the exceptions and optional exemptions availed by the Group and principal adjustments along with related reconciliations are detailed in Note 41(First-time Adoption of Ind AS).

c. **Basis of preparation**

The consolidated financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of consolidatedfinancial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that

Notes to the consolidated financial statements for the year ended 31 March 2018

period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

All assets and liabilities have been classified as current or non-current as per Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1- Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customers (which generally coincide with their delivery to customers), the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from the sale of goods includes excise and other duties which the Group pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax, value added tax and goods and services tax. It is measured at the fair value of the consideration received or receivable for goods supplied net of returns and discounts to customers.

Revenue from services is recognised at the fair value of the consideration received or receivable for services rendered in the periods in which the services are rendered on a prorated basis over the period or as per the terms of the contract.

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life stated below.

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment of the Group are as follows:

Buildings	30 years
Buildings (Roads and Fences)	5 years
Building (improvements)	6 years

Notes to the consolidated financial statements for the year ended 31 March 2018

Plant and equipment	10 – 20 years
Plant and equipment (tools and moulds)	5years / on piece basis
Furniture and fixtures	10 years
Office equipment	5, 10 years
Vehicles	5, 8 years
Computers	3-6 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss.

f. Goodwill on consolidation

Goodwill on consolidation is stated at cost (substituted for restated cost where applicable) less impairment loss, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit and loss recognised in the consolidated statement of profit and loss. Impairment loss, if any to the extent the carrying amount exceeds the recoverable amount is charged off to the consolidated statement of profit and loss as it arises and is not reversed.

For impairment testing, goodwill is allocated to cash generating unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment.

g. Investment property

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 – Property, Plant and Equipment requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit and loss in the period in which the property is de-recognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of 01 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h. Intangible assets

Intangible assets that the Group acquires separately and from which it expects future economic benefits are capitalised upon acquisition and measured initially at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. All directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. All directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 01 April 2016 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

The estimated useful lives of intangible assets of the Group are as follows:

Computer software	3 years
Technical knowhow	5 years

All intangible assets are tested for impairment. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the consolidated statement of profit and loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

i. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying

Notes to the consolidated financial statements for the year ended 31 March 2018

amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of profit and loss in the period in which they are incurred.

k. Foreign currency transactions

The presentation currency of the Group is Indian Rupee.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions. Gains / losses arising on foreign currency transactions settled during the year are recognised in the consolidated statement of profit and loss.

Exchange differences arising on translation of monetary items are recognised in the statement of profit and loss. Non-monetary items denominated in foreign currency are carried at cost.

Exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

For the preparation of the consolidated financial statements : -

— assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereon, are translated to Indian Rupees at exchange rate prevailing at the reporting period end.

— income and expense items are translated at the average exchange rate prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operating attributable to the owners of the Group is reclassified to the consolidated statement of profit and loss. In relation to partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity is reclassified to the consolidated statement of profit and loss.

l. Derivatives

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign exchange risks.

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the consolidated statement of profit and loss.

m. Inventories

Inventories are valued at the lower of cost and net realisable value except for raw material, work-in-progress which are valued at cost and scrap which is valued at market price of a foreign subsidiary.

Notes to the consolidated financial statements for the year ended 31 March 2018

Costs of inventories are determined using weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

n. Employee benefits

Retirement benefit costs

Contribution payable for provident fund and superannuation fund, which are defined contribution schemes are recognised as an employee benefits expense in the consolidated statement of profit and loss.

For retirement benefit – defined benefit plan i.e. gratuity, other long term employee benefits i.e. leave encashment and sick leave, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit in other comprehensive income for gratuity and consolidated statement of profit and loss for leave encashment and sick leave in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows :

- service cost (including current service cost, past service cost, as well as gains and losseson curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in consolidated statement of profit and loss in the line item ‘Employee benefits expense’.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

o. Taxation

Tax expenses comprises current and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid to tax authorities in accordance with the Income Tax Act, 1961. The Group’s current tax is calculated using tax rates and tax laws that have been enacted during the period, together with any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are

Notes to the consolidated financial statements for the year ended 31 March 2018

offset where the Group has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Minimum Alternate Tax (MAT) credit entitlement is recognized only to the extent there is convincing evidence that the Group will pay normal tax during the period specified by the Income Tax Act, 1961. In the year in which the MAT credit becomes eligible to be recognised as an asset,the said asset is created by way of credit to the consolidated statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

p. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant. Accordingly, government grants:

a) related to or used for assets are included in the consolidated balance sheet as deferred income and recognised as income over the useful life of the assets.

b) related to incurring specific expenditures are taken to the consolidated statement of profit and loss on the same basis and in the same periods as the expenditures incurred.

c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

q. Warranties

Warranty costs are estimated by the Management on the basis of a technical evaluation and based on specific warranties, claims and claim history. Provision is made for estimated liability in respect of warranty cost in the year of sale of goods. Warranty provisions are measured at discounted amounts. The Group discounts its provision for warranty to present value at reporting dates. Consequently, the unwinding of discount is recognised in the consolidated statement of profit and loss.

Notes to the consolidated financial statements for the year ended 31 March 2018

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

r. Provisions and contingent liabilities

The Group recognizes a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure of contingent liability is made.

s. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the consolidated statement of profit and loss on a straight-line basis over the term of the lease unless the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Group as lessee

Assets used under finance leases are recognised as property, plant and equipment in the consolidated balance sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss.

Rentals payable under operating leases are charged to the consolidated statement of profit and loss on a straight-line basis over the term of the relevant lease unless the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the consolidated financial statements for the year ended 31 March 2018

t. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the consolidated financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated expenses and taxes.

"Unallocated expenses" represents revenue and expenses attributable to the enterprise as a whole and are not attributable to segments.

u. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in consolidated statement of profit and loss.

Financial assets and liabilities are offset and the net amount is included in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

v. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Recognition

Financial assets include investments, trade receivables, derivative instruments, cash and cash equivalents, other bank balances, loans and other financial assets. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the consolidated statement of profit and loss.

Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

Notes to the consolidated financial statements for the year ended 31 March 2018

(a) Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(b) Fair value through other comprehensive income, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) Fair value through statement of profit and loss, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on their fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the consolidated statement of profit and loss in the period in which they arise.

Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are classified for measurement at amortised cost. Derivative instruments are measured at fair value through statement of profit and loss while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through statement of profit and loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment

At each reporting date a financial asset such as investment, trade receivable, loans and other financial assets held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss is assessed and loss allowance is recognised if the credit quality of that financial asset has deteriorated significantly since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount of the financial asset in the consolidated balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

Reclassification

When and only when the business model is changed the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other

Notes to the consolidated financial statements for the year ended 31 March 2018

comprehensive income, fair value through profit and loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to financial instruments.

De-recognition

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Consequently, if the asset is one that is measured at

(a) Amortised cost, the gain or loss is recognised in the consolidated statement of profit and loss.

(b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the consolidated statement of profit and loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

w. Financial liabilities and equity instruments

Classification

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Holding company are recognised at the proceeds received.

Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the consolidated statement of profit and loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the consolidated balance sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

x. Earnings per share

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

2A. USE OF ESTIMATES AND JUDGEMENTS :

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations

Notes to the consolidated financial statements for the year ended 31 March 2018

during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are related to:

(i) Useful life of property, plant and equipment and intangible assets

(ii) Provision for product warranties

(iii) Provision for employee benefits

(iv) Fair value of financial assets / liabilities

(v) Provisions and contingent liabilities

(vi) Control

Useful life of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. The Group is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

Provision for product warranties :

Provision is estimated in respect of warranty cost in the year of sale of goods and it represents the present value of the management's best estimate of the future outflow of economic benefit that will be required under the group's obligation for warranties. It is estimated by the management on the basis of a technical evaluation and based on specific warranties, claims and claim history.

The determination of provision for product warranties takes into account assumptions which is a subject matter of judgement.

Provision for employee benefits

The determination of Group's liability towards defined benefit obligation and otherlong term employee benefits to employees is made through independent actuarial valuation including determination of amounts to be recognized in the consolidated statement of profit and loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to accounts.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation, if required.

Provisions and contingent liabilities

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's

Notes to the consolidated financial statements for the year ended 31 March 2018

assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

Control

The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power / rights and consequently the practical ability to direct the relevant activities of its investees unilaterally. In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of other shareholders, and whether any contractual arrangements exist between the Group and other shareholders of the investees. Based on this, and in accordance with its accounting policy, the Group has determined that the entities listed in notes to the consolidated financial statements are the only entities over which Group has control.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which is a subject matter of judgement.

2B. RECENT ACCOUNTING PRONOUNCEMENTS :

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21 –The Effect of Changes in Foreign Exchange Rates which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 01 April 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115 Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115 - Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018. The effect on adoption of Ind AS 115 on the financial statements is expected to be insignificant.

