



Annual Report
2016–2017

IFB Agro Industries Limited

IFB
AGRO



Fresh Catch

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Restaurant like
quality and flavour
for your home



Certifications



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International quality premium products processed under strict adherence to FSSAI, HACCP, GMP, EU & BRC norms which ensure Consistency, Freshness & Value for Money



Small Prawns, Medium Prawns, Large Prawns, Extra Large Prawns, Jumbo Prawns, King Jumbo Prawns, Super Jumbo Prawns, Basa Fish Fillets, Basa Fish Portions



Breaded Fish Fillets, Fish Fritters, Fish Fingers, Butterfly Shrimps, Prawn Sticks, Prawn Spring Rolls, Prawn Pops, Prawn Torpedo, Fish Poppers

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■ BOARD OF DIRECTORS*Chairman*

Mr. Bijon Nag

Joint Executive Chairman

Mr. Bikram Nag

Vice Chairman and Managing Director

Mr. Arup Kumar Banerjee

Joint Managing Director

Mr. Indranil Goho

Independent Directors

Mr. Nandan Bhattacharya

Mr. Sudip Kumar Mukherji

Mr. Hari Ram Agarwal

Mr. Manoj Kumar Vijay

Dr. Lakshmeshri Roy

Non Executive Director

Mr. Amitabha Kumar Nag

■ CHIEF FINANCIAL OFFICER

Mr. Dipak Sen

■ COMPANY SECRETARY

Mr. Ritesh Agarwal

■ AUDITORS

Walker Chandiok & Co LLP

Chartered Accountants

■ REGISTERED OFFICE

Plot No. IND-5, Sector-1

East Calcutta Township, Kolkata - 700 107

Tel : (033) 3984 9675

Fax No.: (033) 2442 1003

E-mail : complianceifbagro@ifbglobal.comWebsite : www.ifbagro.in

CIN : L01409WB1982PLC034590

■ REGISTRAR & SHARE TRANSFER AGENT*(For both Physical & Dematerialised Shares)*

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.comWebsite : www.cbmsl.com**■ WORKS**

Noorpur, P.S. Diamond Harbour

Dist. : South 24 Parganas

West Bengal - 743 368

Panagarh

Bud Bud

Dist. : Burdwan

West Bengal - 713 148

Dankuni

Dist. : Hooghly

West Bengal - 712 306

Marine Product Processing Plant

Plot No. IND-5, Sector-1

East Calcutta Township

Kolkata - 700 107

■ BANKERS

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

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Notice to the Members

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting (AGM) of the members of IFB Agro Industries Limited will be held on 28th day of July, 2017, Friday, at 12.30 p.m. at Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata - 700 156 to transact the following business:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, including the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.

2. To appoint a Director in place of Mr. Arup Kumar Banerjee (DIN 00336225), who retires by rotation and, being eligible, seeks re-appointment and to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Arup Kumar Banerjee (DIN 00336225), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To re-appoint auditors of the Company and to fix their remuneration and to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder as amended from time to time, the retiring Auditors Walker Chandio & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants be and are hereby re-appointed as the Auditors of the Company for the second term, for a period of two (2) years subject to ratification by members at every Annual General Meeting commencing from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

AS SPECIAL BUSINESS

4. To re-appoint Mr. Arup Kumar Banerjee (DIN 00336225) as Vice Chairman and Managing Director and to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby approves the re-appointment of Mr. Arup Kumar Banerjee as Vice Chairman and Managing Director for a further period of three (3) years with effect from 30th July, 2017 on such terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in the financial year during the tenure of his appointment) with the authority to the Board of Directors to alter or vary the terms and conditions of the said re-appointment and/ or remuneration in such manner as may be agreed to by and between the Board of Directors / Committee and Mr. Arup Kumar Banerjee provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force."

By Order of the Board

Registered Office:

Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Kolkata, 17th May, 2017

Ritesh Agarwal
Company Secretary

NOTES:

1. **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 aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that 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. The holder of proxy shall prove his identity at the time of attending the meeting.

2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per the Register of Members will be entitled to vote. The voting rights of the member shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days advance notice in writing is given to the Company.
5. **Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar & Share Transfer Agent, CB Management Services (P) Limited enclosing their share certificates for consolidation of all such shareholdings into one folio for better investor service.**
6. **Members who have not registered / updated their e-mail address with CB Management Services (P) Limited, if shares are held in physical mode or with their Depository Participant, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, etc. electronically.**
7. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
8. A Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business under Item Nos. 2 to 4 of the Notice is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of persons seeking appointment / re-appointment of Directors under Item Nos. 2 and 4 of the Notice are also annexed.
9. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the meeting. The replies will be provided in respect of such written queries at the meeting only.
10. The Register of Members and Share Transfer Registers of the Company will remain closed **from July 22, 2017 to July 28, 2017 (both days inclusive).**
11. 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 account. Members holding shares in physical form can submit their PAN either to the Company or to the Registrar CB Management Services (P) Ltd.**
12. Attendance Slip and Proxy Form are being annexed to this Notice of the 35th Annual General Meeting for the convenience of the members.
13. The Notice of 35th Annual General Meeting along with Annual Report is being sent by electronic mode to all those members whose email ID's are registered with the Company or Depository Participants for communication purposes unless any member has

requested for a hard copy of the same. Physical Copies of the Annual Report are being sent as per permitted mode to the members who have not registered their email addresses. **The Notice of 35th Annual General Meeting of the Company and the Annual Report will also be available on the Company's website: www.ifbagro.in.**

14. 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.
15. The Register of Directors and Key Managerial 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.
16. 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.
17. Relevant documents referred to in the accompanying notice and the explanatory statement shall remain open for inspection by the members at the registered office of the Company on all working days except Saturdays, during business hours upto the date of Annual General Meeting of the Company.
18. 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 25, 2017 (9:00 am) and ends on July 27, 2017 (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 21, 2017**, 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:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open PDF file viz; '**IFB Agro.pdf**' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. NOTE: Shareholders already registered with NSDL for remote e-voting will not receive the PDF file "IFB Agro.pdf"
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on '**Shareholder – Login**'
 - (iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click '**Login**'.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote **e-voting: Active Voting Cycles**.
 - (vii) Select '**EVEN**' of '**IFB Agro Industries Limited**'.
 - (viii) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
 - (ix) Cast your vote by selecting appropriate option and click on '**Submit**' and also '**Confirm**' when prompted.
 - (x) Upon confirmation, the message '**Vote cast successfully**' will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional members (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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizerifb@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a member receives physical copy of the Notice of 35th Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided at the bottom of the Attendance Slip for the 35th Annual General Meeting.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast 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. In case of any grievance related to voting by electronic means, you may please contact Mr. Amit Vishal, Senior Manager, NSDL / Mr. Rajiv Ranjan, Asst. Manager, NSDL at 022 2499 4360 / 022 2499 4738 and send an e-mail to evoting@nsdl.co.in and amitv@nsdl.co.in/rajivr@nsdl.co.in.
 - vii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - viii. 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).
 - ix. 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 21, 2017**.
 - x. 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. 21 July, 2017, 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.
 - xi. 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.
 - xii. Login to e-voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the website to reset the same.
 - xiii. In case of joint holders, only one of the joint holders may cast his/her vote.
 - xiv. 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.
 - xv. 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.

- 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.ifbagro.in 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 and National Stock Exchange of India Limited.
19. A route map of the Annual General Meeting venue is given in the last page of this Annual Report.

By Order of the Board

Registered Office:

Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Kolkata, 17th May, 2017

Ritesh Agarwal
Company Secretary

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

As required under Section 102(1) of the Companies Act, 2013('The Act'), the following explanatory statements set out all material facts relating to the business mentioned under items nos. 2 to 4 of the accompanying Notice dated 17th May, 2017.

Item No. 2

Details of Director seeking re-appointment in the 35th Annual General Meeting:

Particulars	Mr. Arup Kumar Banerjee
Date of Birth	23.08.1952
Nationality	Indian
Date of Appointment	28.07.2001
Qualification	B.Com (Hons.), Diploma in Business Management from IIM Calcutta
Expertise in specific functional areas	Business Executive
Directorships held in other public companies (excluding foreign companies and section 8 companies)	Nil
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.	Nil
Number of shares held in the Company	1450

* Upon re-appointment, Mr. Banerjee will continue in his executive position.

Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Walker Chandio & Co LLP, (ICAI Firm Registration No. 001076N/N500013), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of three years at the 32nd Annual General Meeting of the Company held on 30th July, 2014.

Their appointment for the above tenure continues upto the conclusion of the 35th Annual General Meeting, eligible for appointment as auditors for second term, has given consent for such re-appointment.

As per the provisions of Section 139(1) of the Act, their re-appointment for the 2nd term will be subject to ratification by the members at every Annual General Meeting.

Pursuant to the proposal of the Audit Committee of the Board and recommendation of the Board, the approval of the members is being sought for the proposal contained in the resolution set out at Item No 3 of the Notice.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

Item No. 4

Mr. Arup Kumar Banerjee, an Honours Graduate in Commerce and Diploma in Business Management from IIM Calcutta is having experience of more than 43 years in the industry. Before joining the Company in the year 1995 he worked with IFB Industries Limited in various positions. He was appointed as a Whole-time Director at the Nineteenth Annual General Meeting of the Company held on 31st August, 2001 for a period of three years with effect from 28th July, 2001 and thereafter reappointed from time to time. He was appointed as Managing Director on 30th July, 2008. Thereafter he was elevated as Vice Chairman and Managing Director on 23rd September, 2015. The existing term of Mr. Arup Kumar Banerjee will expire on 29th July, 2017.

The Board of Directors in its meeting held on 17th May, 2017, considered the recommendations of the Nomination and Remuneration Committee, and re-appointed Mr. Arup Kumar Banerjee (subject to the approval of members in the ensuing Annual General Meeting) as Vice Chairman and Managing Director for a further period of 3 years with effect from 30th July, 2017. He is liable to retire by rotation.

The terms and conditions of the re-appointment including remuneration payable to Mr. Arup Kumar Banerjee are:

1. Period of appointment: Three years effective from 30th July, 2017.

2. Remuneration:

- a) Basic Salary: Rs. 6,00,000/- (Rupees Six lacs only) per month with liberty to the Board/Committee to review and set the level from time to time.
- b) House Rent Allowance: Rs. 3,00,000/- (Rupees Three lacs only) per month.
- c) Special Personal Allowance: Rs 1,15,000/- (Rupees One Lac Fifteen thousand only) per month.
- d) Perquisites: Classified into three categories as under:
 - Part A
 - i) Medical Reimbursement: Rs 25,000/- (Rupees Twenty five thousand only) per annum.
 - ii) Leave Travel Allowance: For self and family once in a year incurred in accordance with the Rules of the Company.
 - iii) Insurance: As per the rules of the Company.
 - iv) Club fees : Rs. 18,000/- (Rupees Eighteen thousand only) per annum.
 - Part B
 - i) Gratuity as per the rules of the Company.
 - ii) Contribution to the Provident Fund, Superannuation Fund as per the rules of the Company.
 - iii) Leave encashment as per the rules of the Company.
 - Part C
 - i) Car: Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company
 - ii) Telephone: Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.
- e) Commission: In addition to Salary, Perquisites and other allowances, one percent commission based on Net Profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or enactment thereof.

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

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

The terms and conditions of the said appointment and/or the Agreement are subject to the provisions of Section 196, 197 and 198 of the Companies Act, 2013, read with Part II of Schedule V and may be altered, and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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 Act, 1961, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

The above may be treated as an abstract of the terms of contract between the Company and Mr. Arup Kumar Banerjee under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Banerjee, nature of his expertise, names of companies in which he holds directorship and memberships, chairmanships of Board Committees, shareholding and relationships amongst Directors interse as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Notice.

Mr. Arup Kumar Banerjee is interested in the resolution set out respectively in item no 4 of the Notice with regard to his re-appointment.

The relatives of Mr Arup Kumar Banerjee may be deemed to be interested in the resolutions set out in item No 4 of the notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

By Order of the Board

Registered Office:

Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Kolkata, 17th May, 2017

Ritesh Agarwal
Company Secretary

Report of the Directors' & Management Discussion and Analysis Report

To the Members,

The directors have pleasure in presenting the Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2017.

Economic Environment

During the last couple of years, India has emerged as one of the most preferred investment destination of the World due to its improving macro-economic fundamentals and demographic profile. Softened commodity prices coupled with increase in tax revenues of Government has helped in improving the public finances. Good monsoon in 2016 and its benevolent effect in food prices have helped in controlling the inflation during the year under review. Economic survey for 2016-17 estimates the Indian economy to grow between 6.75% to 7.5% during 2017-18 despite the initial impact of demonetization.

The global economic environment continues to be mixed with USA improving its economic fundamentals but Europe continues to experience low growth. The year under review has seen Brexit, change of guard in USA, budget deficits in oil producing countries and rising of protectionist measures in some of the larger economies. The low interest rate regime continued in Europe and Japan. The World has not seen in the past, such a prolonged regime of low interest rate.

Financial Results & Performance Review

The financial results for the year and for the previous year are summarized below:

FINANCIAL RESULTS	(Rs in Lacs)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue from Operations	82,931	62,131
Other Income	1,295	672
Total Revenue	84,226	62,803
Profits prior to Finance Charges and Depreciation (EBITDA)	6,229	5,918
Less: Finance Charges	174	136
Depreciation & Amortisation	2,033	2,170
Profit Before Tax	4,022	3,612
Less: Provision for Taxation	816	679
Profit After Tax	3,206	2,933

During the year under review your Company has recorded net operational revenue of Rs 82,931 lacs (as against Rs 62,131 lacs in 2015-16) recording a growth of 33.5%.

Operational profit (EBITDA) has recorded an increase of 5.2% during 2016-17 as compared to the previous year.

Your Company has achieved a higher profit before tax of Rs 4,022 lacs (as against Rs 3,612 lacs in 2015-16) and net profit of Rs 3,206 lacs (as against Rs 2,933 lacs in 2015-16).

During the year under review, your company as part of the repayment schedule, has repaid USD 0.9 million out of USD 7.5 million ECB loan availed from HDFC Bank, Bahrain for financing the modernization project at Distillery division.

During the year under review, India Ratings and Research (IND-Ra) has maintained your Company's Long Term issuer rating to 'IND A+'.

Your Company operates in two segments: (1) Spirit, Liquor and Spirituous Beverages and (2) Marine Products

Spirit, Liquor and Spirituous Beverages:

Your Company operates grain-based distilleries in the state of West Bengal. The new state of the art plant, based on “Eco Smart” multi pressure distillation technology operated for the first full year of expanded capacity during the year 2016-17. The Distillers Dried Grain Solubles (DDGS) capacity was also expanded during the year under review.

The grain distilleries along with CO₂ and DDGS plants operated at optimum capacity during the year under review. Competition in the Distillery space in West Bengal has increased due to the commissioning of a new distillery during the current financial year. The excess spirit production capacity in India continues to put pressure on margins of the distillery business due to import of spirit from other states of India. It may be mentioned that due to “nil” import fees, import from spirit production capacity surplus states like Uttar Pradesh, Punjab etc. puts your Company into unfair competition.

EBITDA margin at the distilleries suffered due to significant increase in input costs. The cost increases could not be passed on fully to the buyer's due to competition.

Indian Made Indian Liquor (IMIL) business continues to face competition due to excess capacity created by the new bottling plants. During 2016-17, the IMIL business registered a revenue growth of 6% only, due to low level of Industrial activity resulting in lower disposable income in the hand of consumers. Demonetization has also impacted the sales of IMIL products during 2016-17. The increase in spirit prices during the year have impacted the margins. Excess capacity created in the market place resulted in high retailer schemes and increased logistics costs. Recent decision of the Hon'ble Supreme Court of India on banning of sale of liquor within the 500 meters radius of highway will impact the revenue of IMIL business. During the year under review, your Company has entered into tie up arrangement with M/s Herald Beverages Pvt. Ltd, Jancha, West Bengal for bottling of Company's Brands for expansion of business in the district of 24 Parganas (South), West Bengal.

Marine Products:

Marine exports have registered 64% growth in revenue during the current year due to full functioning of the tie-up plant in Andhra Pradesh. Operating margins fell significantly during the year under review due to the increase in the raw material prices and severe competition from South East Asia and Latin American countries. Economic uncertainties in many of our exporting countries has also impacted the sales.

Revenue from Marine aqua feed business increased by 46% during the year under review but the operating margins remained at previous year level despite higher input costs and investments made in Aquashops (retail venture of feed division). Risk in the form of unsecured credit continued.

Marine domestic food business could register a revenue growth of 4% during the year under review. We continued to invest in this business in terms of manpower, marketing and infrastructure. The business as yet is not cash positive.

Your Company has incorporated a Wholly Owned Subsidiary in the name and style of IFB Agro Marine(FZE), a limited liability Company in the Sharjah Airport International Free Zone, Sharjah, United Arab Emirates on 20th April, 2017. The purpose of setting up this entity is to establish a marketing and trading outfit to explore untapped markets in Middle East countries, Eastern Europe, CIS countries etc. for marine products.

OUTLOOK, OPPORTUNITIES, THREATS AND CONCERNS

The current financial year will again be a year of challenges for almost all our business verticals. The threat of “liquor ban” continues as being experienced in few states of India. Recent notification by the Government of West Bengal to convert the distribution of IMIL products under “Corporation Model” may impact margins and volumes during 2017-18. The excess distillery capacity in India will continue to pose serious competition to us on account of duty free spirit imports to West Bengal. Marine exports will continue to have margin pressure due to competitions from South East Asian and Latin American countries. The high level of raw material prices and exchange fluctuations will continue to weigh on Marine exports.

Entry of new players in the Aqua feed business in West Bengal may affect growth and margin. The competitive pressures may force us to offer extended credit in the unorganized market.

Your Company will focus on margin improvement plans across the verticals through better procurement of its key raw materials like broken rice, shrimps etc. Consolidation in the IMIL space has started and it may create an opportunity for us.

During 2017-18, the effort will be to ensure improved returns from the past capital expenditures.

Your company is continuing its efforts to attain further efficiencies by process/technological improvements, reduction of wastages and optimal use of human resources in all the divisions.

Your Company is closely monitoring and evaluating the important regulatory change in the form of implementation of GST during 2017-18.

Any major fluctuation in the exchange rates may pose serious challenges for us w.r.t to our export business and exposure in foreign currency loan in the form of existing borrowing (ECB).

RISK MANAGEMENT

The Board has adopted a risk management policy whereby a proper framework is set up to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

DIVIDEND

In order to conserve resources for the proposed geographical expansion and higher working capital requirements, your Directors have decided not to recommend any dividend for the financial year under review.

TRANSFER TO RESERVE

The Company did not propose to transfer any amount to Reserve.

NUMBER OF BOARD MEETINGS

During the year ended 31st March, 2017, five meetings of the Board were held.

EXTRACTS OF ANNUAL RETURN

The extracts of the Annual Return for the financial year 2016-17 as stipulated in MGT -9 pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is given in Annexure I which forms part of this Report.

DIRECTORS

Mr. Arup Kumar Banerjee retires by rotation and being eligible, offers himself for re-appointment. The details about his qualification, other directorships etc. as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the explanatory statement under Section 102 of the Companies Act, 2013.

Mr. Arup Kumar Banerjee, an Honours Graduate in Commerce and Diploma in Business Management from IIM Calcutta is having experience of more than 43 years in the industry. Before joining the Company in the year 1995 he worked with IFB Industries Limited in

various positions. He was appointed as a Whole-time Director at the Nineteenth Annual General Meeting of the Company held on 31st August 2001 for a period of three years with effect from 28th July 2001 and thereafter reappointed from time to time. He was appointed as Managing Director on 30th July 2008. Thereafter, he was elevated as Vice Chairman and Managing Director on 23rd September, 2015. The existing term of Mr Arup Kumar Banerjee will expire on 29th July, 2017.

The Board of Directors in its meeting held on 17th May, 2017, on the recommendations of the Nomination and Remuneration Committee, reappointed Mr. Arup Kumar Banerjee (subject to the approval of members in the ensuing Annual General Meeting) for a further period of 3 years with effect from 30th July, 2017.

Appropriate resolutions seeking the re-appointment of Directors are appearing in the Notice convening the ensuing Annual General Meeting of the Company.

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 declarations were placed and noted by the Board in its meeting held on 17th May, 2017.

KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel of your Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

According to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held to review the performance of the Non-Independent Directors and the Board as a whole. Accordingly, a meeting of Independent Directors was held on 24th March 2017 wherein the performance of the Non-Independent Directors, Chairman and the Board as a whole was evaluated.

In the Board meeting that followed the meeting of the Independent Directors, the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, your Directors state that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had 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 that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, at the Company's official website at <http://www.ifbagro.in>.

DEPOSITS

Your Company did not accept any deposit from the public / members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during the year.

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 given in Annexure II which forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All contracts or arrangements with related parties, entered into or modified during the financial year, were on an arm's length basis and in the ordinary course of business. All such contracts or arrangements have been reviewed and approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the corporate website at http://www.ifbagro.in/ifb-admin/assets/1490251273_Policy%20on%20Related%20Party%20Transactions.pdf

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

As required under Section 134(3) (m) of the Companies Act, 2013, read with rules made there under, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is given in Annexure III which forms a part of this Report.

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

The Company did not have any subsidiary/associate/joint venture Company during this year 2016-17.

HUMAN RESOURCES

For the development of the human resources, number of training programmes were organized during the year. Internal personnel as well outside faculty members conducted these programmes. Your Company plans to organize more such training programmes for the overall development of its people. Total number of employees in the Company stood at 370 as on 31st March 2017.

WEBSITE OF THE COMPANY

The Company maintains a website www.ifbagro.in where detailed information of the Company and its products are provided.

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming part of this Annual Report. The Board has accepted the recommendations of the Audit Committee.

VIGIL MECHANISM

In 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 have been established. The said policy may be referred to, at the Company's official website at the weblink http://www.ifbagro.in/ifb-admin/assets/1490251334_Whistle%20Blower%20Policy.pdf

INTERNAL CONTROL SYSTEMS

Your Company has in place adequate internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. Further such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognizes that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

LISTING WITH STOCK EXCHANGES

Your Company is listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the Company has paid the Annual listing fee for the year 2017-18 to each of the said Exchanges. The Annual Custody/ Issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of Companies Act, 2013, the Board of Directors of your Company had constituted a CSR Committee. The Committee comprises of Independent Directors and Executive Director. The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiative undertaken by the Company on CSR activities during the year are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The said policy may be referred to, at the Company's official website at <http://www.ifbagro.in>.

Your Company has identified the activities and accordingly projects mainly relating to a) eradicating hunger, malnutrition and sanitation, b) promoting education and c) promoting healthcare were undertaken in line with the CSR policy. The necessary budget outlay were assigned to the aforesaid projects. However, due to multi year project and certain procedural delay at the implementation level, the Company could not spend the allocated budget outlay. The Company made an expenditure of Rs. 51.06 lacs against the stipulated amount of Rs. 74.01 lacs.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term stakeholders value. The certificate of the Auditors, Walker Chandiook & Co LLP (Firm Registration No : 001076N/N500013), Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

STATUTORY AUDITORS

The Auditors of the Company Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) have been appointed at the Annual General Meeting on 30th July, 2014 for a term of 3 years. The Company has received consent of the auditors for re-appointment of office for the Second term. Their re-appointment to the office is subject to the approval by the members at 35th Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company. The Board in its meeting held on 24th March, 2017, appointed Mr. Jitendra Patnaik, Proprietor of M/s J. Patnaik & Associates, Practising Company Secretary (Certificate of Practice No. 3102) as the Secretarial Auditor for a term of two years commencing from the financial year 2016-17.

The Secretarial Auditors' Report for the financial year ending 31st March 2017 is given in Annexure V, which forms part of this report.

ACKNOWLEDGEMENT

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

Cautionary Statement: Statement in the Directors' Report and Management Discussion & Analysis Report describing the Company's expectations may be forward-looking within the meaning of applicable securities laws & regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws.

On behalf of the Board

Registered Office:

Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Kolkata, 17th May, 2017

Bikram Nag
Joint Executive Chairman

Arup Kumar Banerjee
*Vice Chairman and
Managing Director*

Annexure I to Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March,2017

[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 : L01409WB1982PLC034590
- ii) Registration Date : 19.02.1982
- iii) Name of the Company : IFBAGRO INDUSTRIES LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered Office and contact details : Plot No.IND-5, Sector-1, East Calcutta Township, Kolkata - 700 107.
 Tel No:(033)39849675.
 Fax No: (033) 24421003
 E-Mail: complianceifbagro@ifbglobal.com
 Website : www.ifbagro.in
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : CB Management Services (P) Ltd.
 P-22, Bondel Road, Kolkata-700019.
 Tel No: (033) 4011 6700/2280 6692/2282 3643/2287 0263
 Fax No: (033) 40116739.
 E-mail: rta@cbmsl.com
 Website : www.cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Alcohol (Spirits and Spirituous Beverages)	1101	43.70%
2	Marine Products	1020	56.30%

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
	Not Applicable				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

	Category of Shareholder	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter									
1	Indian									
(a)	Individuals/ HUF	238824	-	238824	2.55	238824	-	238824	2.55	0.00
(b)	Central Government(s)	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	5848856	-	5848856	62.44	5848856	-	5848856	62.44	0.00
(e)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	6087680	-	6087680	64.99	6087680	-	6087680	64.99	0.00
2	Foreign									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6087680	-	6087680	64.99	6087680	-	6087680	64.99	0.00
(B)	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	-	9000	9000	0.10	-	9000	9000	0.10	0.00
(b)	Bank/Financial Institutions	5729	95850	101579	1.08	1179	95850	97029	1.03	-0.05
(c)	Central Government(s)	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors (FII)	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Foreign Portfolio Investors	25000	-	25000	0.27	25000	-	25000	0.27	0.00
(j)	Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	30729	104850	135579	1.45	26179	104850	131029	1.40	-0.05

	Category of Shareholder	No.of Shares held at the beginning of the year 01.04.2016				No.of Shares held at the end of the year 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B 2	Non-institutions									
(a)	Bodies Corporate									
i)	Indian	862193	5896	868089	9.27	793155	5796	798951	8.53	-0.74
ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	795706	364905	1160611	12.39	868640	350472	1219112	13.01	0.62
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1046928	-	1046928	11.18	1068815	-	1068815	11.41	0.23
(c)	Other (specify)									
1	NRI	31709	29520	61229	0.65	30139	29320	59459	0.64	-0.01
2	Clearing Member	6495	-	6495	0.07	1411	-	1411	0.02	-0.05
3	OCB	-	-	-	-	-	-	-	-	-
4	Trust	-	-	-	-	154	-	154	0	0
5	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
	Office of the Custodian Special Court	-	500	500	0	-	500	500	0	0
	Sub-Total (B)(2)	2743031	400821	3143852	33.56	2762314	386088	3148402	33.61	0.05
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2773760	505671	3279431	35.01	2788493	490938	3279431	35.01	0
	TOTAL (A)+(B)	8861440	505671	9367111	100	8876173	490938	9367111	100	0
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	8861440	505671	9367111	100	8876173	490938	9367111	100	0

ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% 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	237509	2.54	0	237509	2.54	0	0
2	Priyambada Nag	1315	0.01	0	1315	0.01	0	0
3	Nurpur Gases Pvt. Ltd	785543	8.39	0	785543	8.39	0	0
4	Asansol Bottling & Packaging Co. Pvt. Ltd	307197	3.28	0	307197	3.28	0	0
5	Zim Properties Pvt. Ltd	385000	4.11	0	385000	4.11	0	0
6	Lupin Agencies Pvt. Ltd	385300	4.11	0	385300	4.11	0	0
7	Windsor Marketiers Pvt.Ltd	382916	4.09	0	382916	4.09	0	0
8	IFB Automotive Pvt.Ltd	3602900	38.46	0	3602900	38.46	0	0
	Total	6087680	64.99	0	6087680	64.99	0	0