Notes to the consolidated financial statements for the year ended 31 March 2018

Rs. in Lacs

	Gross Block						Depreciation and amortisation						Net Book Value	
	As at 31 March 2017	Acquisition through business combination	Additions	Adjustments / disposals	Foreign currency translation reserve adjustment	As at 31 March 2018	Upto 31 March 2017	Acquisition through business combination	For the year	Adjustments / disposals	Foreign currency translation reserve adjustment	Upto 31 March 2018	As at 31 March 2018	As at 31 March 2017
3A Property, plant and equipment														
(a) **Land**	1,426	**–**	**–**	**–**	**–**	**1,426**	–	**–**	**–**	**–**	**–**	**–**	**1,426**	1,426
Previous year	*527*	*899*	*–*	*–*	*–*	*1,426*	*–*	*–*	*–*	*–*	*–*	*–*	*1,426*	
(b) **Buildings**	5,339	**1**	**92**	**(2)**	**53**	**5,483**	234	**–**	**255**	**–**	**52**	**541**	**4,942**	5,105
Previous year	*3,756*	*643*	*940*	*–*	*–*	*5,339*	*–*	*–*	*234*	*–*	*–*	*234*	*5,105*	
(c) **Plant and equipment**	25,315	**1,093**	**3,531**	**(329)**	**1,027**	**30,637**	3,387	**–**	**3,915**	**(35)**	**904**	**8,171**	**22,466**	21,928
Previous year	*20,185*	*464*	*4,700*	*(33)*	*–*	*25,316*	*–*	*–*	*3,391*	*(3)*	*–*	*3,388*	*21,928*	
(d) **Furniture and fixtures**	1,459	**6**	**387**	**(3)**	**17**	**1,866**	140	**–**	**182**	**(1)**	**15**	**336**	**1,530**	1,319
Previous year	*882*	*7*	*574*	*(2)*	*–*	*1,461*	*–*	*–*	*140*	*–*	*–*	*140*	*1,321*	
(e) **Vehicles**	61	**2**	**–**	**–**	**18**	**81**	8	**–**	**10**	**–**	**18**	**36**	**45**	53
Previous year	*47*	*3*	*11*	*–*	*–*	*61*	*–*	*–*	*8*	*–*	*–*	*8*	*53*	
(f) **Office equipment**	270	**7**	**77**	**(1)**	**14**	**367**	65	**–**	**72**	**–**	**14**	**151**	**216**	205
Previous year	*204*	*–*	*64*	*(1)*	*–*	*267*	*–*	*–*	*65*	*(1)*	*–*	*64*	*203*	
(g) **Computers**	709	**4**	**183**	**(1)**	**12**	**907**	145	**–**	**202**	**–**	**12**	**359**	**548**	564
Previous year	*312*	*2*	*395*	*–*	*–*	*709*	*–*	*–*	*145*	*–*	*–*	*145*	*564*	
Total	34,579	**1,113**	**4,270**	**(336)**	**1,141**	**40,767**	3,979	**–**	**4,636**	**(36)**	**1,015**	**9,594**	**31,173**	30,600
Previous year	*25,913*	*2,018*	*6,684*	*(36)*	*–*	*34,579*	*–*	*–*	*3,983*	*(4)*	*–*	*3,979*	*30,600*	
Capital work–in–progress	844	**21**	**596**	**(1,193)**	**3**	**271**	**–**	**–**	**–**	**–**	**–**	**–**	**271**	844
Previous year	*1,258*	*–*	*844*	*(1,258)*	*–*	*844*	*–*	*–*	*–*	*–*	*–*	*–*	*844*	
3B Intangible assets														
(a) **Computer software**	1,308	**35**	**149**	**–**	**4**	**1,496**	176	**24**	**474**	**–**	**4**	**678**	**818**	1,132
Previous year	*254*	*–*	*1,054*	*–*	*–*	*1,308*	*–*	*–*	*176*	*–*	*–*	*176*	*1,132*	
(b) **Technical knowhow**	1,021	**–**	**435**	**–**	**–**	**1,456**	264	**–**	**271**	**–**	**–**	**535**	**921**	757
Previous year	*1,021*	*–*	*–*	*–*	*–*	*1,021*	*–*	*–*	*264*	*–*	*–*	*264*	*757*	
Total	2,329	**35**	**584**	**–**	**4**	**2,952**	440	**24**	**745**	**–**	**4**	**1,213**	**1,739**	1,889
Previous year	*1,275*	*–*	*1,054*	*–*	*–*	*2,329*	*–*	*–*	*440*	*–*	*–*	*440*	*1,889*	
Intangible assets under development	588	**–**	**447**	**(588)**	**–**	**447**	**–**	**–**	**–**	**–**	**–**	**–**	**447**	588
Previous year	*1,119*	*–*	*29*	*(560)*	*–*	*588*	*–*	*–*	*–*	*–*	*–*	*–*	*588*	

- *Gross block and depreciation/amortisation at the beginning of the previous year represents gross block and depreciation/amortisation of the Holding Company as at 01 April 2016 respectively. Carrying amount as at 31 March 2016 in the books of the Holding Company has been considered as the deemed cost as at 01 April 2016.*
- *Fair value of property,plant and equipment and intangible assets have been considered for subsidiaries on the date of the acquisition.*
- *The amortisation of intangible assets is disclosed in the face of Statement of Profit or Loss under the heading "Depreciation and amortisation expenses".*
- *Technical knowhow represents "Design Cost" for washing machines and the same is amortised over a period of 5 years. Out of its net block as at 31 March 2018 Rs. 494 lacs would be amortised in 2 years and Rs. 427 lacs would be amortised in 5 years.*

Notes to the consolidated financial statements for the year ended 31 March 2018

4. Investment property

Rs. in lacs

	Gross Block/Net Book Value			
	As at 31 March 2017	Additions	Adjustments /disposals	**As at 31 March 2018**
Land	11	–	–	**11**
Total	11	–	–	**11**
Previous year	11	–	–	11

1. Investment properties consist of lands in India and it includes an amount of **Rs. 7 lacs** (31 March 2017: Rs. 7 lacs) being assets given on an operating lease.
2. As at **31 March 2018** and 31 March 2017 the fair values of the properties are **Rs. 500 lacs** and Rs. 458 lacs respectively. These valuations are based on valuations performed by NagChowdhury Associates, an accredited independent valuer. NagChowdhury Associates is a specialist in valuing these types of investment properties. A valuation model (market approach) in accordance with that recommended by Indian Institute of Surveyors has been applied. The fair value measurement can be categorised into level 3 category.
3. There are no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. Information regarding income and expenditure of investment property : **Rs. in lacs**

	Year ended	
	31 March 2018	**31 March 2017**
Rental income derived from investment property (refer note 22)	**6**	6
Profit arising from investment property	**6**	6

5. Gross Block/Net Book Value at the beginning of the previous year represents value of the Holding Company as at 01 April 2016.

5. Loans

	As at 31 March 2018		As at 31 March 2017	
	Current	**Non Current**	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs
Unsecured, considered good				
- Loans to related parties (refer note 37)	**3**	**2**	2	2
- Other loans to employees	**52**	**52**	54	52
Total	**55**	**54**	56	54

Notes to the consolidated financial statements for the year ended 31 March 2018

6. Other financial assets

	As at 31 March 2018		As at 31 March 2017	
	Current	Non Current	Current	Non Current
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Margin money with more than 12 months maturity	–	–	–	1
Bank deposit with more than 12 months maturity	–	15	–	5
Security deposits - to related parties (unsecured, considered good) - refer note 37	–	58	–	218
- to others				
(i) Unsecured, considered good	36	819	11	696
(ii) Unsecured, considered doubtful	–	14	–	14
Less: Allowance for doubtful deposits	–	14	–	14
Others				
- Derivative instruments at fair value through profit or loss and not designated as hedging instruments	6	–	–	–
- Interest accrued on fixed deposits	4	1	2	1
- Insurance and other claim receivable	2	–	8	–
Total	48	893	21	921

7. Income tax assets (net)

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Advance tax (net of provision)	290	555
Total	290	555

8. Other assets

	As at 31 March 2018		As at 31 March 2017	
	Current	Non Current	Current	Non Current
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Capital advance	–	572	–	313
Advances other than capital advance				
- deposit with statutory authorities	1	473	–	429
- deposit with others	–	6	–	6
- advances with statutory authorities	4,926	1,508	2,077	2,062
- advances with related parties (refer note 37)	607	–	118	–
Other advances				
- advances for goods and services	854	14	604	15
less: allowance for doubtful advances	31	14	–	14
- prepaid expenses	210	2	259	3
- prepaid lease rent	4	5	4	10
Total	6,571	2,566	3,062	2,824

Notes to the consolidated financial statements for the year ended 31 March 2018

9. Inventories (valued at lower of cost and net realisable value)

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Raw materials	**7,367**	6,096
Work-in-progress	**1,897**	1,338
Finished goods	**10,323**	7,676
Stock-in-trade	**9,471**	6,451
Stores and spares	**2,849**	2,687
Total	**31,907**	24,248

The above includes goods in transit as under:

Raw materials	**831**	1,046
Stock-in-trade	**3,530**	2,050
Stores and spares	**176**	69
Total	**4,537**	3,165

The cost of inventories recognised as an expense during the year was **Rs. 1,50,564 lacs** (for the year ended 31 March 2017: Rs. 1,24,519).

The cost of inventories recognised as an expense includes **Rs. 349 lacs** (31 March 2017 : Rs. 467 lacs) in respect of write-downs of inventory to its net realisable value. Further a sum of **Rs. 349 lacs** (31 March 2017: Rs. 84 lacs) is in respect of reversal of such write-downs. The write downs have been reduced primarily as a result of increased sales price or subsequent disposals.

Carrying amount of inventories carried at fair value **Rs. 898 Lacs** (31 March 2017: 1,291 lacs).

Notes to the consolidated financial statements for the year ended 31 March 2018

10. Investments

	As at 31 March 2018		As at 31 March 2017	
	Nos	**Current Rs. in Lacs**	Nos	Current Rs. in Lacs
At fair value through statement of profit and loss				
Investments in Mutual Fund - unquoted				
a) ICICI Prudential Money Market Fund Option - Direct plan daily dividend (face value Rs. 100/-)	**19,83,515**	**1,986**	11,86,073	1,188
b) Reliance Regular Savings Fund - Debt Plan - Growth plan - growth option (face value Rs. 10/-)	**50,84,272**	**1,230**	27,80,694	630
c) ICICI Prudential Liquid - Direct Plan - Daily dividend - reinvestment (face value Rs. 100/-)	–	–	50,062	50
d) Invesco India Medium Term Bond Fund - Direct growth plan (face value Rs. 1000/-)	–	–	15,727	266
e) Kotak Low Duration Fund - Standard growth - regular plan (face value Rs. 10/-)	**72,503**	**1,538**	72,503	1,437
f) Kotak Floater Short Term - Direct plan - growth (face value Rs. 1000/-)	–	–	32,430	866
g) Reliance Medium Term Fund - Direct growth plan (face value Rs. 10/-)	**59,61,180**	**2,216**	15,75,397	546
h) ICICI Prudential Flexible Income - Growth plan (face value Rs. 100/-)	–	–	69,350	216
i) HSBC Income Fund - Short term plan - growth (face value Rs. 10/-)	–	–	7,98,139	215
j) Aditya Birla Sun Life Savings Fund - Growth direct plan (face value Rs. 100/-)	**91,183**	**313**	–	–
k) Franklin India Low Duration Fund - Growth plan (face value Rs 10/-)	**61,66,526**	**1,232**	–	–
l) ICICI Prudential Liquid - Direct plan - growth (face value Rs 100/-)	**78,333**	**201**	–	–
m) ICICI Prudential Regular Saving Fund - Growth (face value Rs 10/-)	**10,27,149**	**191**	–	–
n) L&T Income Oppurtunities Fund - Growth (face value Rs 10/-)	**18,02,955**	**360**	–	–
Total investments		**9,267**		5,414

Other disclosures

	As at 31 March 2018	As at 31 March 2017
Aggregate amount of unquoted investments	**9,267**	5,414
Aggregate amount of impairment in value of investments	**–**	–

Notes to the consolidated financial statements for the year ended 31 March 2018

11. Trade receivables

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Unsecured, considered good		
- receivable from others	**18,749**	14,456
	18,749	14,456
Unsecured, considered doubtful		
- receivable from others	**80**	52
Less : allowances for doubtful debts	**80**	52
	–	–
Total	**18,749**	14,456

Transfer of financial assets

The company discounted certain trade receivable with an aggregate carrying amount of **Rs. 1,940 Lacs** (31 March 2017: Rs. 2,713 lacs) to a bank for cash proceeds of **Rs. 1,916 lacs** (31 March 2017: Rs. 2,669 lacs). If the trade receivable are not paid at maturity, the bank has the right to request the company to pay the unsettled balance. As the company has not transferred the significant risks and rewards relating to these trade receivable, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowings.