**Mr. Bikram Nag, Joint Executive Chairman of the Company acquired 1000 Equity Shares of the Company from the open market on 31st March, 2017. However, the same was reflected in list of Shareholders after 31st March, 2017 upon market settlement.*

(iii) Change in Promoters' Shareholding

SI 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	There is no change in the Promoters' Shareholding between 01.04.2016 to 31.03.2017			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc)				
	At the end of the year				

(iv) Shareholding Pattern of Top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. N.	For each of the Top ten Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding at the end of the year (31.03.2017)	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	SICGIL INDIA LIMITED				
	a) At the beginning of the year on 01.04.2016	678150	7.2397	678150	7.2397
	b) Increase/Decrease in shareholding during the year				
	08.04.2016 - Buy	150	0.0016	678300	7.2413
	15.04.2016 - Buy	150	0.0016	678450	7.2429
	13.05.2016 - Buy	150	0.0016	678600	7.2445
	20.05.2016 - Buy	150	0.0016	678750	7.2461
	08.07.2016 - Buy	150	0.0016	678900	7.2477
	12.08.2016 - Buy	150	0.0016	679050	7.2493
	02.09.2016 - Buy	150	0.0016	679200	7.2509
	07.10.2016 - Buy	300	0.0032	679500	7.2541
	04.11.2016 - Buy	282	0.0030	679782	7.2571
	11.11.2016 - Buy	42	0.0004	679824	7.2576
	25.11.2016 - Buy	450	0.0048	680274	7.2624
	09.12.2016 - Buy	66	0.0007	680340	7.2631
	17.02.2017 - Buy	570	0.0061	680910	7.2692
	03.03.2017 - Buy	600	0.0064	681510	7.2756
	24.03.2017 - Buy	540	0.0058	682050	7.2813
	31.03.2017 - Buy	1050	0.0112	683100	7.2925
	c) At the end of the year on 31.03.2017	-	-	683100	7.2925
2	F L DADABHOY				
	a) At the beginning of the year on 01.04.2016	217500	2.3220	217500	2.3220
	b) Increase/Decrease in shareholding during the year				
	23.09.2016 - Buy	2940	0.0314	220440	2.3533
	30.09.2016 - Buy	1560	0.0167	222000	2.3700
	03.03.2017 - Buy	2400	0.0256	224400	2.3956
	c) At the end of the year on 31.03.2017	-	-	224400	2.3956
3	P F DADABHOY				
	a) At the beginning of the year on 01.04.2016	172800	1.8448	172800	1.8448
	b) Increase/Decrease in shareholding during the year				
	23.09.2016 - Buy	300	0.0032	173100	1.8480
	30.09.2016 - Buy	900	0.0096	174000	1.8576
	c) At the end of the year on 31.03.2017	-	-	174000	1.8576
4	N F DADABHOY				
	a) At the beginning of the year on 01.04.2016	150900	1.6110	150900	1.6110
	b) Increase/Decrease in shareholding during the year	-	-	-	-
	c) At the end of the year on 31.03.2017	-	-	150900	1.6110

Sl. N.	For each of the Top ten Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding at the end of the year (31.03.2017)	
		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 on 01.04.2016	134337	1.4341	134337	1.4341
	b) Increase/Decrease in shareholding during the year				
	20.05.2016 - Buy	1925	0.0206	136262	1.4547
	17.06.2016 - Buy	1235	0.0132	137497	1.4679
	24.06.2016 - Buy	2850	0.0304	140347	1.4983
	29.07.2016 - Buy	900	0.0096	141247	1.5079
	05.08.2016 - Sale	1000	0.0107	140247	1.4972
	12.08.2016 - Sale	3035	0.0324	137212	1.4648
	04.11.2016 - Buy	2351	0.0251	139563	1.4899
	20.01.2017 - Buy	4350	0.0464	143913	1.5364
	27.01.2017 - Buy	1048	0.0112	144961	1.5476
	03.03.2017 - Buy	1080	0.0115	146041	1.5591
	c) At the end of the year on 31.03.2017	-	-	146041	1.5591
6	R F DADABHOY				
	a) At the beginning of the year on 01.04.2016	128700	1.3740	128700	1.3740
	b) Increase/Decrease in shareholding during the year				
	30.09.2016 - Buy	300	0.0032	129000	1.3772
	c) At the end of the year on 31.03.2017	-	-	129000	1.3772
7	SHIRIN WATWANI				
	a) At the beginning of the year on 01.04.2016	100800	1.0761	100800	1.0761
	b) Increase/Decrease in shareholding during the year				
	23.09.2016 - Buy	300	0.0032	101100	1.0793
	30.09.2016 - Buy	300	0.0032	101400	1.0825
	03.03.2017 - Buy	600	0.0064	102000	1.0889
	c) At the end of the year on 31.03.2017	-	-	102000	1.0889
8	ABN-AMRO BANK N V CALCUTTA BRANCH A/C TRANSCOM INTERNATIONAL INC.				
	a) At the beginning of the year on 01.04.2016	72500	0.7740	72500	0.7740
	b) Increase/Decrease in shareholding during the year				
	c) At the end of the year on 31.03.2017	-	-	72500	0.7740
9	AMIT ASHOK THAWANI				
	a) At the beginning of the year on 01.04.2016	39301	0.4196	39301	0.4196
	b) Increase/Decrease in shareholding during the year				
	08.04.2016 - Buy	1399	0.0149	40700	0.4345
	15.04.2016 - Buy	530	0.0057	41230	0.4402
	22.04.2016 - Buy	2054	0.0219	43284	0.4621
	13.05.2016 - Buy	252	0.0027	43536	0.4648
	20.05.2016 - Buy	1243	0.0133	44779	0.4780
	24.06.2016 - Buy	2000	0.0214	46779	0.4994
	22.07.2016 - Buy	3653	0.0390	50432	0.5384
	19.08.2016 - Sale	1058	0.0113	49374	0.5271
	09.09.2016 - Sale	1000	0.0107	48374	0.5164
	16.09.2016 - Sale	2000	0.0214	46374	0.4951
	28.10.2016 - Sale	10646	0.1137	35728	0.3814
	c) At the end of the year on 31.03.2017	-	-	35728	0.3814
10	YOGESH SHASHIKUMAR SAVADEKAR				
	a) At the beginning of the year on 01.04.2016	31000	0.3309	31000	0.3309
	b) Increase/Decrease in shareholding during the year				
	c) At the end of the year on 31.03.2017	-	-	31000	0.3309

(v) Shareholding of Directors and Key Managerial Personnel

Name Of Director/KMP	Date	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
Bijon Nag Chairman					
At the beginning of the year	1/4/2016	237509	2.5356	237509	2.5356
Changes during the year	-	-	-	-	-
At the end of the year	31/03/2017	-	-	237509	2.5356
Bikram Nag Joint Executive Chairman					
At the beginning of the year	1/4/2016	-	-	-	-
Changes during the year	-	-	-	-	-
At the end of the year	31/03/2017	-	-	-	-
Arup Kumar Banerjee Vice Chairman and Managing Director					
At the beginning of the year	1/4/2016	1450	0.0155	1450	0.0155
Changes during the year	-	-	-	-	-
At the end of the year	31/3/2017	-	-	1450	0.0155
Indranil Goho Joint Managing Director					
At the beginning of the year	1/4/2016	5	0.0001	5	0.0001
Changes during the year	-	-	-	-	-
At the end of the year	31/3/2017	-	-	5	0.0001

*Mr. Bikram Nag, Joint Executive Chairman of the Company acquired 1000 Equity Shares of the Company from the open market on 31st March, 2017. However, the same was reflected in list of Shareholders after 31st March, 2017 upon market settlement.

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

(Figure in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,63,14,450	-	-	49,63,14,450
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,21,363	-	-	24,21,363
Total (i+ii+iii)	49,87,35,813	-	-	49,87,35,813
Change in Indebtedness during the financial year				
* Addition	39,90,006	-	-	39,90,006
* Reduction	7,08,50,229	-	-	7,08,50,229
Net Change		-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	42,94,54,227	-	-	42,94,54,227
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,08,884	-	-	24,08,884
Total (i+ii+iii)	43,18,63,111	-	-	43,18,63,111

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Directors and Whole time Director :

(Figure in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Bikram Nag Joint Executive Chairman	Arup Kumar Banerjee, Vice Chairman and Managing Director	Indranil Goho Joint Managing Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63,17,440	1,31,21,308	72,96,844	2,67,35,592
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,91,800	13,07,388	4,16,132	21,15,320
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission payable				
	- as % of profit	42,00,000	42,00,000	-	84,00,000
	- Others, specify...				
5	Others, please specify	-	-	-	-
	Total (A)	1,09,09,240	1,86,28,696	77,12,976	3,72,50,912
	Ceiling as per the Act	2,12,48,336	2,12,48,336	2,12,48,336	4,24,96,673*

*Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013

B. Remuneration to other Directors:

(Figure in Rs.)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. Bijon Nag	Mr. Amitabha Kumar Nag	Mr. Nandan Bhattacharya	Mr. Sudip Kumar Mukherji	Mr. Hari Ram Agarwal	Mr. Manoj Kumar Vijay	Dr. Lakshmeshri Roy	
Independent Directors								
Fee for attending Board & Committee meetings	-	-	1,84,000	1,45,000	1,35,000	1,35,000	90,000	6,89,000
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (1)	-	-	1,84,000	1,45,000	1,35,000	1,35,000	90,000	6,89,000
Other Non-Executive Directors								
Fee for attending Board / Committee meetings	75,000	1,67,000	-	-	-	-	-	2,42,000
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (2)	75,000	1,67,000	-	-	-	-	-	2,42,000
Total (B)=(1+2)	75,000	1,67,000	1,84,000	1,45,000	1,35,000	1,35,000	90,000	9,31,000
Total Managerial Remuneration (A) + (B)								3,81,81,912
Overall Ceiling as per the Act*								4,67,46,340

*being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013

C. Remuneration to Key Managerial Personnel other than MD/WTD

(Figure in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr Dipak Sen Chief Financial Officer	Mr Ritesh Agarwal Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	70,12,401	30,89,214	1,01,01,615
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,75,141	99,173	4,74,314
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	73,87,542	31,88,387	1,05,75,929

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: There is no penalty, punishment or compounding of offences during the year ended 31st March, 2017.

Annexure II to Directors' Report

- (i) **The ratio of the remuneration of each Director to the median remuneration to the employee of the Company for the financial year 2016-17**

Director's Name	Ratio to median remuneration
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	39.87
Mr. Bikram Nag, Joint Executive Chairman	23.35
Mr. Indranil Goho, Joint Managing Director	16.51

* Non Executive Directors are paid sitting fee only. Hence, not considered for ratio to median remuneration.

- (ii) **The Percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary (CS) in the financial year 2016-17.**

Director's/CFO/CS	% increase / (decrease) in remuneration in the Financial Year
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	-1.10%*
Mr. Bikram Nag, Joint Executive Chairman	-2.68%*
Mr. Indranil Goho, Joint Managing Director	12%
Mr. Dipak Sen, Chief Financial Officer	16.5%
Mr. Ritesh Agarwal, Company Secretary	15%

* The Remuneration for the year was lower because of decrease in variable component which is linked to the Net Profits as calculated under Section 198 of the Companies Act, 2013.

- (iii) **Percentage increase in the median remuneration of employees in the financial year 2016-17 : 14.41%**

- (iv) **Number of permanent employees on the rolls of the Company as on 31.03.2017 : 370**

- (v) **Explanation on the relationship between average increase in remuneration and the Company performance**

On an average, employees received an annual increase of 14.41%. In order to ensure that remuneration reflects Company's performance, the performance pay of some employees is also linked to organizational performance apart from an individual performance.

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

(Amount Rs. in Lacs)

Aggregate Remuneration of Key Managerial Personnel as defined u/s 203 of the Companies Act, 2013 in the year 2016-17	369
Revenue	82931
Remuneration of KMPs (as % of revenue)	0.44%
Profit Before Tax (PBT)	4022
Remuneration of KMP (as % of PBT)	9.17%

(vii) Variations in the market capitalisation of the Company, Price Earning Ratio as at closing date of the Current financial year and previous financial year

Details	31.03.2017	31.03.2016
Market Capitalisation (Rs in Lacs)	41800	36789
% Change	13.62%	-
Price Earning Ratio	13.03	12.51
% Change	4.15%	-

(viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

(Amount in Rs.)

Particulars	31 st March, 2017	Right Issue (1994)	% Change
Market price (BSE)	444.05	35	1269%
Market Price (NSE)	446.25	35	1275%

(ix) Average percentile increase in salaries of Employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 14.41%

The average increase in staff salary for the year 2016-17 was 15.98%.

The average increase in Managerial Remuneration for the year 2016-17 was 13.83%

(x) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

	Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	Mr. Indranil Goho, Joint Managing Director	Mr. Dipak Sen, Chief Financial Officer	Mr. Ritesh Agarwal Company Secretary
Remuneration in FY 17 (Rs in Lacs)	186.28	77.12	73.87	31.88
Total Revenue (Rs in Lacs)	82931			
Remuneration as % of Total Revenue	0.22	0.09	0.09	0.04
Profit Before Tax (PBT) Rs in Lacs	4022			
Remuneration (as % of PBT)	4.63%	1.92%	1.84%	0.79%

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

The remuneration of Mr. Bikram Nag, Joint Executive Chairman and Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director includes a variable component of 1% commission on Net Profits of the Company (calculated pursuant to Section 198 of the Companies Act, 2013).

No variable remuneration was given to the Non-Executive and Independent Directors of the Company.

(xii) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess the highest paid Director during the year: None

(xiii) 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.