At the end of the reporting period, the carrying amount of the trade receivable that has been transferred but have not been derecognised and the carrying amount of the associated liability is as under :

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Trade receivable that has been transferred but have not been derecognised	219	348
Bill discounting liability for the above	219	348

12. Cash and cash equivalents

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Balances with banks		
- current account (*)	6,115	4,266
- deposit account	**27**	26
Cheques on hand	**374**	229
Cash on hand	**54**	46
Total	**6,570**	4,567

(*) includes fund in transit amounting to Rs. 9 lacs (31 March 2017: Nil).

Notes to the consolidated financial statements for the year ended 31 March 2018

13. Other bank balances

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
In deposit account	**47**	45
Margin money deposits	**164**	68
Total	**211**	113

14. Equity share capital

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	**Rs. in lacs**	No. of shares	Rs. in lacs
Authorised share capital				
Equity shares of Rs. 10 each	**65,000,000**	**6,500**	65,000,000	6,500
Total	**65,000,000**	**6,500**	65,000,000	6,500

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	**Rs. in lacs**	No. of shares	Rs. in lacs
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	**40,518,796**	**4,052**	40,518,796	4,052
Forfeited shares				
30,50,000 (31 March 2017: 30,50,000 equity shares of Rs. 10 each, Rs. 2.50 paid - up	-	76	-	76
Total	**40,518,796**	**4,128**	40,518,796	4,128

There has been no change in equity share capital during the year.

Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company.

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2018		As at 31 March 2017	
	%	**No. of shares**	%	No. of shares
1. IFB Automotive Private Limited	**46.54%**	**18,856,833**	46.54%	18,856,833
2. Nurpur Gases Private Limited	**14.83%**	**6,010,416**	14.83%	6,010,416
3. Asansol Bottling & Packaging Company Private Limited	**8.31%**	**3,366,428**	8.31%	3,366,428

Notes to the consolidated financial statements for the year ended 31 March 2018

15. Non-current borrowings

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Term loan from banks - secured (*)	**1,341**	1,875
Total	**1,341**	1,875

(*) Includes an amount of Rs. 1,000 lacs which is repayable in 16 quarterly instalments from the end of the 15th month from the date of first disbursement i.e., 09 March 2016 and balance amount of Rs. 371 lacs which is repayable in 16 quarterly instalments by way of graded quartely instalments commencing from 30 June 2018 or after 15 months from the date of disbursement i.e 16 June 2017, of the loan , whichever is earlier or any part thereof till the entire loan amount together with interest, cost, expense, levies and other charges are paid in full.

The scheduled maturity of the above borrowings is as under :

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Repayable in first year	**872**	625
Current maturies of long term debt (refer note 16)	**872**	625
In the second year	**913**	625
In the third to fifth year	**428**	1,250
Non-current borrowings	**1,341**	1,875

For sanction of term loan amounting to Rs 3,000 lacs by DBS Bank Ltd, following securities have been created :

First and exclusive floating charge over all present and future movable fixed assets of the Company's engineering division located at Kolkata and Bangalore stored or to be stored at the Company's godown or premises or wherever else the same may be.

For sanction of term loan amounting to Rs 650 lacs by Federal Bank Ltd, following securities have been created :

Primary Security :

Term Loan: First charge on the machineries to be purchased

Cash credit / Working capital demand loan. Hypothecation of the all the current assets (present and future).

Letter of credit 10% cash margin. Extension of charge on current assets.

Bank guarantee: 10% cash margin. Counter guarantee.

Collateral Security:

Equitable mortgage of factory land and building along with the fixed assets (present and future) in the name of the Company.

Notes to the consolidated financial statements for the year ended 31 March 2018

16. Other financial liabilities

	As at 31 March 2018		As at 31 March 2017	
	Current	**Non Current**	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs
Current maturities of long-term debt (refer note 15)	**872**	**–**	625	–
Interest accrued but not due on borrowings	**13**	**–**	19	–
Derivative instruments at fair value through profit or loss and not designated as hedging instruments	**11**	**–**	197	–
Others				
- Security deposit	**362**	**9**	264	29
- Payable for property, plant and equipment and intangibles	**343**	**–**	243	–
Total	**1,601**	**9**	1,348	29

17. Provisions

	As at 31 March 2018		As at 31 March 2017	
	Current	**Non Current**	Current	Non Current
	Rs. in Lacs	**Rs. in Lacs**	Rs. in Lacs	Rs. in Lacs
Provision for employee benefits				
Gratuity	**–**	**1,071**	–	629
Leave encashment	**5**	**817**	180	275
Sick Leave	**47**	**254**	42	216
Others				
Warranty	**340**	**2,058**	353	1,533
Total	**392**	**4,200**	575	2,653

Details of movement in warranty provisions

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Balance as at the beginning of the year (*)	**1,886**	1,641
Additional provisions recognised (refer note 29)	**1,340**	939
Effect of unwinding of discount (refer note 27)	**128**	118
Amounts used (i.e. incurred and charged against the provision) during the year	**(956)**	(812)
Balance as at the end of the year	**2,398**	1,886

(*) Amount as at the beginning of the previous year represents amount of the Holding Company as at 01 April 2016.

a. Provision is estimated in respect of warranty cost in the year of sale of goods and it represents the present value of the management's best estimate of the future outflow of economic benefit that will be required under the company's obligation for warranties.

b. Provision for warranty is expected to be utilised over a period of 1 to 5 years.

c. The estimates may vary as a result of product quality, availability of spare parts, price of raw materials, altered manufacturing processess and discount rates.

d. Warranty costs are estimated by the management on the basis of a technical evaluation and based on specific warranties, claims and claim history.

Notes to the consolidated financial statements for the year ended 31 March 2018

18. Deferred tax assets / liabilities (net)

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Deferred tax liabilities	**4,210**	4,070
Less: Deferred tax assets	**3,345**	4,128
Total Deferred tax liabilities (net)	**865**	362
Total Deferred tax assets (net)	**–**	420

Breakup of deferred tax liabilities / asset balances is as under :

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Deferred tax liabilities		
On provision for warranty	**181**	128
On changes in fair value of investments	**158**	86
On property, plant and equipment and intangible assets	**3,871**	3,856
	4,210	4,070
Deferred tax assets		
On unused tax credits (Minimum Alternate Tax Credit) (*)	**2,452**	3,511
On changes in fair value of derivative instruments	**4**	3
On allowance for doubtful debts and advances	**100**	27
On employee benefits	**719**	518
Other timing differences	**70**	69
	3,345	4,128
Deferred tax (assets) / liabilities (net)	**865**	(58)

(*) Unused tax credits are due to expire starting from financial year 2025-26 to 2031-32.

Notes to the consolidated financial statements for the year ended 31 March 2018

Movement of deferred tax (assets) / liabilities (net) is as under

	31 March 2018 Rs. in Lacs	31 March 2017 Rs. in Lacs
Deferred tax liabilities / (assets) as at the beginning of the year	(58)	–
Deferred tax assets as at 01 April 2016 of Holding company	–	(248)
Deferred tax liabilities on subsidiary acquisition	–	357
Minimum alternate tax credit for the year (@)	–	(642)
Deferred tax for the year (@)	**(136)**	378
Minimum alternate tax credit related to previous years - Net (@)	**67**	85
Minimum alternate tax credit utilisation relating to previous years	**3**	12
Minimum alternate tax credit utilised during the year	**989**	–
Deferred tax liabilities / (assets) as at the end of the year	**865**	(58)

(@) refer note 30

19. Other liabilities

	As at 31 March 2018		As at 31 March 2017	
	Current Rs. in Lacs	Non Current Rs. in Lacs	Current Rs. in Lacs	Non Current Rs. in Lacs
Revenue received in advance				
– Income earned in advance on annual maintenance contracts and extended warranty services	**3,698**	**1,050**	3,201	857
– Deferred capital grant	**7**	**33**	10	40
Advance from customers	**1,221**	–	942	–
Others				
– Statutory liabilities	**2,610**	–	2,925	–
Total	**7,536**	**1,083**	7,078	897

20. Current borrowings

	As at 31 March 2018 Rs. in Lacs	As at 31 March 2017 Rs. in Lacs
Secured		
Loans from banks		
- Cash Credit facility from bank	**235**	870
- Bill discounting	**408**	348
Unsecured loans from Others	**297**	301
Total	**940**	1,519

Notes to the consolidated financial statements for the year ended 31 March 2018

Hypothecation details of current borrowings existing as at 31 March 2018

For sanction of working capital facilities by The Federal Bank Limited of Rs. 1,500 lacs which can be used inter-changeably between fund based and non-based. Interest rate for fund based limits are one year MCLR+0.48 percent. Following securities has been created :

Primary security :

Cash credit / working capital demand loan. Hypothecation of the all the current assets (present and future).

Collateral security :

Equitable mortgage of factory land and building along with the fixed assets (present and future) in the name of the Company.

For sanction of credit facilities amounting to Rs. 3,500 lacs by DBS Bank Ltd., following securities have been created :

(i) Hypothecation by way of first pari passu and floating charge over goods being finished goods, semi-finished goods, stocks of raw-materials, work-in-process located at various factories/ warehouses/ godowns of the Holding Company and whether in transit or lying at any other place and hypothecation by way of first pari passu and floating charge over the Holding Company's present and future book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets.

(ii) Hypothecation by way of exclusive charge over all present and future movable fixed assets of the engineering division of the Holding Company including without limitation its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc. stored or to be stored at Holding Company's godowns or premises situated at 14, Taratolla Road, Kolkata and 16/17, Visveswaraiah Industrial Estate, Whitefield Road, Bangalore - 560048 (Engineering Division) or wherever else the same may be.

Hypothecation details of current borrowings unutilised as at 31 March 2018

For sanction of capex letter of credit amounting to **Rs 2,000 lacs** by Standard Chartered Bank, following securities have been created:

First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders) of the company including without limitations its movable plant and machinery, furniture and fittings, equipment, computer hardware, computer software, machinery spares, tools and accessories and other movables etc stored or to be stored at the Holding Company's godown or premises situated at Plot no L-1, Verna Electronic City, Verna Industrial Estate, Goa - 403722 or wherever else the same may be.

For sanction of working capital facility amounting to **Rs 10,000 lacs** by Standard Chartered Bank, following securities have been created:

(i) First pari passu charge on all current assets, both present and future.

(ii) First charge on existing movable fixed assets of Goa (Verna) plant (except exclusive charge to term lenders).

(iii) Second charge on the leasehold land and building of Goa (Verna) unit on all that piece and parcel of non-agricultural land bearing at No. L1 situated within the village panchayat of Nagoa, Verna Plateau, Verna Industrial Estate, Taluka Salcete, District South Goa and registration sub district ILHAS in the state of Goa containing by admeasuring 48,695 square meters or thereabout.

Notes to the consolidated financial statements for the year ended 31 March 2018

21. Revenue from operations

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Gross revenue from sale of manufactured products	1,88,486	1,61,978
Revenue from sale of traded products	**80,483**	65,001
Total sale of products	**2,68,969**	2,26,979
Less: trade schemes and discounts	**53,102**	43,221
Sale of products (net of trade schemes and discounts)	**2,15,867**	1,83,758
Sale of services	**6,522**	5,649
Other operating revenues		
- Scrap sales	**3,292**	2,359
- Others	**191**	146
	2,25,872	1,91,912

22. Other income

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Interest income		
- Interest on financial assets measured at amortised cost	**152**	116
- Other interest	**32**	–
Dividend from investments in mutual fund	**102**	68
Other non-operating income		
(i) Operating lease rental income		
- Investment property	**6**	6
- Others	**35**	41
(ii) Gain on disposal of property, plant and equipment	**131**	1
(iii) Net foreign exchange gain	**(82)**	190
(iv) Net gain arising on financial instruments measured at fair value through statement of profit and loss (FVTPL)		
- Mutual fund	**345**	244
- Derivative instrument	**192**	(151)
(v) Net gain on disposal of financial instrument measured at FVTPL		
- Mutual fund	**18**	108
(vi) Insurance claim received	**144**	36
(vii) Write back of liabilities no longer required	**114**	179
(viii) Write back of provision on debts/advances no longer required	**17**	7
(ix) Recovery of balance written off in previous year	**6**	-
(x) Income in respect to deferred revenue from government grant	**10**	6
(xi) Miscellaneous income	**659**	491
	1,881	1,342

Notes to the consolidated financial statements for the year ended 31 March 2018

23. Cost of materials consumed

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Raw materials consumed		
Raw material inventory at the beginning of the year	**6,096**	5,226
Add: Raw material stock on acquisition of subsidiaries	**59**	34
Add: Purchases during the year	**94,047**	73,583
Translation difference	**8**	–
	1,00,210	78,843
Raw material inventory at the end of the year	**7,367**	6,096
Cost of materials consumed	**92,843**	72,747

24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Inventories as at the end of the year			
Stock-in-trade		**9,471**	6,451
Work-in-progress (@)		**1,897**	1,338
Finished goods		**10,323**	7,676
	(A)	**21,691**	15,465
Inventories as at the beginning of the year			
Stock-in-trade		**6,451**	6,569
Work-in-progress		**1,338**	1,051
Work-in-progress on acquisition of subsidiaries		**114**	130
Finished goods		**7,676**	6,110
Finished goods on acquisition of subsidiaries		**44**	53
	(B)	**15,623**	13,913
Translation difference	**(C)**	**22**	–
	(B + C - A)	**(6,046)**	(1,552)

(@) Includes semi finished fine blanked components and semi finished press tools and dies amounting to **Rs. 1,396 Lacs** (31 March 2017: Rs. 934 Lacs).

25. Excise duty on sale of goods

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Excise duty on sale of manufactured products	**4,065**	15,815
Excise duty on scrap sales	**76**	253
	4,141	16,068

Notes to the consolidated financial statements for the year ended 31 March 2018

26. Employee benefits expense

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Salaries and wages	**18,043**	13,590
Contribution to provident and other funds	**1,633**	1,170
Staff welfare expenses	**1,963**	1,509
	21,639	16,269

27. Finance costs

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Interest on financial liabilities measured at amortised cost	**416**	401
Other interest expense	**128**	118
	544	519

28. Depreciation and amortisation expense

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Depreciation of property, plant and equipment	**4,636**	3,983
Amortisation of intangible assets	**745**	440
	5,381	4,423

Notes to the consolidated financial statements for the year ended 31 March 2018

29. Other expenses

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
Consumption of stores and spare parts	**10,601**	8,534
Rent	**2,407**	1,781
Insurance	**167**	145
Freight, octroi and carriage	**7,669**	5,951
Power and fuels	**2,803**	2,188
Ancillary cost	**5,141**	4,730
Rates and taxes	**449**	765
Expenditure on corporate social responsibility	**62**	28
Office expenses	**3,523**	3,201
Advertisement and sales promotion	**13,396**	9,722
Travelling	**3,065**	2,838
Repairs :		
Buildings	**68**	58
Plant and machinery	**862**	684
Others	**741**	491
Write-off of property, plant and equipment	**29**	32
Write-off of debts/ advances	**68**	99
Write-off of statutory advances	**17**	2
Allowances for doubtful debts and advances	**45**	26
Bank charges	**132**	101
Directors' sitting fees	**19**	15
Service expenses	**4,512**	3,445
Warranty expenses	**1,340**	939
Miscellaneous expenses	**2,187**	1,808
	59,303	47,583

30. Tax expense

	For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
A. Amount recognised in statement of profit and loss		
Current tax		
Income tax for the year	**3,652**	1,471
Adjustments related to previous years (net)	**3**	18
Total current tax	**3,655**	1,489
Deferred tax		
Deferred tax for the year	**(136)**	378
Minimum alternate tax credit for the year	**-**	(642)
Minimum alternate tax credit related to previous years (net)	**67**	85
Total deferred tax	**(69)**	(179)
Total	**3,586**	1,310

Notes to the consolidated financial statements for the year ended 31 March 2018

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
B.	**Amount recognised in other comprehensive income**		
	Current tax :		
	On items that will not be reclassified to profit or loss		
	- Remeasurements of the defined benefit liabilities / (asset)	**(235)**	(152)
		(235)	(152)
C.	**Reconciliation of effective tax rate**		
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	**11,514**	6,465
	Income tax expense calculated @ 34.608% (31 March 2017 - 34.608%)	**3,985**	2,237
	Effect of income not taxable	**(35)**	(23)
	Effect of additional deductions under tax	**(632)**	(1,170)
	Effect of difference in tax rates of subsidiary companies	**31**	15
	Effect of unrecognised tax credit	**127**	113
	Effect of different tax rate on certain items	**(15)**	–
	Ellect of non allowable expenses	**61**	35
	Effect of rate change on deferred tax	**(6)**	–
	Effect of adjustments relating to earlier year	**70**	103
	Income tax recognised in statement of profit and loss	**3,586**	1,310
	Tax rate used for current tax	**34.608%**	34.608%
	Tax rate used for deferred tax	**34.944%**	34.608%

31. Earnings per share

		For the year ended 31 March 2018 Rs. in Lacs	For the year ended 31 March 2017 Rs. in Lacs
(a)	Profit after taxes available to equity shareholders	**8,097**	5,327
(b)	Weighted average number of equity shares outstanding	**4,05,18,796**	4,05,18,796
(c)	Basic and diluted earnings per equity share of face value Rs. 10 each (in Rs.) [(a)/(b)]	**19.98**	13.15

Notes to the consolidated financial statements for the year ended 31 March 2018

32. Defined benefit plan - Gratuity

The Group operates a defined benefit plan for gratuity for its employees. It is administered through approved trust in accordances with its trust deeds and rules. The concerned trusts are managed by trustees who provide guidance with regard to the management of their assets and liabilities and review their performance periodically. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and the investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure the adequacy of internal controls.

The liability arising in the defined benefit plan is determined by an independent professionally qualified actuary using the projected unit credit method.