(xiv) The statement containing the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure III to Directors' Report

Statement pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

[A] CONSERVATION OF ENERGY

a) Energy conservation measures taken:

1. Continued operation of Distilleries on 'Eco Smart' multi pressure distillation technology with integrated evaporation plant. This energy efficient technology has helped in reducing of steam consumption.
2. Very High Gravity fermentation process (VHG) is continued as standard operating procedure which helped to reduce the consumption of steam and water.
3. Distilleries were being operated on cogenerated power. This year captive power generation improved by 26.5% compared to last year due to increase in capacity.
4. Jet cooking process was modified to use low pressure exhaust steam in liquefaction process, which helped to reduce heat energy consumption and resulting in reduction in fuel consumption.
5. Total steam condensate recycling (100% recycling) from DDGS and new distillation unit has substantially reduced fuel and energy consumption.
6. Overall power factor achieved > 98% for the distillery operation, with the help of using modern gadgets.

b) Steps taken for utilizing alternate sources of energy

1. Use of steam condensate for de-superheating of process steam, leading to saving of steam and water.
2. Use of Biogas in boiler produced from waste water.
3. Use of rice husk along with saw dust, straw and Groundnut shell dust in boiler as alternative source of energy.

The capital investment on energy conservation equipment is not significant.

[B] TECHNOLOGY ABSORPTION :

a) Efforts made towards technology absorption

1. Adoption and use of high temperature tolerant yeast strain to support high gravity fermentation which helped to reduce energy consumption for fermentation cooling.
2. Installation of sand separator in milling section to avoid sand related erosion in process machinery.
3. Installation of rotating steam tube bundled dryer with PLC controls for making DDGS with flexible product quality options.
4. Vapour integration from DDGS dryer to this slap evaporation for steam and fuel saving.
5. Introduction of water cooled screw type brine chiller with refrigerant R134A, which is environment friendly, and does not lead to GHG (greenhouse gas) emission.
6. Incorporation state of art high precision imported mass flow meters for fully automatic spirit handling process at distillery which is first of its kind in the country.
7. Continuation of CPCB approved online monitoring instruments (system) for water and stack monitoring.

b) Benefits derived :

1. Improvement in fermentation efficiencies and overall yield.
2. Improved quality, productivity and yield in grain distillery operation.
3. Minimizing spirit handling loss at distillery using precision mass flow meters, adding benefits to both company and to state exchequer.
4. Lowering of steam and water consumption through 'Eco Smart' distillation technology and integration of vapour from DDGS dryer for thin slap evaporation very high gravity fermentation technique, multi effect evaporation plant operation, and utilization of reverse osmosis plant to clean treated condensate and effluent water.
5. Ground water conservation.
6. Improvement in fuel burning efficiencies in Boiler.

c) Technology Imported :

Coriolis principle based precision mass flow meters were imported during the year and the technology with SCADA controls were fully absorbed. This technology is adopted for the first time in distillery industry in India.

d) Research & Development:

1. Talks are in advanced stage with reputed Institute to develop enzymes for captive use in the distillery.
2. In house R&D has successfully developed and all purpose floor/surface cleaner utilizing distillery byproducts. It is under phase 1 trial now.
3. Successfully completed feeding trial at NDRI , Kalyani, to utilize CDS ,and DDGS as an active ingredient for cattle feed.
4. Project on DDGS digestibility in poultry feed is sponsored with University of Animal Science.
5. Expenditure on R&D:
 - 5.1 Capital : NIL
 - 5.2 Recurring : Rs 11.78 lacs
 - 5.3 Total : Rs 11.78 lacs

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange earned and used:	31.03.2017	(Rs. in Lacs) 31.03.2016
a) Foreign Exchange Earnings (FOB value)		
– Exports (FOB value)	17206.42	10575.52
b) Foreign Exchange Outgo:		
– Raw Materials	136.53	121.54
– Capital Goods & Spare Parts	290.10	151.01
– Travelling	83.75	68.12
– Commission	32.80	51.38
– Testing Fees	1.90	-
– Interest	172.16	65.37
– Professional & Consultancy Fees	27.25	10.98
– Insurance	118.12	60.75
	862.61	529.15

On behalf of the Board

Kolkata, 17th May, 2017

Bikram Nag
Joint Executive Chairman

Arup Kumar Banerjee
*Vice Chairman and
 Managing Director*

Annexure IV to Directors' Report
CORPORATE SOCIAL RESPONSIBILITY

The Company constituted a Corporate Social Responsibility (CSR) Committee 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 programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. Weblink	The CSR Committee evolved a policy to spend the amount towards the activities mentioned in Clause i, ii, ix & x of Schedule VII of the Companies Act, 2013. http://www.ifbagro.in/ifb-admin/assets/1491801369_Policy%20on%20Corporate%20Social%20Responsibility.pdf
2.	The Composition of the CSR Committee.	Mr. A.K. Banerjee - Chairman Mr. H.R. Agarwal - Member Mr. M.K. Vijay - Member
3.	Average net profit of the Company for last three financial years.	Average net profit of Rs. 3700.60 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	Rs. 74.01 lacs
5.	Details of CSR spent during the financial year 2016-17	
	(a) Total amount to be spent for the financial year 2016-17	Rs. 74.01 lacs
	(b) Amount unspent , if any	Rs. 22.95 Lacs

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

SL No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes 1) Local area or other 2) Specify the State and district where projects or programmes was undertaken.	Amount outlay (budget) project or programmes wise.	Amount spent on the projects or programmes sub heads: 1) Direct Expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto to the reporting Period.	Amount spent Direct or through implementing Agency.
1	Eradicating hunger, malnutrition and sanitation etc	Eradicating hunger, malnutrition and sanitation etc	District: 24 Parganas(S), Burdwan, State-West Bengal	22.00	15.77	15.77	Direct
2	Safe drinking water	Safe drinking water	District: 24 Parganas(S), Hooghly, Burdwan, State-West Bengal	6.0	3.40	3.40	Direct
3	Promoting Healthcare	Promoting healthcare	District: 24 Parganas(S), State-West Bengal	12.00	9.09	9.09	Direct and through Indian Institute of Cerebral Palsy
4	Promoting education	Promoting education	District: 24 Parganas(S), Burdwan, Hooghly, Midnapore, State-West Bengal	34.01	22.80	22.80	Direct
	TOTAL			74.01	51.06	51.06	

The Committee has stated that the implementation and monitoring of CSR policies are in compliance with CSR objectives and policy of the Company.

Sd/-

Arup Kumar Banerjee
Vice Chairman and Managing Director &
Chairman of CSR Committee

Kolkata, 17th May, 2017

Annexure V to Directors' Report**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
IFB Agro Industries Limited
Plot No IND 5, Sector -1,
East Calcutta Township
Kolkata - 700107

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFB Agro 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 Agro 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, 2017 ("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 Agro Industries Limited** ("the Company") for the financial year ended on 31st March, 2017 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;
- (vii) Other applicable laws specifically applicable to the Industry/Company:
- a) The Food Safety and Standards Act, 2006;
- 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 of India Limited and Bombay Stock Exchange Limited;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.

Adequate notice is given to all Directors to schedule the Board 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 there are no events or actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place : Kolkata
Date : 17th May, 2017

For J. Patnaik & Associates
Company Secretaries

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

Report on Corporate Governance

1) Company's philosophy on code of Governance

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, empowerment, accountability, motivation in all operations and all interactions with its shareholders, investors, lenders, directors, employees and customers.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall stakeholder's value, over a sustained period of time.

2) Board of Directors

A) Composition of the Board of Directors as on 31st March, 2017 is as follows:

The Board of Directors of the Company have an optimum combination of Executive, Non Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises 10 (ten) Directors that includes 1 (one) Woman Director.

Category	No. of Directors	%
Executive Directors	3	30.00
Independent Non-Executive Directors	5	50.00
Other Non-Executive Directors	2	20.00
Total	10	100.00

B) Particulars of Directorships & Committee Chairmanship/Membership of other Companies & Attendance at the Board Meetings & Last AGM held on 22.07.2016

Name	Category	No. of Board Meetings attended during 2016-17	Whether attended in AGM held on 22 nd July, 2016	No. of Directorships in other Indian Public Limited Companies as on 31 st March, 2017		No. of Committee position held in other Indian Public Limited Companies as on 31 st March, 2017*	
				Chairman	Member	Chairman	Member
Mr. Bijon Nag (Chairman)	Non-Executive Director	5	Yes	1	NIL	NIL	NIL
Mr. Bikram Nag (Joint Executive Chairman)	Executive Director	5	Yes	1	1	NIL	NIL
Mr. Arup Kumar Banerjee (Vice Chairman and Managing Director)	Executive Director	5	Yes	NIL	NIL	NIL	NIL
Mr. Nandan Bhattacharya	Independent Non-Executive Director	5	Yes	NIL	5	NIL	5
Mr. Amitabha Kumar Nag	Non-Executive Director	5	Yes	NIL	NIL	NIL	NIL
Mr. Sudip Kumar Mukherji	Independent Non-Executive Director	5	Yes	NIL	NIL	NIL	NIL
Mr. Hari Ram Agarwal	Independent Non-Executive Director	4	Yes	NIL	NIL	NIL	NIL
Mr. Manoj Kumar Vijay	Independent Non-Executive Director	5	Yes	NIL	2	NIL	NIL
Dr. Lakshmishri Roy	Independent Non-Executive Woman Director	5	Yes	NIL	NIL	NIL	NIL
Mr. Indranil Goho (Joint Managing Director)	Executive Director	5	Yes	NIL	1	NIL	NIL

* Only Membership/ Chairmanship of Audit Committee, Investor Grievance and Stakeholders' Relationship Committee have been considered.

No Director is a member of more than ten Committees or Chairman of more than five Committees across all companies in which they are Directors.

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.

C) Board Meetings held in the financial year 2016-2017

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 4 months.

During the year under review 5 (five) meetings were held on following dates:

14th May 2016, 20th July 2016, 25th October 2016, 28th January 2017 and 24th March 2017.

3) Audit Committee

Terms of Reference

The Audit Committee reviews the Audit Reports submitted by the Internal Auditors, Statutory Auditors, financial results, effectiveness of internal audit process and the Company's risk management strategy and to establish the vigil mechanism. It reviews the Company's established systems and the Committee is governed by provisions of the Companies Act, 2013 and Listing Agreement with Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition, Name of Members, Number of Meetings, Chairperson and attendance of the Audit Committee during the financial year 2016-17:

Name of Members	Members/Chairman	No. of Meetings held	No. of Meetings attended
Mr. Nandan Bhattacharya	Chairman	4	4
Mr. Amitabha Kumar Nag	Member	4	4
Mr. Sudip Kumar Mukherji	Member	4	4
Mr. Hari Ram Agarwal	Member	4	3

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

14th May 2016, 20th July 2016, 25th October 2016 and 28th January 2017.

The Company Secretary acted as the 'Secretary' to the Audit Committee.

4) Nomination and Remuneration Committee

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.

Composition, Name of Members, Number of Meetings, Chairperson and attendance of the Nomination and Remuneration Committee during the financial year 2016-17:

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Mr. Nandan Bhattacharya	Chairman	2	2
Mr. Amitabha Kumar Nag	Member	2	2
Mr. Manoj Kumar Vijay	Member	2	2
Mr. Hari Ram Agarwal	Member	2	1

During the year under review two meetings were held of the members of the committee which are as follows:

14th May 2016 and 25th October 2016.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy may be referred to at the Company's official website at the weblink : http://www.ifbagro.in/ifb-admin/assets/1490251218_Nomination-and-remuneration-policy.pdf

Remuneration/ Commission paid to Directors during the financial year 2016-17:

(Figures in Rupees)

Name of Director	Sitting Fees	Salary, Perquisites & Commission	Total
Mr. Bijon Nag	75,000	-	75,000
Mr. Bikram Nag	-	1,09,09,240	1,09,09,240
Mr. Arup Kumar Banerjee	-	1,86,28,696	1,86,28,696
Mr. Nandan Bhattacharya	1,84,000	-	1,84,000
Mr. Amitabha Kumar Nag	1,67,000	-	1,67,000
Mr. Sudip Kumar Mukherji	1,45,000	-	1,45,000
Mr. Manoj Kumar Vijay	1,35,000	-	1,35,000
Mr. Hari Ram Agarwal	1,35,000	-	1,35,000
Dr. Lakshmishri Roy	90,000	-	90,000
Mr. Indranil Goho	-	77,12,976	77,12,976

- Mr. Bikram Nag was appointed as the Joint Executive Chairman for a period of 3 years w.e.f 27th January, 2016 till 26th January, 2019.
- Mr. Arup Kumar Banerjee was appointed as Managing Director for a period of three years w.e.f 30th July 2014 till 29th July, 2017. He had been elevated as Vice Chairman and Managing Director during this tenure by the Board of Directors at their meeting held on 23rd September, 2015.
- Mr. Indranil Goho was appointed as the Joint Managing Director for a period of 3 years w.e.f 23rd September, 2015.
- No severance fee is payable and no stock option has been given.
- Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non executive Directors.

5) Stakeholders' Relationship Committee

Terms of reference

The Committee focuses primarily on monitoring expeditious redressal of investors /stakeholders grievances and also function in an efficient manner that all issues /concerns stakeholders are addressed / resolved promptly.

Composition, Name of Members, Number of Meetings, Chairperson and attendance of the Stakeholder's Relationship Committee during the financial year 2016-17:

Name of Members	Member/Chairman	No of Meetings held	No. of Meetings attended
Mr. Nandan Bhattacharya	Chairman	16	16
Mr. Amitabha Kumar Nag	Member	16	15
Mr. Manoj Kumar Vijay	Member	16	14

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 sufficiently addressed to at the level of the Compliance Officer and CB Management Services (P) Ltd., the Registrar & Transfer Agent of the Company for shares both in physical and demat modes.

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

13th May 2016, 16th June 2016, 14th July 2016, 10th August 2016, 22nd August 2016, 15th September 2016, 29th September 2016, 25th October 2016, 15th November 2016, 5th December 2016, 3rd January 2017, 17th January 2017, 28th January 2017, 22nd February 2017, 7th March 2017 and 24th March 2017.

Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investor during the year under review and their break-up are as under:

No. of shareholders complaints received so far	Nil
No. of complaints not solved to the satisfaction of shareholders	Nil
No. of pending complaints	Nil

Name, Designation & Address of the Compliance Officer:

Mr. Ritesh Agarwal, Company Secretary

IFB Agro Industries Limited

Plot No- IND 5, Sector-1,

East Calcutta Township, Kolkata-700 107

Tel: (033) 39849524 • Fax: (033) 24421003

E-Mail: complianceifbagro@ifbglobal.com

6) **General Body Meetings**

a. Location and time where last three AGMs were held:

AGM	For the year ended	Date	Venue of the AGM	Time
34 th	2015-2016	22.07.2016	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town Kolkata - 700 156.	12.30 P.M
33 rd	2014-2015	31.07.2015	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town Kolkata - 700 156.	12.30 P.M
32 nd	2013-2014	30.07.2014	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town Kolkata - 700 156.	12.30 P.M

b. Whether any special resolution passed in the previous three AGMs : Yes

c. Whether any special resolution passed last year through postal ballot : No

Details of voting pattern : N.A.

Person who conducted the postal ballot exercise : N.A.

d. Whether any special resolution is proposed to be conducted through postal ballot : No

e. Procedure for postal ballot:

Your 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 thereunder, if any.

7) **Disclosure:**

a. Disclosure on materially significant related party transactions that may have potential conflict with the interests 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. 34 "Notes to Financial Statements" annexed to the Financial Statements for the year.

The Board has adopted a policy for related party transactions which has been uploaded on the Company's website of the following link http://www.ifbagro.in/ifb-admin/assets/1490251273_Policy%20on%20Related%20Party%20Transactions.pdf

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 2016-17 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 2016-2017.
- e. The Company has adopted Whistle Blower/Vigil Mechanism Policy for Directors and employees which has been placed in the website of the Company at www.ifbagro.in. No personnel has been denied access to the Audit Committee.
- f. The Company has periodically reviewed and reporting to the Board of Directors of risk assessment by senior executives with a view to minimise risk.
- g. Reconciliation of Share Capital Audit:
A Qualified Practicing Company Secretary carried out a Share Capital Audit during the financial year 2016-17 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. Separate Meeting of the Independent Directors :
As per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors are required to hold at least one meeting in a year. Accordingly, a meeting had been held on 24th March, 2017.
- i. Code of Conduct for Board members and Senior Management :
The Board of Directors has laid down the 'Code of Conduct' for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management Personnel have affirmed compliance with the code of conduct. The Code is available on the Company's Official website under the weblink: http://www.ifbagro.in/ifb-admin/assets/1490250982_Code%20of%20Conduct%20dtd%2005-6-15.pdf
- j. Familiarisation Programme for Independent Directors :
The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes/ presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. The programmes/presentations also familiarises the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business operates, business model of the Company etc. through various programmes.
The familiarisation programme is available on the Company's official website of the following link http://www.ifbagro.in/ifb-admin/assets/1491985105_Familiarization%20Programmes%202017.pdf
- k. 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 (Listing Obligations and Disclosure Requirements) Regulations 2015.
This Corporate Governance Report of the Company for the financial year 2016-2017 as on 31st March, 2017 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

8) Means of communication

Quarterly Results: The Company's quarterly/half yearly/ annual financial results are sent 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).

Website : The Company's website (www.ifbagro.in) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in the website of the Company.

Annual Report : The Annual Report containing, inter alia, Audited Financial Statements, Directors' Report and Management's Discussion and Analysis Report, Corporate Governance Report and other important information is circulated to members.

NSE Electronic Application Processing System (NEAPS) : The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are also filed electronically on the Listing Centre.

BSE Corporate Compliance & Listing Centre (the Listing Centre) : BSE's Listing Centre is a web-based application designed for corporates. All periodical complaints filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are also filed electronically on the Listing Centre.

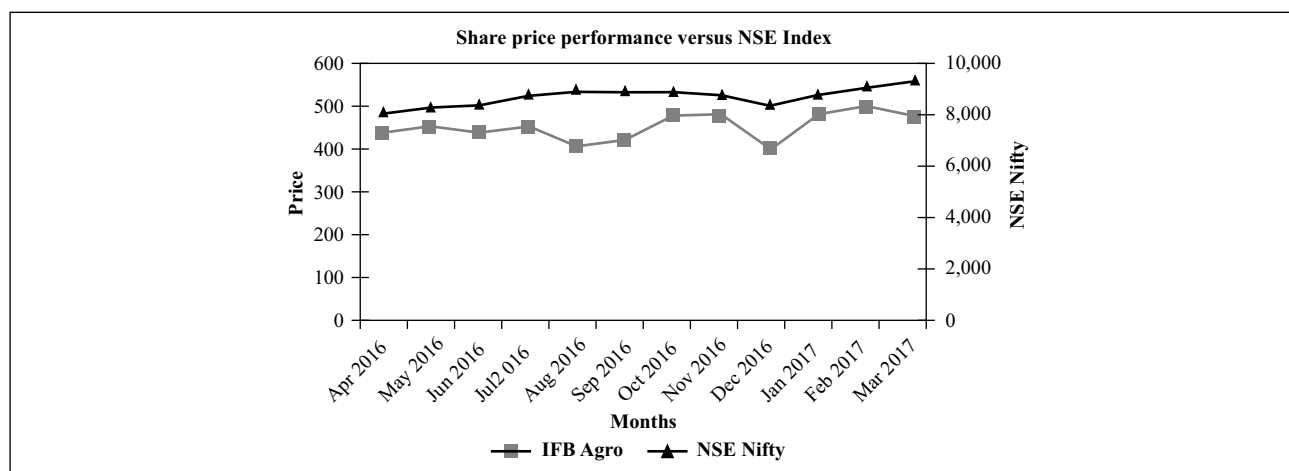
9) General Shareholder information:

- i) 35th AGM date, time and venue : 28th day of July, 2017, At 12.30 PM
Club Ecovista, Ecospace Business Park,
Premises No. 2F/11, Action Area II,
Rajarhat, New Town, Kolkata 700156.
- ii) Financial year : 1st April, 2016 to 31st March, 2017.
- iii) Book closure date : 22nd July, 2017 to 28th July, 2017 (both days inclusive)
- iv) Dividend Payment date : Not Applicable.
- v) Listing on Stock Exchanges : a) Bombay Stock Exchange Limited (BSE)
b) National Stock Exchange of India Limited (NSE)
- vi) Stock Code : BSE : 507438
NSE : IFB Agro EQ
NSDL & CDSL : ISIN No. INE 076C01018

vii) Market Price Data :

Monthly high and low quotation of shares traded at National Stock Exchange of India Ltd & Bombay Stock Exchange Limited during the financial year 2016-17.

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2016	434.90	385.00	434.95	381.00
May, 2016	444.00	370.05	448.90	372.05
June, 2016	433.90	381.15	434.90	370.00
July, 2016	445.80	371.20	447.85	373.00
August, 2016	403.50	361.15	401.85	360.20
September, 2016	440.00	370.15	415.90	365.50
October, 2016	472.65	377.10	474.85	378.30
November, 2016	485.00	327.20	476.00	327.20
December, 2016	397.75	360.00	396.95	355.20
January, 2017	477.95	372.10	480.00	372.05
February, 2017	496.90	405.90	495.50	407.60
March, 2017	484.95	430.00	469.00	434.00

viii) Share price performance in comparison to broad based indices - NSE Nifty


- ix) 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

x) Share Transfer System

M/s CB Management Services (P) Ltd. of P-22, Bondel Road, Kolkata - 700 019, a SEBI registered Registrar is the Registrar of the Company both in physical and dematerialised segment.

Since the Company's shares can be traded only in demat mode, shareholders would be required to send their physical shares certificates, Demat Request Forms (DRF) etc. directly to the Share Transfer Agent, CB Management Services (P) Ltd. Shareholders would also have to ensure that their respective Depository Participant do not delay in sending the DRF and physical share certificates to the aforesaid Share Transfer Agents so that no Demat requests from any shareholder remains pending with the Share Transfer Agent beyond a period of 30 days.

xi) Distribution of Shareholding & Shareholding Pattern

(a) Distribution of Shareholding as on 31st March, 2017

Range		No.of Shareholders	% of total	No.of Shares	% of total
From	To				
1	500	6801	93.53	709576	7.57
501	1000	253	3.48	191819	2.05
1001	2000	103	1.42	146136	1.56
2001	3000	36	0.50	89581	0.96
3001	4000	23	0.32	80413	0.86
4001	5000	14	0.19	62397	0.67
5001	10000	16	0.22	107909	1.15
10001	9999999	25	0.34	7979280	85.18
Total		7271	100.00	9367111	100.00

b) Shareholding Pattern as on 31st March 2017

	No. of Shares	% of total	% Dematerialised
Indian Promoters	6087680	64.99	64.99
Mutual Funds/UTI	9000	0.10	0.00
Banks, Financial Institutions & Insurance Companies	97029	1.03	0.01
Private Corporate Bodies/Trust	799105	8.53	8.47
Indian Public	2287927	24.43	20.68
Non Resident Indians/Foreign Portfolio Investor	84459	0.90	0.59
Clearing Members	1411	0.02	0.02
Office of the Custodian Special Court	500	0.00	0.00
Total	9367111	100.00	94.76

xii) Dematerialization of shares

As on 31st March 2017, 94.76% of the Company's total shares representing 8876173 shares were held in dematerialised form and the balance 5.24% representing 490938 shares were held in physical form.

- xiii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : The Company has not issued, any GDRs/ADRs/Warrants or any convertible instruments.

- xiv) Commodity price risk/ foreign exchange risk and hedging activities. : The Company is exposed to the foreign exchange risk for ECB Loan, import of Capital Goods 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 currency exposure from exchange fluctuations in terms of the foreign exchange risk management policy of the Company.
- xv) Plant Locations
- A. Owned Plant Locations
- Distillery Plant – Noorpur, P.S. Diamond Harbour, South 24-Parganas, West Bengal - 743 368
- IMIL Bottling Plant 1) Panagarh, Dist. Burdwan, West Bengal - 713 148
2) Dankuni, Dist. Hooghly, West Bengal - 712 306
- Marine Product Processing Plant – IFB Agro Industries Limited, Plot No.IND-5, Sector-1 East Calcutta Township, Kolkata - 700 107
- B. Tie-up Plant Locations
- IMIL Bottling Plant 1) Prasanta Kumar Dutta, Kandi, Murshidabad, West Bengal - 742137
2) Singh Fisher N, Purulia, West Bengal - 723102
3) Herald Beverages Pvt. Ltd., Jiyancha, 24 Pgs(S) - 743 504
- Marine Product Processing plant – Neeli Aqua Pvt. Ltd., Ongole, Andhra Pradesh -523212
- xvi) Address for correspondence :
- Registered Office – IFB Agro Industries Limited
CIN : L01409WB1982PLC034590
Plot No.IND-5, Sector-1
East Calcutta Township
Kolkata - 700 107
Tel. : (033) 3984 9675
Fax : (033) 2442 1003
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in

10. **Requirement under PART E of Schedule II**

i) The Board

The Company maintains the Office of Non-Executive Chairman. The Company also pays for all the expenses incurred by the Non-Executive Chairman towards performance of his duties.

ii) Shareholders' Rights

The Company's financial results are published in the Newspaper and also posted on its website www.ifbagro.com. Hence, financial results are not sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

iii) Audit Opinion

The Company, at present, does not have any audit qualification pertaining to financial statements.

iv) Separate Posts of Chairman and Managing Director

Mr. Bijon Nag is the Non Executive Chairman of the Company, Mr. Bikram Nag is the Joint Executive Chairman of the Company and Mr. Arup Kumar Banerjee is the Vice Chairman and Managing Director of the Company. The Company has complied with the requirement of having separate persons to the Post of Chairman and Managing Director.

v) Reporting of Internal Auditor

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

On behalf of the Board

Kolkata, 17th May, 2017

Bikram Nag
Joint Executive Chairman

Arup Kumar Banerjee
*Vice Chairman and
Managing Director*

Certificate of Compliance with Code of Conduct Policy

I declare that in terms of Schedule V under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has received affirmation of Compliance with Code of Conduct from all the Board members and Senior Management Personnel of the Company for the financial year ended 31st March, 2017.

For IFB Agro Industries Limited

Place : Kolkata
Date : 17th May 2017

Arup Kumar Banerjee
Vice Chairman and
Managing Director

Independent Auditor's Certificate on Corporate Governance

To the Members of IFB Agro Industries Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 03 August 2016.
2. We have examined the compliance of conditions of corporate governance by IFB Agro Industries Limited ('the Company') for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. 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

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2017.

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.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Place: Kolkata
Date: 17 May, 2017

per Anamitra Das
Partner
Membership No.: 062191

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To
The Board of Directors
IFB Agro Industries Limited
Kolkata

Dear Sirs,

Sub: CEO & CFO Certificate

We, Arup Kumar Banerjee, Vice Chairman and Managing Director and Dipak Sen, Chief Financial Officer responsible for the finance function certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that 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.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 which are fraudulent, illegal or violative to Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control for financial reporting and 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 the audit committee and steps have taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant change in accounting policies during the year under reference.
 - iii) We are not aware of any instance of fraud during the year, with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Date : 17th May, 2017

Arup Kumar Banerjee
Vice Chairman and
Managing Director

Dipak Sen
Chief Financial Officer

Independent Auditors' Report to the Members of IFB Agro Industries Limited.

Report on the Financial Statements

1. We have audited the accompanying financial statements of IFB Agro Industries Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards of 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 these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 17 May 2017 as per Annexure B expresses our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting; and
 - 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, as detailed in Note 40 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivatives 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; and
 - iv. the Company, as detailed in Note 39 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in these Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

per Anamitra Das
Partner
Membership No. 062191

Place : Kolkata
Date : 17th May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT of even date to the members of IFB Agro Industries Limited, on the financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 (c) The title deeds of all immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount Paid Under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	62.96	62.96	2013-14	Commissioner of Income Tax (Appeals)
West Bengal Sales Tax Act, 1994	Sales tax	25.44	Nil	2004-05	Sr. Jt. Commissioner (Commercial Taxes), West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	344.66	Nil	2005-06	Addl. Commissioner of Commercial Taxes, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	41.38	Nil	2006-07	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	397.00	Nil	2007-08	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	175.11	Nil	2008-09	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	61.70	Nil	2012-13	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	145.00	45.00	2013-14	Appellate and Revisional Board, West Bengal
Central Sales Tax Act, 1956	Sales tax	9.08	Nil	2005-06	Appellate and Revisional Board, West Bengal
Central Sales Tax Act, 1956	Sales tax	1.76	Nil	2007-08	Appellate and Revisional Board, West Bengal

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount Paid Under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal VAT Act, 2003	Value added tax	131.00	Nil	2005-06	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	5.75	Nil	2006-07	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	924.60	Nil	2007-08	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	569.98	Nil	2008-09	Appellate and Revisional Board, West Bengal
The Bengal Excise Act, 1909	State excise duty	139.61	Nil	2010-11	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	189.00	Nil	2011-12	High Court of Calcutta
The Bengal Excise Act, 1909	State excise duty	117.18	Nil	2012-13	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	126.00	Nil	2013-14	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	101.00	Nil	2014-15	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	197.00	Nil	2015-16	West Bengal Taxation Tribunal
West Bengal Molasses Control Act, 1973	State excise duty	43.34	15.00	2003-2006	High Court of Calcutta
West Bengal Molasses Control Act, 1973	State excise duty	14.65	Nil	2008	High Court of Calcutta
The Customs Act, 1962	Customs duty	38.02	Nil	2013-14	Commissioner of Customs (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details 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.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

per Anamitra Das
Partner
Membership No. 062191

Place : Kolkata
Date : 17th May, 2017

Annexure B to the Independent Auditor's Report of even date to the members of IFB Agro Industries Limited, on the financial statements for the year ended 31 March 2017**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the financial statements of IFB Agro Industries Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

per Anamitra Das
Partner
Membership No.: 062191

Place : Kolkata

Date : 17th May, 2017

Balance Sheet as at 31st March, 2017

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	936.71	936.71
Reserves and surplus	3	27,364.60	24,158.32
		28,301.31	25,095.03
Non-current liabilities			
Long-term borrowings	4	3,073.82	4,342.75
Deferred tax liabilities, net	5	1,767.42	1,606.97
Other long term liabilities	6	606.45	635.40
Long-term provisions	7	13.01	223.46
		5,460.70	6,808.58
Current liabilities			
Trade payables			
– Dues to micro small and medium enterprises	8	396.50	77.60
– Dues to creditors other than micro small and medium enterprises		1,955.54	2,244.50
Other current liabilities	9	3,175.29	2,464.47
		5,527.33	4,786.57
Total		39,289.34	36,690.18
ASSETS			
Non-current assets			
Fixed assets			
– Tangible assets	10	14,055.68	14,463.98
– Capital work-in-progress		166.49	19.99
Non-current investments	11	291.45	291.45
Long-term loans and advances	12	1,633.33	1,598.07
Other non-current assets	13	102.43	166.58
		16,249.38	16,540.07
Current assets			
Current investments	14	11,773.39	8,796.68
Inventories	15	4,168.49	4,400.41
Trade receivables	16	3,813.12	3,867.69
Cash and bank balances	17	1,315.07	1,373.14
Short-term loans and advances	18	1,528.80	1,530.80
Other current assets	19	441.09	181.39
		23,039.96	20,150.11
Total		39,289.34	36,690.18

Notes 1 to 42 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

per Anamitra Das

Partner

Membership No. 062191

Kolkata, 17th May, 2017

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman

Arup Kumar Banerjee
Vice Chairman and
Managing Director

Dipak Sen
Chief Financial Officer

Ritesh Agarwal
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2017

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
REVENUE			
Revenue from operations, gross	20	112,989.68	85,283.45
Less : Excise duty		(30,058.83)	(23,152.04)
Revenue from operations, net		82,930.85	62,131.41
Other income	21	1,295.01	672.31
Total revenue		84,225.86	62,803.72
EXPENSES			
Cost of materials consumed	22	41,760.96	31,072.67
Purchases of stock in trade	23	22,012.69	14,426.47
Changes in inventories of finished goods, work-in-progress and stock in trade	24	(579.85)	(277.45)
Employee benefits expense	25	3,941.30	3,087.96
Finance costs	26	173.92	136.23
Depreciation and amortisation expense	10	2,032.58	2,170.23
Other expenses	27	10,861.93	8,575.63
Total expenses		80,203.53	59,191.74
Profit before tax		4,022.33	3,611.98
Tax expense			
Current tax		837.66	939.24
Deferred tax		160.45	(142.65)
Tax - earlier years		(182.06)	(117.15)
		816.05	679.44
Profit after tax		3,206.28	2,932.54
Earnings per equity share of ₹ 10 paid up per share			
Basic and diluted	28	34.23	31.31

Notes 1 to 42 form an integral part of this financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

per Anamitra Das

Partner

Membership No. 062191

Kolkata, 17th May, 2017

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman

Arup Kumar Banerjee
Vice Chairman and
Managing Director

Dipak Sen
Chief Financial Officer

Ritesh Agarwal
Company Secretary

Cash Flow Statement for the Year ended 31st March, 2017

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash Flow from operating activities :		
Profit before tax	4,022.33	3,611.98
<i>Adjustment for :</i>		
Depreciation, amortisation and impairment	2,032.58	2,170.23
Net gain on foreign currency transactions and translations	(13.46)	-
Bad debts/advances written off	7.92	14.54
Bad debts/receivables provided	42.17	252.79
Provision for doubtful debts written back	(136.30)	(15.00)
Gain on sale of fixed assets, net	(14.45)	(31.37)
Profit on sale of investment	(668.35)	(279.31)
Deferred income (Capital subsidy)	(10.13)	-
Liability no longer required, written back	(152.42)	(33.56)
Interest income	(90.25)	(43.07)
Interest and other finance costs	173.92	136.23
	5,193.56	5,783.46
Operating profit before working capital changes		
<i>Adjustment for :</i>		
Decrease in inventories	231.92	8.12
(Increase)/decrease in trade receivables	35.18	(1,456.12)
(Increase)/decrease in loans and advances and other assets	199.81	(1,051.85)
Increase in trade payable	182.36	655.60
Increase/(decrease) in other liabilities and provisions	(168.36)	688.13
	5,674.47	4,627.34
Cash generated from operation	(863.04)	(1,021.05)
Income taxes paid		
Net cash generated from operating activities (A)	4,811.43	3,606.29
B. Cash Flow from investing activities		
Addition to fixed assets (including capital work in progress), net	(2,078.53)	(4,502.89)
Sale of fixed assets	115.21	60.90
Capital subsidy received	50.00	-
Purchase of investments	(23,395.65)	(27,275.00)
Sale of investments	21,087.30	18,762.35
(Increase)/decrease in deposits with bank	(504.74)	37.81
Interest received	58.82	43.07
	(4,667.59)	(12,873.76)
Net cash used in investing activities (B)		
C. Cash Flow from financing activities		
Repayment of long term borrowings	(636.31)	4,908.00
Proceeds from long term borrowings	39.90	-
Interest and other finance cost	(174.04)	(56.87)
	(770.45)	4,851.13
Net cash generated from/ (used in) financing activities (C)		
Net decrease in cash and cash equivalents (A+B+C)	(626.61)	(4,416.34)
Cash and cash equivalents as at the beginning of the year	1,373.14	5,789.48
Cash and cash equivalents as at the end of the year	746.53	1,373.14
Notes 1:		
Cash and bank balances as per Note 17	1,315.07	1,373.14
Less: Other bank balances	568.54	-
Cash and cash equivalents considered for cash flow	746.53	1,373.14

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013
per Anamitra Das
Partner
Membership No. 062191
Kolkata, 17th May, 2017

For and on behalf of the Board of Directors

Bikram Nag Joint Executive Chairman	Arup Kumar Banerjee Vice Chairman and Managing Director
Dipak Sen Chief Financial Officer	Ritesh Agarwal Company Secretary

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lacs, unless otherwise stated)

1.1 Background and Nature of Operations

IFB Agro Industries Limited (the “Company”) is engaged in the business of manufacturing alcohol, bottling of branded alcoholic beverages as well as processed and packed marine foods both for domestic and export markets. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

1.2 Basis of preparation

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India (“Indian GAAP”) and comply in all material respects with the mandatory Accounting Standards (“AS”) prescribed under section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act and pronouncements of the Institute of Chartered Accountants of India (ICAI). The financial statements have been prepared on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Significant Accounting Policies

a) Use of Estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

b) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of products

Revenue from sale of products is recognized in the accounts on passing of title to the goods. Gross sales are inclusive of excise duty but are net of trade discounts, where applicable.

ii) Dividend

Dividend income is recognized and accounted for when the right to receive payment is established.

iii) Interest income on loans/deposits

Interest income on loans/deposits is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Benefit under export incentive / duty drawback scheme

Revenue in respect of export incentive scheme including duty drawback scheme is recognized when the entitlement to receive the benefit is established.

v) Insurance and other claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Subsequent expenditures, if any, related to an item of fixed assets are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

d) Depreciation

Depreciation on fixed assets is provided on written down value method over the useful lives of assets prescribed under Schedule II of the Act. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation. Written down value of all assets acquired prior to 1st April 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act. Plant and machinery of bottling units are being depreciated considering a useful life of 20 years based on technical evaluation.

Depreciation on leasehold improvements is provided over their respective lease period or estimated useful life of lease assets whichever is shorter.

e) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions are complied. When the grant or subsidy relates to a revenue item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to a capital asset, it is initially recorded as deferred revenue income and subsequently recognized as income in the statement of profit and loss, over the useful life of the related asset.

f) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

g) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Non-current investment is carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

i) Inventories

Raw materials, work-in-progress, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost of Inventories is computed on a weighted average/FIFO basis.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

j) Foreign Currency Transactions

Transactions in foreign currency are recognized at the rates of exchange prevailing on the dates of the transactions.

Liabilities/ assets in foreign currencies are reckoned in the accounts as per the following principles:

Exchange differences arising on a monetary item for the purchase of depreciable asset is added to/ deducted from the value of the asset and is depreciated over the life of the asset as per the notification in "Gazette of India" dated 31.3.2009 vide G.S.R. 225(E) read with G.S.R. 913(E) dated 29.12.2011.

Exchange differences in respect of all other monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/ losses arising there from are adjusted to the statement of profit and loss, except those covered by forward contracted rates where the premium or discount arising at the inception of such forward exchange contract is amortized as expense or income over the life of the contract.

Exchange differences on forward contracts are recognized in the Statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognized as income or expense for the year.

For forward exchange contracts and other derivatives that are not covered by AS 11 'The Effects of Changes in Foreign Exchange Rates', the Company follows the guidance in the announcement of the Institute of Chartered Accountants of India (ICAI) dated 29 March, 2008, whereby for each category of derivatives, the Company records any net mark-to-market losses. Net mark-to-market gains are not recorded for such derivatives.

k) Employee Retirement Benefits:

i) Defined Contribution Plans:

The Company provides Defined Contribution Plans for post employment benefits in the form of Provident Fund and Superannuation Fund administered by Regional Provident Fund Commissioner and Life Insurance Corporation respectively. The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss as and when incurred. Provident Fund and Superannuation Fund are classified as defined contribution plans as the Company has no further obligation beyond making the contributions.

ii) Defined Benefit Plans:

Liability for compensated absence and gratuity is provided on the basis of valuation as at the Balance Sheet date carried out by independent actuary. Projected Unit Credit (PUC) actuarial method is used to measure the Plan liabilities, including those to death-in-service and incapacity benefits. The plan liability is the actuarial present value of the 'projected accrued benefits' as of the beginning of the year for active members.

Termination benefits are recognised as an expense as and when incurred. Actuarial gains and losses arising during the year are recognised in the Statement of profit and loss of the year.

l) Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the statement of profit and loss on a straight line basis over the lease term.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

m) Accounting for Taxes on Income

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of the Income-tax Act, 1961 (“IT Act”). The Company accounts for tax credit in respect of Minimum Alternate Tax (“MAT”) in situations where the MAT payable is higher than tax payable under normal provisions of the IT Act. The credit so availed is adjusted in future years when the tax under normal provisions is higher than MAT payable to the extent of the said difference.

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/ virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n) Provisions, Contingent Liabilities and Contingent Assets

- i) A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.
- iii) Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

o) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further,

- a) Inter segment revenue has been accounted for based on the transactions price agreed to between segments which is primarily market based.
- b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under “Un-allocated expenses net of un-allocated income”.

p) Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split.