Risk management

The risks commonly affecting the gratuity liability and the financial results are expected to be :

1. Interest rate risk - The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yield falls, the defined benefit obligations will tend to increase.
2. Salary Inflation risk - Higher the expected increase in salary will increase the defined benefit obligation.
3. Demographic risk - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is importanty not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

I. Changes in defined benefit obligations **Rs. in Lacs**

		Gratuity (funded)	
		31 March 2018	31 March 2017
1.	Defined benefit obligations at the beginning of the year	**2,626**	1,895
2.	Current service cost	**229**	170
3.	Interest costs	**177**	141
4.	Past service cost - plan amendments	**137**	–
5.	Acquisition cost / (credit)	**3**	4
6.	Effect of experience adjustment	**374**	28
7.	Effect of assumption change	**303**	503
8.	Benefits paid	**(129)**	(115)
9.	Defined benefit obligations at the end of the year	**3,720**	2,626

II. Changes in fair value of plan assets **Rs. in Lacs**

		Gratuity (funded)	
		31 March 2018	31 March 2017
1.	Fair value of assets at the beginning of the year	**1,998**	1,437
2.	Interest income on plan assets	**155**	124
3.	Employer contribution	**638**	460
4.	Return on plan assets (less than discount rate)	**(10)**	92
5.	Benefits paid	**(129)**	(115)
6.	Fair value of assets at the end of the year	**2,649**	1,998
	Actual returns	**145**	216

Notes to the consolidated financial statements for the year ended 31 March 2018

III. Net assets / (liabilities) recognised in balance sheet **Rs. in Lacs**

		Gratuity (funded)	
		31 March 2018	31 March 2017
1.	Defined benefit obligations	**3,720**	2,626
2.	Fair value of plan assets	**2,649**	1,998
3.	Funded status - deficit	**1,071**	628
4.	Net asset / (liability) recognised in balance sheet		
	– Current	**–**	–
	– Non current	**1,071**	628

IV. Components of employer expenses **Rs. in Lacs**

		Gratuity (funded)	
		31 March 2018	31 March 2017
Recognised in statement of profit and loss			
1.	Current service cost	**229**	170
2.	Past service cost - plan amendments	**137**	-
3.	Net interest costs	**22**	18
4.	Immediate recognition of gain/(loss) - other long term employee benefit plans	**–**	–
5.	Total recognised in the statement of profit or loss (*)	**388**	188
Recognised in other comprehensive income			
1.	Effect of experience adjustment	**374**	28
2.	Effect of assumption change	**303**	503
3.	Return on plan assets (less than discount rate)	**10**	(92)
4.	Immediate recognition of gain/(loss) - other long term employee benefit plans	**–**	–
5.	Total recognised in other comprehensive income	**687**	439
Total expense recognised in total comprehensive income		**1,075**	627

(*) recognised in "Contribution to provident and other funds" in "Employee benefits expense" under note 26.

V. Actuarial assumptions

	Gratuity (funded)	
	31 March 2018	31 March 2017
Discount rate	**7.4% / 7.7%**	6.9% / 7.3%
Rate of salary increase	**10.0%**	8% / 7%
Mortality rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal rate	**10% / 2%**	10% / 2%

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 employment market.

Notes to the consolidated financial statements for the year ended 31 March 2018

VI. Plan asset information

	Gratuity (funded)	
	31 March 2018	31 March 2017
Cash	**21%**	21%
Scheme of insurance - conventional products	**11%**	–
Scheme of insurance - ULIP products	**68%**	79%

In the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VII. Net asset / (liability) recognised in balance sheet (including experience adjustment impact) **Rs. in Lacs**

		Gratuity (funded)	
		31 March 2018	31 March 2017
1.	Present value of defined benefit obligations	**3,720**	2,626
2.	Fair value of plan assets	**2,649**	1,998
3.	Funded Status (deficit)	**1,071**	628
4.	Experience adjustment of plan assets - gain/(loss)	**(10)**	92
5.	Experience adjustment of obligations - gain/(loss)	**(374)**	(29)

VIII. Expected employer contribution for the next year (Rs. in lacs) **1,071** 629

IX. Sensitivity analysis

The sensitivity results below determine their individual impact on the plan's year end defined benefit obligations. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligations in similar or opposite directions, while the plans's sensitivity to such changes can vary over time.

Rs. in Lacs

		Gratuity (funded)	
		31 March 2018	31 March 2017
Defined benefit obligations on base assumptions (refer point no V)		**3,720**	2,626
a.	1% increase in discount rate	**3,504**	2,470
b.	1% decrease in discount rate	**3,963**	2,799
c.	1% increase in salary escalation rate	**3,941**	2,780
d.	1% decrease in salary escalation rate	**3,515**	2,481

Rs. in Lacs

	Gratuity (funded)	
	31 March 2018	31 March 2017
Year 1	**453**	235
Year 2	**453**	261
Year 3	**441**	342
Year 4	**474**	325
Year 5	**507**	375
Next 5 years	**3,279**	2,468

The Group has contributed **Rs. 1,245 lacs** (31 March, 2017: Rs. 983 lacs) to defined contribution schemes.

Notes to the consolidated financial statements for the year ended 31 March 2018

33. Segment reporting Rs. in Lacs

	31 March 2018					
	Engineering	**Home Appliances Division**	**Others**	**Unallocated**	**Intersegment**	**Total**
Revenue from sale of products and services	**37,234**	**1,80,344**	**7,398**	**–**	**(2,587)**	**2,22,389**
	31,415	1,56,165	2,596	–	(769)	1,89,407
Other operating revenue	**2,685**	**491**	**313**	**–**	**(6)**	**3,483**
	1,950	376	180	–	(1)	2,505
Revenue from operations	**39,919**	**1,80,835**	**7,711**	**–**	**(2,593)**	**2,25,872**
	33,365	1,56,541	2,776	–	(770)	1,91,912
Other income	**345**	**1,122**	**61**	**549**	**(196)**	**1,881**
	314	627	59	342	–	1,342
Total income	**40,264**	**1,81,957**	**7,772**	**549**	**(2,789)**	**2,27,753**
	33,679	1,57,168	2,835	342	(770)	1,93,254
Segment results before finance costs	**3,941**	**9,675**	**(255)**	**(1,269)**	**(34)**	**12,058**
	2,105	6,478	(264)	(1,330)	(5)	6,984
Less: finance costs						**544**
						519
Profit before tax						**11,514**
						6,465
Tax expense						**3,586**
						1,310
Profit for the year						**7,928**
						5,155
Segment assets	**26,374**	**71,986**	**4,368**	**9,037**	**–**	**1,11,765**
	22,855	58,188	3,953	6,073	–	91,069
Segment liabilities	**9,554**	**41,064**	**2,975**	**2,985**	**–**	**56,578**
	8,429	30,707	2,877	1,527	–	43,540

Other information :

Depreciation and amortisation expense	**2,039**	**3,157**	**143**	**42**	**–**	**5,381**
	1,639	2,674	64	46	–	4,423
Capital expenditure	**1,232**	**2,390**	**502**	**(8)**	**–**	**4,116**
	3,747	2,940	102	4	–	6,793
Non cash expenditure other than depreciation and amortisation	**39**	**95**	**26**	**(1)**	**–**	**159**
	12	88	59	–	–	159

Notes to the consolidated financial statements for the year ended 31 March 2018

Segment reporting *(Contd.)* **Rs. in Lacs**

	31 March 2018
Geographical information	
Revenue from external customers	
- Within India	**2,24,601**
	1,90,239
- Outside India	**3,152**
	3,015
Total	**2,27,753**
	1,93,254

Non - Current assets excluding financial assets and deferred tax assets	
- Within India	**35,671**
	37,737
- Outside India	**1,769**
	–
Total	**37,440**
	37,737

(figures for previous year ended 31 March 2017, have been shown below each item)

NOTES :

– 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. 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". 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.

– The geographical information considered for disclosure are revenue within India and revenue outside India.

– The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

34. Leases

The Group is obligated under cancellable leases for residential, office premises, warehouses, etc. Total rental expense under cancellable operating lease amounted to **Rs. 2,403 Lacs** (31 March 2017: Rs. 1,777 lacs).

Notes to the consolidated financial statements for the year ended 31 March 2018

35. Commitments **Rs. in Lacs**

		31 March 2018	31 March 2017
i)	Outstanding capital commitments for tangible assets	**740**	1,400
ii)	Outstanding capital commitments for intangible assets	**43**	85

36. Contingent Liabilities : **Rs. in Lacs**

		31 March 2018	31 March 2017
i)	Disputed sales tax matters, excise matters, income tax matters and other matters 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.)	**1,887**	2,103
ii)	Other claims against the Company not acknowledged as debts	**–**	16
iii)	Custom duty and interest obligation for advance licenses [1]	**752**	728

It is not practicable for the Group to estimate the closure of these cases and the consequential timings of cash flows, if any, in respect of the above.

[1] The Hon'ble Delhi High Court by its order dated 10 September 2015 set aside the order of Policy Relaxation Committee (PRC) with liberty to the petitioner to file a representation before the PRC. The respondents were directed to pass a reasoned order after giving the opportunity of hearing. The matter was heard by PRC and PRC by its order dated 13 October 2015 rejected the prayer of petitioner. Being aggrieved by PRC's order the Holding company filed writ application before Division Bench of Delhi High Court. After prolonged hearing the bench by its order dated 03 April 2017 allowed the writ petition and set aside the order of PRC and directed PRC inter-alia to reconsider its order dated 13 October 2015 in the light of observation made by the Division Bench. Keeping in mind the direction of Hon'ble Delhi High Court and taking into consideration the genuine hardship expressed in the revised representation by the Holding company, the PRC in its meeting held on 05 September 2017 allowed most of the prayers of the Holding company and decided inter alia that Regional Authorities (RA) shall ensure that other requirement as per Free Trade Agreements (FTA)/ Hand Book of Procedures (HBP) are complied with. The Holding company is now dealing with RA to obtain discharge certificates.

Notes to the consolidated financial statements for the year ended 31 March 2018

37. Related party disclosures

(A) The Group has the following related parties :

Investor Company :	IFB Automotive Private Limited
Key Management Personnel (KMP) :	**Mr. Bijon Nag**, Executive Chairman
	Mr. Bikram Nag, Joint Executive Chairman and Managing Director
	Mr. Sudam Maitra, Deputy Managing Director
	Mr. Prabir Chatterjee, Director and Chief Financial Officer
	Mr. G. Ray Chowdhury, Company Secretary
	Mr. A K Nag, President
	Mr. Sujan Kumar Ghosh Dastidar, President, Legal
	Mr. Susanta Das, Head of Personnel and Administration
	Mr. Uma Shankar Ghosh Dastidar, Head – Taxation
	Mr. Rahul Choudhary, Vice President, Corporate affairs and banking (resigned on 01 December, 2017)
	Mr. Rajat Paul, Assistant Vice President, IT
	Mr. Diptanil Saha, General Manager (GM), Corporate affairs
	Mr. Soumitra Goswami, GM, Accounts and Finance
	Mr. Jayanta Chanda , GM, Finance
	Mr. Ashok Hazra, Assistant General Manager, Internal Audit
	Mr. Rajshankar Ray, CEO, Home Appliances Division
	Mr. A.S. Negi, National Service Head , Home Appliances Division
	Mr. B.M. Shetye, Vice President, Sustainability, Home Appliances Division
	Mr. Pawan Koul, Head of Goa Factory
	Mr. Sukhdev Nag, National Sales Head
	Mr. T.R. Ramesh, Business Head, Home Appliances Division, Central
	Mr. Ranjan Mohan Mathur, Business Head, Home Appliances Division – North and National Head, IFB Points
	Mr. Abhijit Gangopadhyay, Business Head, East
	Mr. Partha Sen, CEO, Engineering Division
	Mr. K.R.K. Prasad, CEO, Bangalore Engineering Factory.
	Mr. Arup Das, Head Marketing , Engineering Division
	Mr. R. Anand, Head, Motor Division

Other related parties	- IFB Agro Industries Limited - Travel Systems Limited - IFB Global Limited - IFB Appliances Limited - Anjali foundation - Global Automotive and Appliances Pte Limited (GAAL) (prior to 13 July 2017) - Thai Automotive and Appliances Limited (TAAL) (prior to 13 July 2017)

Notes to the consolidated financial statements for the year ended 31 March 2018

Employee trusts where there is significant influence (Employee trusts)	- Indian Fine Blank Limited Employees Gratuity Fund (IFBLEGF) - IFBL Senior Management Superannuation Fund (IFBLSMSF) - IFBL Employees' (Category-I) Superannuation Scheme (IFBLESS-Cat-I) - IFBL Employees (Category Two) Group Superannuation Scheme (IFBLEGSS-Cat two)

(B) Transactions with related parties

Rs. in Lacs

		Investor Company		KMP		Other related parties		Employee trusts		Total	
		31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
1)	Sales, service and other income	**3,645**	2,733	**3**	6	**72**	82	**–**	–	**3,720**	2,821
2)	Purchase of raw materials	**69**	21	**–**	–	**55**	189	**–**	–	**124**	210
3)	Expenditure on other services	**132**	104	**1**	–	**7,534**	6,047	**–**	–	**7,667**	6,151
4)	Purchase of duty entitlement pass book license	**–**	–	**–**	–	**–**	11	**–**	–	**–**	11
5)	Purchase of service (capitalised)	**–**	–	**–**	–	**–**	47	**–**	–	**–**	47
6)	Expenses recovered	**52**	86	**–**	–	**–**	–	**–**	–	**52**	86
7)	Purchase of shares of a subsidiary	**2,000**	–	**–**	–	**–**	–	**–**	–	**2,000**	–
8)	Contribution to employees' benefit plans	**–**	–	**–**	–	**–**	–	**993**	757	**993**	757
9)	Remuneration										
	– Short term benefits	**–**	–	**1,565**	1,129	**–**	–	**–**	–	**1,565**	1,129
	– Post employment benefits	**–**	–	**150**	212	**–**	–	**–**	–	**150**	212
	– Other long term benefits	**–**	–	**120**	84	**–**	–	**–**	–	**120**	84

(C) Outstanding balances with related parties

Rs. in Lacs

		Investor Company		KMP		Other related parties		Employee trusts		Total	
		31 Mar 2018	31 Mar 2017	**31 Mar 2018**	31 Mar 2017	**31 Mar 2018**	31 Mar 2017	**31 Mar 2018**	31 Mar 2017	**31 Mar 2018**	31 Mar 2017
1)	Trade receivables	**844**	471	**–**	–	**1**	34	**–**	–	**845**	505
2)	Security deposits given	**50**	50	**–**	–	**8**	168	**–**	–	**58**	218
3)	Advances given	**95**	34	**1**	1	**511**	43	**–**	–	**607**	78
4)	Loans given	**–**	–	**5**	4	**–**	–	**–**	–	**5**	4
5)	Trade payables	**33**	7	**10**	–	**1,194**	357	**–**	–	**1,237**	364
6)	Other payables	**–**	–	**–**	–	**–**	–	**1,096**	654	**1,096**	654
7)	Advance taken	**33**	6	**–**	–	**–**	–	**–**	–	**33**	6
8)	Security deposits taken	**–**	–	**–**	–	**–**	1	**–**	–	**–**	1

Notes to the consolidated financial statements for the year ended 31 March 2018

(D) Details of significant transactions with KMPs, other related parties and employee trusts

Rs. in Lacs

		31 March 2018	31 March 2017
1)	**Sales, service and other income**		
	TAAL	**59**	69
	IFB Agro Industries Limited	**12**	12
2)	**Purchase of raw materials**		
	TAAL	**49**	123
	Anjali foundation	**6**	66
3)	**Expenditure on other services**		
	Travel Systems Limited	**1,520**	1,132
	IFB Appliances Limited	**5,682**	4,610
4)	**Purchase of duty entitlement pass book license**		
	IFB Agro Industries Limited	**–**	11
5)	**Purchase of services (capitalised)**		
	Travel Systems Limited	**–**	47
6)	**Contribution to employees' benefit plans**		
	IFBLEGF	**629**	457
	IFBLSMSF	**156**	131
	IFBLESS-Cat-I	**189**	152

(E) Details of significant balances with subsidiaries, KMPs, other related parties and employee trusts

Rs. in Lacs

		31 March 2018	31 March 2017
1)	**Trade receivables**		
	IFB Agro Industries Limited	**1**	–
	TAAL	**–**	34
2)	**Security deposits given**		
	IFB Agro Industries Limited	**8**	168
3)	**Advances given**		
	IFB Appliances Limited	**452**	-
	IFB Agro Industries Limited	**50**	43
4)	**Trade payable**		
	IFB Appliances Limited	**1,178**	321
5)	**Other payable**		
	IFBLEGF	**1068**	629
6)	**Security deposits taken**		
	IFB Agro Industries Limited	**–**	1

38. Dues to micro, small and medium enterprises

The Ministry of micro, small and medium enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneurs memorandum number as allocated after filing of the memorandum in accordance with the 'Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on the information received and available with the Group. Payable to micro and small enterprises as at **31 March 2018: Rs 666 lacs** (31 March 2017: 475 lacs).

Notes to the consolidated financial statements for the year ended 31 March 2018

Further, in view of the management, the impact of the interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.

39. Other information

Subsidiaries consolidated in the consolidated financial statements are as under:

Name of the company	Country of incorporation	Effective voting power held by the Holding company (%) as at 31 March 2018	Effective voting power held by the Holding company (%) as at 31 March 2017
Trishan Metals Private Limited	India	51.12%	51.12%
Global Automotive and Appliances Pte. Limited (GAAL)	Singapore	100.00%	–
Thai Automotive and Appliances Limited (subsidiary of GAAL)	Thailand	100.00%	–

Changes in Group structure:

31 March 2018 :

During the year, the Holding company entered into an agreement with IFB Automotive Private Limited towards acquisition of GAAL and consideration money of Rs. 2,000 lacs was paid to acquire 100% equity capital of GAAL. There by GAAL became a 100% subsidiary of the Holding company effective from 13 July, 2017. Also an investment of Rs. 160 lacs was made in GAAL for subsequent issue of ordinary shares by them, still retaining the 100% equity of GAAL.

31 March 2017 :

The Holding company invested in 1,20,00,000 equity shares of Rs. 10/- each in Trishan Metals Private Limited on 11 July 2016 and thereby acquired 51.12% of the shareholding.

Details of assets and liabilities which were recognized are as under:

	31 March 2018 Rs. in Lacs	31 March 2017 Rs. in Lacs
Non-current assets	**1,179**	1,677
Current assets	**751**	1,067
Non-current liabilities	**–**	353
Current liabilities	**442**	2,076

Notes to the consolidated financial statements for the year ended 31 March 2018

Additional information as required by Schedule III to the Companies Act, 2013

Name of the entity		Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As a % of net assets	**Amount (Rs. In lacs)**	As a % of profit or loss	Amount (Rs. In lacs)	As a % of OCI	Amount (Rs. In lacs)	As a % of TCI	Amount (Rs. In lacs)
Parent :									
IFB Industries Ltd	**31 March 2018**	**99.71%**	**55,029**	**105.01%**	**8,325**	**164.44%**	**(444)**	**102.91%**	**7,881**
	31 March 2017	99.20%	47,148	106.94%	5,513	100.00%	(287)	107.35%	5,226
Subsidiaries :									
Trishan Metals Private Limited									
– Owner of the parent	**31 March 2018**	**0.75%**	**412**	**(-)2.23%**	**(177)**	**1.48%**	**(4)**	**(-)2.36%**	**(181)**
	31 March 2017	1.25%	593	(-)3.51%	(181)	–	–	(-)3.72%	(181)
– Non-controlling interest	**31 March 2018**	**0.71%**	**394**	**(-)2.13%**	**(169)**	**1.48%**	**(4)**	**(-)2.26%**	**(173)**
	31 March 2017	1.19%	567	(-)3.33%	(172)	–	–	(-)3.53%	(172)
Foreign:									
Global Automotive and Appliances Pte. Limited (including subsidiary)	**31 March 2018**	**3.23%**	**1785**	**(-)0.51%**	**(40)**	**(-)17.40%**	**47**	**0.09%**	**7**
	31 March 2017	–	–	–	–	–	–	–	–
Consolidation adjustments	**31 March 2018**	**(-)4,40%**	**(2,433)**	**(-)0.14%**	**(11)**	**(-)50.00%**	**135**	**1.62%**	**124**
	31 March 2017	(-)1.64%	(779)	(-)0.10%	(5)	-	-	(-)0.10%	(5)
Total	**31 March 2018**	**100.00%**	**55,187**	**100.00%**	**7,928**	**100.00%**	**(270)**	**100.00%**	**7,658**
	31 March 2017	100.00%	47,529	100.00%	5,155	100.00%	(287)	100.00%	4,868

40. Financial instruments and related disclosures

i) Capital management

The Group's capital management policy is focused on business growth and creating value for shareholders. The Group determines the amount of capital required on the basis of annual business plans and the funding needs are met through internal accruals and bank borrowings.