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

q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and demand deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible into known amounts of cash to be cash equivalents.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2017		As at 31 March 2016	
	Number	Amounts	Number	Amounts
2 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	12,000,000	1,200.00	12,000,000	1,200.00
	12,000,000	1,200.00	12,000,000	1,200.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	9,367,111	936.71	9,367,111	936.71
	9,367,111	936.71	9,367,111	936.71

- i) There is no movement in the Equity share capital during the current and comparative period.
- ii) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.
- iii) **Details of shareholders holding more than 5% of the aggregate shares in the Company**

	Number	Holding %	Number	Holding %
Equity shares of ₹ 10 each				
IFB Automotive Private Limited	3,602,900	38.46	3,602,900	38.46
Nurpur Gases Private Limited	785,543	8.39	785,543	8.39
SICGIL India Limited	683,100	7.29	678,150	7.24
	5,071,543	54.14	5,066,593	54.09

iv) **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Such holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings. During this financial year the Company has not proposed/declared any dividend. However, if any dividend is proposed by the Board of Directors, it will be subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

	As at 31 March 2017	As at 31 March 2016
3 Reserves and surplus		
i) Capital reserves	7.77	7.77
ii) Securities premium account	3,193.72	3,193.72
iii) General reserve	284.94	284.94
iv) Surplus in the statement of profit and loss		
Balance at the beginning of the year	20,671.89	17,739.35
Add : Transferred from statement of profit and loss	3,206.28	2,932.54
Balance at the end of the year	23,878.17	20,671.89
	27,364.60	24,158.32

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>
4 Long term borrowings		
Secured term loan		
(i) From bank (external commercial borrowings)	4,255.03	4,963.14
(ii) From others (car loan)	39.51	-
Less: Current maturities of long term borrowings (referred to in note 9)	1,220.72	620.39
	<u>3,073.82</u>	<u>4,342.75</u>
a) Nature of security & terms of repayment for secured borrowings availed from the bank		
Nature of security: Term loan from bank (originally amounting to 7.5 million US dollars equivalent to ₹ 4,908.00 lacs) is secured by an exclusive charge on all present and future assets (plant and machinery and civil work) at Noorpur refinanced out of this loan and on other plant and machinery of the Company.		
Terms of repayment: Repayable in 14 stipulated periodic instalments commencing from 31 December 2016 and ending on 31 January 2020 and carries an interest rate of 3 months libor plus 225 basis points. As on 31 March 2017, 2 installments amounting to 0.94 million US dollars equivalent to ₹ 613.50 lacs (excluding foreign exchange loss of ₹ 22.42 lacs) has been repaid.		
b) Nature of security and terms of repayment for other secured borrowings		
Nature of security: Car loan (originally amounting to ₹ 39.90 lacs) is secured by hypothecation of the motor car financed out of this loan.		
Terms of repayment: Repayable in 36 monthly instalments commencing from 03 March 2017. It carries an interest rate of 11.60% p.a. on monthly reducing balance. First 35 EMIs are of ₹ 0.78 lacs each. Company has an option either to pay the 36th EMI of ₹ 23.94 lacs or to surrender the car to the finance company.		
5 Deferred tax liabilities, net		
Deferred tax liabilities		
Timing difference on fixed assets depreciation and impairment	2,015.92	1,894.40
	<u>2,015.92</u>	<u>1,894.40</u>
Deferred tax assets		
Provision for employee benefits	(29.74)	(80.37)
Provision for doubtful debts and advances and other unascertained liabilities	(204.96)	(193.15)
Voluntary retirement scheme payments	-	(13.91)
Deferred revenue income for government grant	(13.80)	-
	<u>(248.50)</u>	<u>(287.43)</u>
Net deferred tax liability	<u>1,767.42</u>	<u>1,606.97</u>
6 Other long term liabilities		
Security deposits (Note 1)	566.58	635.40
Deferred revenue income (Note 2)	39.87	-
	<u>606.45</u>	<u>635.40</u>

Note: 1

Security deposit includes an amount of ₹ 240.02 lacs (Previous Year ₹ 240.02 lacs) obtained as a part of sale and lease back agreement entered into by the Company with Rajasthan State Electricity Board (RSEB) which expired on 28 February 2004. In terms of the said agreement, the residual value of the assets under lease acquired and leased back to RSEB (under physical possession of RSEB) is required to be adjusted against the corresponding amount of security deposit as mentioned above. Company's appeal towards certain claims against RSEB is pending before the Hon'ble Jaipur High Court.

Note: 2

Deferred revenue income represents capital subsidy of ₹ 50 lacs received by the Company on 30 December 2016 from Ministry of New and Renewable Energy (MNRE), Government of India, in respect of its 2.5 MW co-generative power plant commissioned on 28 March 2014. An amount of ₹ 10.13 lacs has been recognised as income for the current year.

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>
7 Long term provisions		
Provisions for employee benefits		
Provision for compensated absences	13.01	116.32
Provision for gratuity	-	107.14
	<u>13.01</u>	<u>223.46</u>
8		
The Company has identified micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) on the basis of information made available by the respective suppliers or vendors of the Company. Based on the information available with the Company and copy of registration certificates received, as at the year end ₹ 396.50 lacs is dues to micro, small and medium enterprises (previous year ₹ 77.60 lacs). During the year there has been no delay in payment to MSMEDA creditors beyond the period of 30 days and hence no interest is payable on the same.		
9 Other current liabilities	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>
Current maturities of long term borrowings	1,220.72	620.39
Interest accrued but not due on borrowings	24.09	24.21
Advance from customers	140.67	143.16
Creditors for capital expenditure	272.35	272.66
Statutory dues	216.21	243.67
Liabilities for expenses	1,301.25	1,160.38
	<u>3,175.29</u>	<u>2,464.47</u>

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

10 Tangible Assets

Particulars	Gross block			Depreciation/ Amortisation			Impairment			Net block			
	As at 01 April 2016	Additions during the year	Sales/ adjustments during the year	As at 31 March 2017	Upto 01 April 2016	For the year	Sales/ adjustments during the year	Upto 31 March 2017	As at 01 April 2016	Additions during the year	Reversals during the year	As at 31 March 2017	As at 31 March 2016
Owned:													
Freehold land	437.86	3.55	44.60	396.81	-	-	-	-	-	-	-	396.81	437.86
Buildings	3,904.35	207.34	1.51	4,110.18	1,762.24	228.86	1.06	1,990.04	42.83	-	42.83	2,077.31	2,099.28
Plant and machinery	20,367.73	1,392.10	1,250.38	20,509.45	8,378.26	1,724.09	865.00	9,237.35	511.95	-	333.89	11,094.04	11,477.52
Furniture and fixtures	188.20	9.51	15.24	182.47	157.28	10.59	14.62	153.25	-	-	-	29.22	30.92
Office equipment	267.72	55.16	5.80	317.08	205.06	47.17	4.78	247.45	-	-	-	69.63	62.66
Vehicles	193.74	57.37	12.99	238.12	144.64	20.38	10.42	154.60	-	-	-	83.52	49.10
Assets under lease:													
Land	131.74	-	-	131.74	65.12	1.49	-	66.61	-	-	-	65.13	66.62
Plant and machinery	601.55	-	-	601.55	361.53	-	-	361.53	-	-	-	240.02	240.02
Total	26,092.89	1,725.03	1,330.52	26,487.40	11,074.13	2,032.58	895.88	12,210.83	554.78	-	333.89	14,055.68	14,463.98
Previous period	21,536.24	4,860.70	303.95	26,092.89	9,608.03	1,740.54	274.44	11,074.13	125.09	429.69	-	554.78	14,463.98

- The factory buildings at Noorpur and Dankuni, West Bengal have been constructed on land taken on lease/rent from related parties.
- Company's marine product processing plant at Kolkata has been erected on land obtained under lease for ninety nine years, valid upto 9 August 2093 through license from Kolkata Metropolitan Development Authority, for which formal lease deed is yet to be executed.
- Plant & machinery includes electrical installation and laboratory equipment.
- Out of total value of Building, ₹ 3,254.42 lacs (previous year ₹ 3,251.03 lacs) has been constructed on leasehold land.
- Land under lease represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortised over the period of lease.
- The Company, based on technical evaluation, has assessed and concluded that none of the components of fixed assets have an useful life which is different from that of the principal asset.
- Some items of plant and machinery, which were impaired in the previous year, have been sold/discarded during the year. Provision held towards such impaired assets amounting to ₹ 333.89 lacs has been reversed during the year and adjusted with the profit on sale of fixed assets. An amount of ₹ 27.98 lacs has been recognised in the statement of profit and loss as profit on sale of such assets.

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
11 Non-current investments (other than trade) (Valued at cost unless stated otherwise)		
Investment in equity instruments (fully paid) - quoted		
CPL Projects Limited	1.85	1.85
90,000 shares (Previous year 90,000 shares) of ₹ 10 each		
IFB Industries Limited	11.31	11.31
172,733 shares (Previous year 172,733 shares) of ₹ 10 each		
	<u>13.16</u>	<u>13.16</u>
Investment in equity instruments (fully paid) - unquoted		
Zenith Investments Limited	2.60	2.60
260,000 shares (Previous year 260,000 shares) of ₹ 10 each		
Asansol Bottling and Packaging Company Private Limited	23.90	23.90
23,900 shares (Previous year 23,900 shares) of ₹ 100 each		
Nurpur Gases Private Limited	14.50	14.50
145,000 shares (Previous year 145,000 shares) of ₹ 10 each		
IFB Automotive Private Limited	237.29	237.29
955,998 shares (Previous year 955,998 shares) of ₹ 10 each		
	<u>278.29</u>	<u>278.29</u>
	<u>291.45</u>	<u>291.45</u>
Aggregate market value of Quoted Investments	1,113.91	550.97
	As at 31 March 2017	As at 31 March 2016
12 Long term loans and advances (Unsecured considered good)		
Capital advances	265.76	59.13
Security deposits	148.66	385.43
MAT credit entitlement	711.75	579.93
Advance tax paid (net of provisions)	118.79	43.17
Balance with Statutory/Government Authorities	3.58	-
Other loans and advances	384.79	530.41
	<u>1,633.33</u>	<u>1,598.07</u>

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

13 Other non-current assets	As at 31 March 2017	As at 31 March 2016
Bank deposits (refer note below)	78.16	141.96
Interest accrued but not due on bank deposit	24.27	24.62
	102.43	166.58
Note:		
Bank deposits for ₹ 78.16 lacs (previous year ₹ 141.96 lacs) is under lien with various Government Authorities.		
14 Current investments (valued at lower of cost and fair value)		
Investments in Mutual Funds - Unquoted		
Franklin India Low Duration Fund (Growth) 112,73,714 units of ₹ 10 each (Previous year - 31,49,924 units)	2,027.95	500.00
Franklin India Short Term Income Plan - Retail Plan- Growth 5,906 units of ₹ 1000 each (Previous year - nil)	200.00	-
ICICI Prudential Equity Arbitrage Fund (Growth) 24,87,031 units of ₹ 10 each (Previous year - nil)	540.95	-
ICICI Prudential Flexible Income- Growth Nil units of ₹ 10 each (Previous year - 3,60,215 units)	-	1,000.00
ICICI Prudential Savings Fund- Direct Plan (Growth) 6,95,168 units of ₹ 100 each (Previous year - 7,46,376 units)	1,700.00	1,700.00
Invesco Credit Opportunities Fund- Direct Plan Growth (CO- D1) Nil units of ₹ 1000 each (Previous year - 51,623 units)	-	900.00
Invesco India Ultra Short Term Fund - Growth (US-IG) 108,806 units of ₹ 1000 each (Previous year - nil)	2,450.00	-
Invesco Medium Term Bond Fund - Growth (MT-GP) 1,42,653 units of ₹ 1000 each (Previous year - 2,79,398 units)	2,354.49	4,186.94
Kotak Low Duration Fund Standard Growth (Regular Plan) 75,663 units of ₹ 1000 each (Previous year - nil)	1,500.00	-
Reliance Liquidity Fund- Growth Plan Nil units of ₹ 1000 each (Previous year - 23,034 units)	-	509.74
Reliance Medium Term Fund - Direct Growth Plan- Growth Option 28,94,297 units of ₹ 10 each (Previous year - nil)	1,000.00	-
	11,773.39	8,796.68
15 Inventories (valued at lower of cost and net realisable value)		
Raw materials and components	570.19	1,434.48
Work-in-progress	119.74	89.23
Finished goods	2,280.21	2,117.74
Finished goods in transit	163.86	-
Stock in trade	794.04	556.31
Stores and spares	240.45	202.65
	4,168.49	4,400.41

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
16 Trade receivables		
<u>Debts outstanding for a period exceeding six months from the date they are due for payment</u>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	283.20	338.40
	<u>283.20</u>	<u>338.40</u>
Less: Provision for doubtful debts	283.20	338.40
	-	-
<u>Other debts</u>		
Secured, considered good	1,107.39	1,143.47
Unsecured, considered good	2,705.73	2,724.22
Unsecured, considered doubtful	37.20	29.25
	<u>3,850.32</u>	<u>3,896.94</u>
Less: Provision for doubtful debts	37.20	29.25
	<u>3,813.12</u>	<u>3,867.69</u>
17 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	3.23	4.73
Cheques, drafts on hand	1.50	-
Balances with banks		
– current accounts	741.80	368.41
– deposit accounts (with original maturity less than 3 months)	-	1,000.00
Other bank balances		
– deposit accounts (with original maturity more than 3 months)	568.54	-
	<u>1,315.07</u>	<u>1,373.14</u>
18 Short term loans and advances		
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	204.69	180.90
Security deposits	3.34	-
Balance with statutory/government authorities	476.68	573.60
Advance to suppliers	220.18	409.77
Other advances	623.91	366.53
	<u>1,528.80</u>	<u>1,530.80</u>
19 Other current assets		
Receivable, considered doubtful	-	46.92
Less: Provision for doubtful debts	-	46.92
	-	-
Other receivables	405.73	177.81
Interest accrued but not due on fixed deposits	35.36	3.58
	<u>441.09</u>	<u>181.39</u>

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	<u>Year ended 31 March 2017</u>	<u>Year ended 31 March 2016</u>
20 Revenue from operations		
Sale of products		
Export	17,503.22	10,820.73
Domestic	93,260.74	73,424.24
Revenue from operations (gross)	110,763.96	84,244.97
Less : Excise duty	(30,058.83)	(23,152.04)
Revenue from operations (net)	80,705.13	61,092.93
Other operating revenue	2,225.72	1,038.48
	82,930.85	62,131.41
Details of products sold		
Manufactured goods		
- Spirit, liquor and spirituous beverages	62,206.21	50,613.32
- Marine products	21,017.88	14,192.20
- Others	3,392.42	2,921.87
	86,616.51	67,727.39
Traded goods		
- Marine feed and feed supplements	24,114.32	16,517.58
- Indian Made Indian Liquor (IMIL)	33.13	-
	110,763.96	84,244.97
21 Other income		
Interest income	90.25	43.07
Net gain on foreign currency transactions and translations	13.46	-
Insurance claim	2.14	-
Net gain on sale of current investments	668.35	279.31
Rental income	167.48	156.54
Provision for doubtful debts and receivables written back	136.30	15.00
Profit on sale of assets, net	14.45	31.37
Liabilities written back to the extent no longer required	152.42	33.56
Other miscellaneous income	50.16	113.46
	1,295.01	672.31