Notes to the consolidated financial statements for the year ended 31 March 2018

ii) Categories of financial instruments **Rs. in Lacs**

	Note	As at 31 March 2018		As at 31 March 2017	
		Carrying value	Fair value	Carrying value	Fair value
A. Financial assets					
a) Measured at amortised cost :					
i) Trade receivables	11	**18,749**	**18,749**	14,456	14.456
ii) Cash and cash equivalents	12	**6,570**	**6,570**	4,567	4,567
iii) Other bank balances	13	**211**	**211**	113	113
iv) Loans	5	**109**	**109**	110	110
v) Other financial assets	6	**935**	**935**	942	942
b) Measured at fair value through statement of profit or loss :					
i) Investments	10	**9,267**	**9,267**	5,414	5,414
c) Derivatives measured at fair value through statement of profit or loss :					
i) Derivatives not designated as hedges	6	**6**	**6**	-	-
B. Financial liabilities					
a) Measured at amortised cost :					
i) Term loan from a bank	15	**1341**	**1341**	1875	1875
ii) Cash credit facility from bank	20	**235**	**235**	870	870
iii) Bill discounting	20	**408**	**408**	348	348
iii) Loan from others	20	**297**	**297**	301	301
iv) Trade payable		**38,546**	**38,546**	27,204	27,204
v) Other financial liabilities	16	**1,599**	**1,599**	1,180	1,180
b) Derivatives measured at fair value through statement of profit or loss:					
i) Derivative instruments not designated as hedges	16	**11**	**11**	197	197

iii) Financial risk management objectives

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

a) Liquidity risks

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquid risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from banks. Furthermore, the Group has sufficient quantities of finished goods and stock-in-trade which are liquid and readily saleable. Hence the risk that the Group may not be able to settle its financial liabilities as they become due does not exist.

The following tables shows a maturity analysis of the anticipated cash flows for the Group's derivative and non-derivative financial liabilities.

Notes to the consolidated financial statements for the year ended 31 March 2018

As at 31 March 2018 **Rs. in Lacs**

	Total	Due within one year	Due after one year
Borrowings	**2,281**	**940**	**1341**
Trade payables	**38,546**	**38,546**	**-**
Other financial liabilities (including current maturities of long-term debt)	**1,599**	**1,590**	**9**
Derivative financial liabilities	**11**	**11**	**-**
Total	**42,437**	**41,087**	**1,350**

As at 31 March 2017 **Rs. in Lacs**

	Total	Due within one year	Due after one year
Borrowings	3,394	1,519	1,875
Trade payables	27,204	27,204	-
Other financial liabilities (including current maturities of long-term debt)	1,180	1,151	29
Derivative financial liabilities	197	197	-
Total	31,975	30,071	1,904

b) Market risks

The Group does not trade in equities. Treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within the acceptable risk parameters after due evaluation.

The Group's investments are predominantly held in debt mutual funds. Such investments are susceptible to market risks that arise mainly from changes in interest rate which may impact the return and value of such investments. Mark to market movements in respect of these investments are measured at fair value through consolidated statement of profit and loss.

Fixed deposits are held with highly rated banks and generally have a short tenure and are not subject to interest rate volatility.

The Group has short-term borrowings which are generally not susceptible to interest rate volatility since they are for short tenure. Long term loans from banks are at highly competitive rates and as such these loans are not that material taking into account the Group's asset base. Hence interest rate fluctuations on borrowings does not affect the Group significantly.

c) Foreign currency risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar, Euro, RMB and THB) which are subject to the risk of exchange rate fluctuations.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

Rs. in lacs

	USD	Euro	RMB	JPY	SGD	Total
As at 31 March 2018						
Financial assets	**91**	**21**	**–**	**–**	**–**	**112**
Financial liabilities	**9,837**	**1,118**	**29**	**–**	**–**	**10,984**

Notes to the consolidated financial statements for the year ended 31 March 2018

Rs. in lacs

	USD	Euro	RMB	JPY	SGD	Total
As at 31 March 2017						
Financial assets	206	172	–	–	–	378
Financial liabilities	7,451	793	57	4	2	8,307

The Company uses forward exchange contracts to hedge its exposure in foreign currency.

i) Forward exchange contracts that were outstanding for financial liabilities as at the end of respective reporting dates :

	No. of contracts	USD (lacs)	No. of contracts	Euro (lacs)
As at 31 March 2018	**47**	**94**	**8**	**5**
As at 31 March 2017	79	104	12	8

The aforesaid forwards have a maturity of less than one year from the year end.

ii) Unhedged foreign currency exposure as at the end of the respective reporting dates :

in lacs

	31 March 2018		31 March 2017	
	Financial asset	**Financial liability**	Financial asset	Financial liability
USD	**1**	**58**	3	8
Rs	**84**	**3,759**	206	542
Euro	*	**9**	2	3
Rs	**21**	**706**	172	230
RMB	–	**3**	–	6
Rs	–	**29**	–	57
JPY	–	–	–	8
Rs	–	–	–	4
THB	–	*	–	*
Rs	–	**1**	–	1
AUD	–	–	–	*
Rs	–	–	–	2
SGD	–	–	–	*
Rs	–	–	–	2
Total Rs	**105**	**4,495**	378	838

*represents foreign currency less than 50,000.

iii) Foreign currency sensitivity

For every percentage point change in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, holding all other variables constant, the profit before tax would change by **Rs. 109 lacs** for the year ended **31 March 2018** (31 March 2017: Rs. 79 lacs).

Notes to the consolidated financial statements for the year ended 31 March 2018

d) Credit risk

Credit risk arise from the possibility that the counter party may not be able to settle their obligations. Financial instruments that are subject to such risk primarily consists of investments, trade receivables, bank deposits, loans, derivative instruments and other financial assets.

Bank deposits are primarily held with highly rated and different banks.

The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further the credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities after due consideration of the counter parties credentials and financial capacity, trade practices and prevailing business and economic conditions.

The Group's historical experience of collecting receivable and the level of default indicates that the credit risk is low and generally uniform across markets. Loss allowances are recognised where considered appropriate by the management.

The movement of allowance for doubtful advances and receivables is as under.

Rs. in Lacs

	31 March 2018	31 March 2017
Balance at beginning of the year	**66**	47
Provision recognised in the year	**45**	26
Amounts written off during the year as uncollectible	**(6)**	(2)
Amounts recovered during the year	**(3)**	(2)
Provisions written back	**(8)**	(3)
Balance at end of the year	**94**	66

Other than financial assets mentioned above, none of the Group's financial assets are either impaired or past due, and there were no indications that defaults in payment would occur.

e) Fair value hierarchy

The fair value of trade receivables, current loans, other current financial assets, current borrowings, trade payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

Rs. in Lacs

			Fair value hierarchy (Level)	Fair Value	
				31 March 2018	31 March 2017
A.	**Financial Assets**				
	a)	**Measured at amortised cost**			
		Loans	3	**54**	54
		Other financial assets	3	**893**	921
	b)	**Measured at Fair value through Profit or loss :**			
		Investment in mutual funds	1	**9,267**	5,414
	c)	**Derivatives measured at fair value through Profit or loss:**			
		Derivatives not designated as hedges	2	**6**	-

Notes to the consolidated financial statements for the year ended 31 March 2018

Rs. in Lacs

B.	**Financial Liabilities**				
	a)	**Derivatives measured at fair value through Profit or loss :**			
		Derivatives not designated as hedges	2	**11**	197
	b)	**Measured at amortised cost**			
		Other financial liabilities	3	**9**	29

There were no transfers between level 1 and level 2 in the year March 2018 as well as previous year March 2017.

41. First-time adoption of Ind AS

i) Ind AS 101 - First-time adoption of Indian Accounting Standards provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Group has prepared the opening Balance Sheet as per Ind AS as of 01 April 2016 (the transition date) by :

a) recognising all assets and liabilities whose recognition is required by Ind AS,

b) not recognising items of assets or liabilities which are not permitted by Ind AS,

c) reclassifying items from previous GAAP to Ind AS as required under Ind AS, and

d) applying Ind AS in measurement of recognised assets and liabilities.

ii) **a) Reconciliation of total comprehensive income for the year ended 31 March 2017 is summarized as follows :**

Rs. in Lacs

	Notes	For the year ended 31 March 2017
Profit after tax as reported under previous GAAP		**4,734**
Impact of measuring current investments at FVTPL	iv) a)	179
Impact of measuring derivative financial instruments at FVTPL	iv) b)	(5)
Impact of unwinding of discount on provision for warranty	iv) c)	37
Impact of depreciation on fair valuation of property, plant and equipment	iv) d)	(17)
Impact of deferment of Government grant	iv) e)	7
Reclassification of re-measurement losses, arising in respect of defined benefit obligation, to OCI	iv) f)	439
Tax adjustments		**(219)**
Profit for the year as reported under Ind AS		5,155
Other comprehensive income (net of tax)		**(287)**
Total comprehensive income as reported under Ind AS		**4,868**

Notes to the consolidated financial statements for the year ended 31 March 2018

b) Reconciliation of equity as reported under previous GAAP is summarized as follows:

Rs. in lacs

	Notes	As at 31 March 2017
Equity as reported under previous GAAP		
– Owners of the parent		**46,569**
– Non–controlling interest		**134**
Total		**46,703**
Impact of measuring current investments at FVTPL	iv) a)	252
Impact of measuring derivative financial instruments at FVTPL	iv) b)	(11)
Impact of unwinding of discount on provision for warranty	iv) c)	370
Impact of depreciation on fair valuation of property, plant and equipment	iv) d)	(17)
Impact of deferment of Government grant	iv) e)	(21)
Share of non-controlling interest on fair valuation of property, plant and equipment of a subsidiary	iv) d)	631
Tax adjustments		(378)
Equity as reported under Ind AS attributable to :		
– Owners of the parent		**46,962**
– Non–controlling interest		**567**
Total		**47,529**

iii) Ind AS 101 - First-time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly the Group has elected the carrying amount of property, plant and equipment (as on 31 March 2016) as deemed cost at the date of transition i.e. 01 April 2016.

iv) In addition to the above, the principal adjustments made by the Group in restating its previous GAAP financial statements, including the Balance sheet as at 01 April 2016 and the financial statements as at and for the year ended 31 March 2017 are detailed below:

a) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in consolidated statement of profit and loss.

b) Under previous GAAP, the premium or discount arising at the inception of forward exchange contracts entered into, to hedge existing assets/ liabilities were amortised as expense or income over the life of the contracts. Exchange difference on such contracts were recognised in the consolidated statement of profit and loss in the reporting period in which the exchange rates changed. Any profit or loss arising on cancellation or renewal of such a forward exchange contract were recognised as income or as an expense for the period. Under Ind AS, such derivative financial instruments are recognised at fair value through profit or loss and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the consolidated statement of profit and loss.

c) Under previous GAAP, discounting of provisions were not permitted and provisions were measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discount amounts, if the effect of time value of money is material. The Group has discounted the provision for warranty to present value at reporting dates. Consequently, the unwinding of discount has been recognised as a finance cost.

Notes to the consolidated financial statements for the year ended 31 March 2018

d) In July 2016, the Group invested in Trishan Metals Private Limited ("Trishan") by participating in equity issue of Trishan and thereby acquired 51.12% controlling interest. Under previous GAAP, the Group had measured the assets and liabilities of Trishan at their acquisition date book value. Trishan elected the fair value as the deemed cost on its transition date. Under Ind AS, the Group re-measured the identifiable assets acquired and the liabilities assumed at their acquisition date fair values. The consequential impact of additional depreciation on fair value change is recognised in the consolidated statement of profit and loss and equity as at 31 March 2017. The share of non-controlling interest in the increased fair value has been recognised as part of equity stated above.

e) Under previous GAAP, grants received from the Government authorities with reference to investments under investment subsidy schemes and no repayment were ordinarily expected in respect thereof were treated as capital reserve. Under Ind AS, grants received from Government authorities are required to be recognised in the consolidated statement of profit and loss over the life of the asset. Accordingly, capital reserve amounting to Rs 25 lacs received as a part of investment subsidy in earlier years was recognised as retained earnings. However, there was no change in the equity as at 01 April 2016 and 31 March 2017.

f) Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit and loss. Under Ind AS, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Consequently, the tax effect of the same has also been recognised in other comprehensive income instead of statement of profit or loss.

g) Under previous GAAP, all the lands were presented as fixed assets. Under Ind AS, the Group has reclassified lands given on operating lease and the lands held for a currently undetermined future use as investment property. Such reclassification has resulted in decrease in the value of property, plant and equipment by Rs. 11 lacs as at 01 April 2016 and 31 March 2017 and a corresponding increase in the value under investment property as at respective dates.

h) Under previous GAAP, leasehold land were presented as fixed assets and depreciated over the period of lease. Under Ind AS, such properties have been classified as Prepaid Lease rent (refer note 9 'Other assets') and have been amortised over the period of the lease. This has resulted in decrease in net book value of property, plant and equipment by Rs. 18 lacs as at 01 April 2016 and by Rs. 14 lacs as at 31 March 2017 and a corresponding increase in other assets by Rs. 18 lacs as at 01 April 2016 and by Rs. 14 lacs as at 31 March 2017.

Such reclassification has resulted in decrease in depreciation and amortization expense by Rs. 4 lacs for the year ended 31 March 2017 and a corresponding increase in other expenses by Rs. 4 lacs, but does not affect profit before tax and profit after tax for the year ended 31 March 2017.

42. The Holding Company has acquired controlling interest in Trishan Metals Private Limited on 11 July 2016. Before that the Holding company did not had any subsidiary, joint venture or associate. Accordingly, consolidated balance sheet as at 01 April 2016 has not been presented.

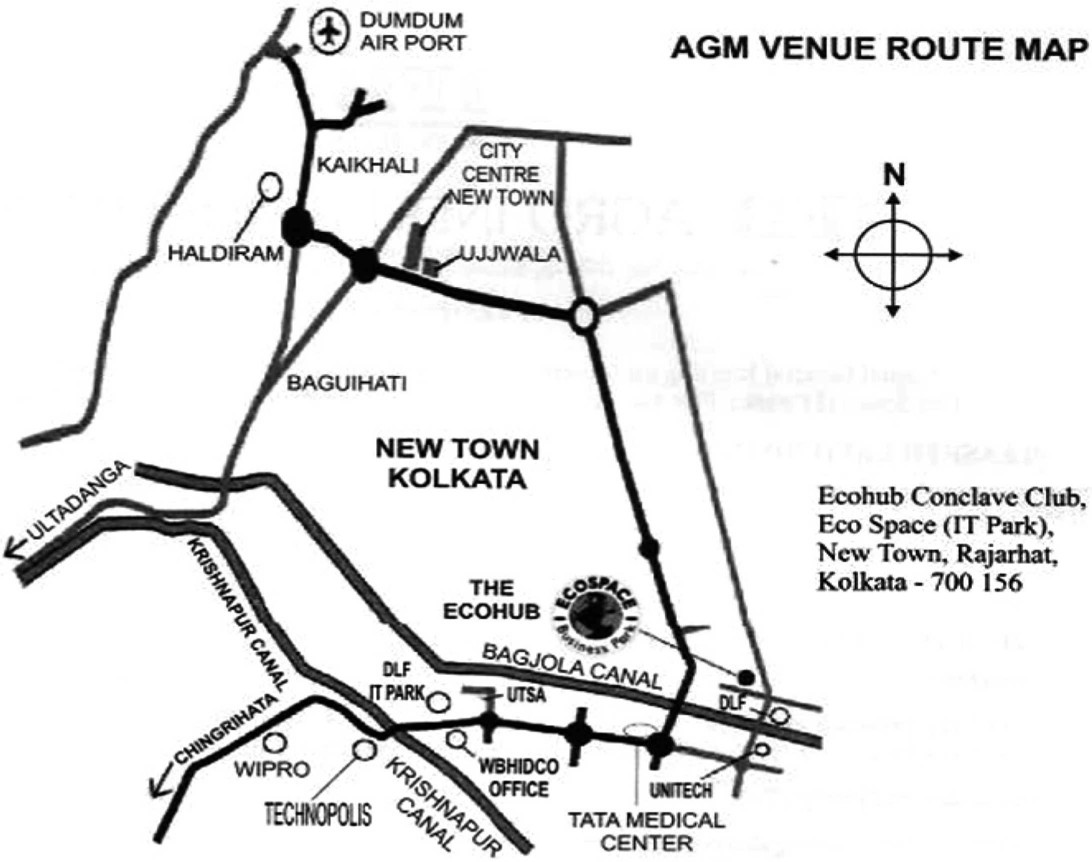
43. The consolidated financial statements were approved by the board of directors on 29 May 2018.

10 Year Highlights

Rs. in lacs

	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17 (@)	**2017–18 (@)**
Financial Highlights										
Total revenue	45,682	55,683	69,754	81,440	92,760	1,02,896	1,27,658	1,51,425	1,91,189	**2,20,710**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	32,385	6,645	7,948	5,114	6,193	5,335	10,165	8,275	11,612	**17,502**
Depreciation and amortisation	756	868	1,041	1,488	1,832	2,259	4,064	4,537	4,359	**5,138**
Exceptional expense / (income)	(27,808)	–	–	150	–	–	–	–	–	**–**
Profit after tax	31,508	5,376	5,031	3,054	3,145	2,160	4,973	3,136	5,513	**8,325**
Equity Share capital	2,963	3,552	3,622	3,628	4,128	4,128	4,128	4,128	4,128	**4,128**
Other Equity	6,655	11,825	17,498	20,591	27,436	29,596	34,569	37,705	43,020	**50,901**
Net worth	437	4,593	10,336	13,435	20,780	22,940	27,913	31,049	36,562	**44,443**
Property, plant and equipment, investment property, intangibles including CWIP (Gross)	38,837	41,050	44,691	41,619	38,775	44,743	51,979	57,787	36,231	**39,509**
Property, plant and equipment, investment property, intangibles including CWIP (Net)	7,206	8,472	13,884	16,061	19,503	24,038	27,873	29,767	31,876	**30,052**
Total assets	21,485	29,039	38,911	44,112	53,834	64,121	77,092	79,143	88,122	**1,08,200**
Market capitalisation	7,245	31,193	49,409	28,095	32,739	32,091	2,37,400	1,28,809	2,62,197	**4,62,907**
Number of employees	988	986	1,173	1,286	1,390	1,453	1,537	1,626	1,646	**1,690**
Key indicators										
Earnings per share (Rs.) (before exceptional items)	19.05	16.87	14.24	8.61	7.95	5.33	12.27	7.74	13.61	**20.55**
Earnings per share (Rs.) (after exceptional items)	165.94	16.87	14.24	8.61	7.95	5.33	12.27	7.74	13.61	**20.55**
Total revenue per share (Rs.)	158.27	160.22	196.73	229.29	228.93	253.95	315.06	373.72	471.85	**544.71**
Book value per share (Rs.)	33.32	44.24	59.57	68.19	77.90	83.23	95.50	103.24	116.36	**135.81**
Current ratio	1.39	1.57	1.57	1.61	1.76	1.54	1.43	1.40	1.42	**1.53**
EBITDA / Total revenue	70.9%	11.9%	11.4%	6.3%	6.7%	5.2%	8.0%	5.5%	6.1%	**7.9%**
Net profit margin	69.0%	9.7%	7.2%	3.8%	3.4%	2.1%	3.9%	2.1%	2.9%	**3.8%**
Return on net worth on PBT	7237.8%	125.2%	66.6%	26.8%	20.9%	12.8%	21.2%	11.3%	18.6%	**26.9%**
Return on capital employed (ROCE)	327.6%	35.0%	23.8%	12.6%	10.0%	6.4%	12.9%	7.5%	11.7%	**15.1%**

@ 2016-17 and 2017-18 as per Ind AS and for earlier years as per previous GAAP



Venue Address :

Club Ecovista, Ecospace Business Park
Premises No. 2F/11, Action Area II,
Rajarhat, New Town, Kolkata-700 156

Route from Saltlake :

Cross Technopolis, DLF, Home Town, Techno India College, Tata Memorial Hospital and before hitting Bengal Unitech, turn left,cross the flyover and reach Ecospace.

Route from Airport :

Cross Space Town residence flyover, cross New Town City Centre, go straight and turn left, go straight till Narkel Bagan and turn left, cross Techno India College, Tata Memorial Hospital and before hitting Bengal Unitech, turn left and cross the flyover and reach Ecospace.