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2017		Year ended 31 March 2016	
22 Cost of materials consumed				
Opening stock		1,434.48		1,808.75
Add : Purchases during the year		40,896.67		30,698.40
Less : Closing stock		570.19		1,434.48
		41,760.96		31,072.67
a) Details of raw materials and components consumed				
Rice grain		13,655.94		7,392.37
Spirit *		2,774.97		5,673.82
Marine products		18,919.32		12,429.02
Others **		6,410.73		5,577.46
		41,760.96		31,072.67
* Spirit costs includes bottling fees imposed by the West Bengal State Excise Department				
** Other materials include chemicals, bottles and other packing materials etc.				
b) Value of imported and indigenous raw materials, stores and spare parts consumed				
	Year ended 31 March 2017		Year ended 31 March 2016	
Raw materials	Amount	% of consumption	Amount	% of consumption
Imported	129.03	0.31	116.04	0.37
Indigenous	41,631.93	99.69	30,956.13	99.63
	41,760.96	100.00	31,072.67	100.00
Stores and spare parts				
Imported	16.98	4.64	8.44	2.94
Indigenous	348.90	95.36	278.50	97.06
	365.88	100.00	286.94	100.00
	Year ended 31 March 2017		Year ended 31 March 2016	
23 Purchases of stock-in-trade				
Marine feed and feed supplements		21,978.68		14,426.47
Indian Made Indian Liquor (IMIL)		34.01		-
		22,012.69		14,426.47
24 Changes in inventories of finished goods, work-in-progress and stock-in-trade				
Opening stock				
- Manufactured goods		2,117.74		1,609.65
- Work-in-progress		89.23		78.53
- Stock in trade		556.31		690.35
		2,763.28		2,378.53
Closing stock				
- Manufactured goods (including stock in transit)		2,444.07		2,117.74
- Work-in-progress		119.74		89.23
- Stock in trade		794.04		556.31
		3,357.85		2,763.28
Excise duty on stock		(14.72)		(107.30)
		(579.85)		(277.45)

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	<u>Year ended 31 March 2017</u>	<u>Year ended 31 March 2016</u>
25 Employee benefits expense		
Salaries, wages and bonus	3,127.08	2,398.84
Contribution to provident and other funds	530.97	406.69
Staff welfare expenses	283.25	282.43
	<u>3,941.30</u>	<u>3,087.96</u>
26 Finance costs		
Interest expense	173.92	70.70
Other borrowing costs	-	10.39
Net loss on foreign currency translation	-	55.14
	<u>173.92</u>	<u>136.23</u>
27 Other expenses		
Consumption of stores and spare parts	365.88	286.94
Power and fuel	3,029.53	2,044.74
Rent	209.20	150.54
Repairs to buildings	99.64	88.43
Repairs to plant and machinery	103.74	67.42
Repair others	84.70	84.74
Insurance	285.01	201.49
Rates and taxes	218.50	181.85
Corporate social responsibility expenses	51.06	21.40
Manufacturing tie up payments	169.70	28.27
Office expenses	1,162.79	897.92
Travelling and conveyance	435.02	386.09
Freight outward	1,310.67	1,182.79
Contract services	2,062.07	1,595.31
Payment to auditor (refer note 27a)	28.45	28.77
Advertisement and sales promotion expenses	722.64	572.10
Bad debts written off	7.92	14.54
Provision for doubtful debts and advances	42.17	252.79
Loss on foreign currency transactions and translations (net)	-	16.63
Miscellaneous expenses	473.24	472.87
	<u>10,861.93</u>	<u>8,575.63</u>
27a. Payments to auditor (inclusive of service tax)		
As auditor		
Statutory audit fee	9.20	8.59
Limited review fee	10.35	8.56
Tax audit fee	1.16	1.15
Others	4.83	9.23
Reimbursement of expenses	2.91	1.24
	<u>28.45</u>	<u>28.77</u>

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	<u>Year ended 31 March 2017</u>	<u>Year ended 31 March 2016</u>		
28 Earnings per share (EPS)				
Net profit after tax as per statement of profit and loss (₹)	3,206.28	2,932.54		
Weighted average number of equity shares	9,367,111	9,367,111		
Basic and diluted earnings per equity share (face value of ₹10 each)	34.23	31.31		
29 Value of imports calculated on CIF basis				
-Raw materials	136.53	121.54		
-Components and spare parts	16.99	8.44		
-Capital goods	273.11	142.57		
30 Expenditure in foreign currency:				
- Interest	172.16	65.37		
- Commission on export sales	32.80	51.38		
- Professional and consultancy fees	27.25	10.98		
- Testing fees	1.90	-		
- Travelling	83.75	68.12		
- Insurance	118.12	60.75		
31 Earnings in foreign currency:				
- Sales (FOB value)	17,206.42	10,575.52		
32. Disclosures in accordance with revised AS-15 on 'Employee Benefits'				
A. Reconciliation of opening and closing balances of present value of defined benefit obligations				
	<u>31 March 2017</u>	<u>31 March 2016</u>		
	Gratuity	Leave		
	encashment	Gratuity		
	encashment	Leave		
	encashment	encashment		
Present value of obligation as at the beginning of the year	501.52	297.46	348.63	238.27
Current service cost	38.07	33.55	32.55	38.02
Interest cost	38.60	21.54	27.19	18.59
Actuarial losses	186.16	249.59	125.50	2.58
Benefits paid	(18.42)	(45.57)	(32.35)	-
Present value of obligation as at the end of the year	745.93	556.57	501.52	297.46

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)
32. Disclosures in accordance with revised AS-15 on 'Employee benefits' (Contd.)
B. Reconciliation of opening and closing balances of fair value of plan assets

	31 March 2017		31 March 2016	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Plan assets as at the beginning of the year	394.38	181.14	270.94	-
Expected return on plan assets	43.04	28.31	23.71	6.84
Actuarial gain/(loss) on plan assets	(10.21)	(11.02)	1.95	-
Actual company contributions	355.69	390.70	130.13	174.30
Benefits paid	(18.42)	(45.57)	(32.35)	-
Plan assets as at the end of the year	764.48	543.56	394.38	181.14

- Plan assets for gratuity and leave encashment scheme is funded with Life Insurance Corporation of India.
- Actuarial valuation of plan assets and expected rate of return on such plan assets has been done as at 31st March 2017.

C. Net asset/(liability) recognized in the balance sheet

	31 March 2017		31 March 2016	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of defined benefit obligation	745.93	556.57	501.52	297.46
Fair value of plan assets	764.48	543.56	394.38	181.14
Net asset/(liability)	18.55	(13.01)	(107.14)	(116.32)

D. Amount recognized in statement of profit and loss:
components of employer expense

Current service cost	38.07	33.55	32.55	38.02
Interest cost	38.60	21.54	27.19	18.59
Expected return on plan assets	(43.04)	(28.31)	(23.71)	(6.84)
Actuarial losses/(gains)	196.37	260.61	123.55	2.58
Total expense recognized in the statement of profit and loss	230.00	287.39	159.58	52.35

E. Principal actuarial assumptions used as at the balance sheet date:

Discount rate	6.90%	6.90%	7.84%	7.84%
Rate of increase in salaries	8%	8%	5%	5%
Expected average remaining working lives of employees (years)	18.34	18.34	19.30	19.30
Expected rate of return on plan assets	8%	8%	8%	8%
Mortality	IALM 06-08 Ultimate		IALM 06-08 Ultimate	
Withdrawal rate per annum	2%	2%	2%	2%

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

32. Disclosures in accordance with revised AS-15 on 'Employee Benefits' (Contd.)

F. Amount for the current year and previous four years (to the extent available):

	2016-17	2015-16	2014-15	2013-14	2012-13
Gratuity (funded)					
Present value of defined benefit obligation	745.93	501.52	348.63	295.82	251.71
Fair value of plan assets	764.48	394.38	270.94	221.94	216.35
Deficit/(surplus)	(18.55)	107.14	77.69	73.88	35.36
Experience adjustments plan assets	(10.21)	1.95	0.97	0.11	-
Experience adjustments plan liabilities	43.29	126.36	(24.43)	34.60	-
Leave encashment (funded from financial year 2015-16)					
Defined benefit obligation	556.57	297.46	238.27	97.49	88.71
Plan assets	543.56	181.14	-	-	-
Deficit	13.01	116.32	238.27	97.49	88.71
Experience adjustments plan assets	(11.02)	6.85	-	-	-
Experience adjustments plan liabilities	128.24	16.40	14.06	19.59	11.47

33. Segment Reporting

Primary Business Segment

	31 March 2017				31 March 2016			
	Spirit, Liquor, Spirituous Beverages	Marine	Unallocated	Total	Spirit, Liquor, Spirituous Beverages	Marine	Unallocated	Total
(i) Segment Revenue								
External sales	36,238.12	46,692.73	-	82,930.85	30,578.83	31,552.58	-	62,131.41
Inter-segment sales	3.41	-	-	3.41	6.25	-	-	6.25
Less: eliminations	(3.41)	-	-	(3.41)	(6.25)	-	-	(6.25)
Total revenue	36,238.12	46,692.73	-	82,930.85	30,578.83	31,552.58	-	62,131.41
(ii) Segment Results								
Profit before interest and tax	4,360.64	1,067.48	-	5,428.12	4,019.05	868.51	-	4,887.56
Unallocated expenses (net of unallocable income)	-	-	(1,322.12)	(1,322.12)	-	-	(1,182.42)	(1,182.42)
Finance cost	-	-	(173.92)	(173.92)	-	-	(136.23)	(136.23)
Interest income	-	-	90.25	90.25	-	-	43.07	43.07
Profit before tax	4,360.64	1,067.48	(1,405.79)	4,022.33	4,019.05	868.51	(1,275.58)	3,611.98
Tax expenses	-	-	816.05	816.05	-	-	679.44	679.44
Profit after tax				3,206.28				2,932.54

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)
33. Segment Reporting (Contd.)
Primary Business Segment

	Year ended 31 March 2017				Year ended 31 March 2016			
	Spirit, Liquor, Spirituous Beverages	Marine	Unlocated	Total	Spirit, Liquor, Spirituous Beverages	Unlocated	Marine	Total
(iii) Segment Assets	17,868.50	6,902.47	-	24,770.97	19,338.51	5,441.26	-	24,779.77
Unallocated	-	-	14,518.37	14,518.37	-	-	11,910.41	11,910.41
	17,868.50	6,902.47	14,518.37	39,289.34	19,338.51	5,441.26	11,910.41	36,690.18
(iv) Segment Liabilities	2,689.84	1,456.46	-	4,146.30	2,881.36	1,136.74	-	4,018.10
Unallocated	-	-	6,841.73	6,841.73	-	-	7,577.05	7,577.05
	2,689.84	1,456.46	6,841.73	10,988.03	2,881.36	1,136.74	7,577.05	11,595.15
(v) Capital Expenditure	1,640.00	127.46	-	1,767.46	4,730.37	83.78	-	4,814.15
Unallocated	-	-	104.05	104.05	-	-	10.02	10.02
	1,640.00	127.46	104.05	1,871.51	4,730.37	83.78	10.02	4,824.17
(vi) Depreciation/Amortisation	1,868.99	127.92	-	1,996.91	1,991.78	139.87	-	2,131.65
Unallocated	-	-	35.67	35.67	-	-	38.58	38.58
	1,868.99	127.92	35.67	2,032.58	1,991.78	139.87	38.58	2,170.23
(vii) Other non cash expenses	27.71	93.53	-	121.24	96.22	137.55	-	233.77
Unallocated	-	-	14.14	14.14	-	-	276.28	276.28
	27.71	93.53	14.14	135.38	96.22	137.55	276.28	510.05

Notes:

- The Company's operations are diversified into two main business segments, namely :
 - Spirit, Liquor and Spirituous Beverages comprising manufacturing of Extra Neutral Alcohol, Rectified Spirit and Indian Made Indian Liquor.
 - Marine, comprising Marine product processing, for sale in export and domestic markets and Marine Feed trading.
- Inter segment sales involves sale of dry ice by Distillery to Marine division at cost.

Geographical Segments

	31 March 2017			31 March 2016		
	Within India	Outside India	Total	Within India	Outside India	Total
(i) Segment Revenue	65,427.63	17,503.22	82,930.85	51,310.68	10,820.73	62,131.41
(ii) Segment Assets	37,810.92	1,478.42	39,289.34	35,355.35	1,334.83	36,690.18
(iii) Capital Expenditure	1,871.51	-	1,871.51	4,824.17	-	4,824.17

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

34. Related Party Disclosures

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, disclosures in respect of “Related Parties” are as follows:-

List of Related Parties:

Key Management Personnel (KMP):

Mr. Bijon Nag, Non Executive Chairman
Mr. Bikram Nag, Joint Executive Chairman
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director
Mr. Indranil Goho, Joint Managing Director
Mr. Dipak Sen, Chief Financial Officer
Mr. Ritesh Agarwal, Company Secretary and Chief Compliance Officer
Mr. Kanak Ghoshe, Assistant Vice President- Human Resource
Ms. Souravi Sinha, GM- Human Resource (Joined from 2nd January, 2017)
Mr. Sayandeep Chowdhury, Manager- Accounts
Mr. Sudip Das, DGM-Internal Audit
Dr. Janardan Anna Gore, President - New Project
Mr. Swapan Kumar Bayen, VP-Projects and Diversification (Distillery)
Mr. Santanu Ghosh, CGM- Plant Operations and Safety (Distillery)
Mr. Rana Chatterjee, Chief Financial Officer (Distillery)
Mr. Chinmoy Mishra, DGM- Plant Operations and Project (Distillery)
Mr. Debojyoti Bandopadhyay, DGM- CO2 Operations
Mr. Debashish Ghosh, AVP - Business Head (IMIL)
Mr. S.K. Kundu, DGM -Procurement and Market Development (IMIL)
Mr. Dipayan Basu, AGM- Accounts (IMIL)
Mr. Sanjoy Bhattacharya, AGM - Head - Panagarh (IMIL)
Mr. Supriyo Bandopadhyay, GM-Head- Dankuni (IMIL)
Mr. Debadideb Chandra, Manager -Head- Kandi (IMIL)
Mr. Nishu Jain, Deputy Manager - Finance and Accounts- Dankuni (IMIL)
Mr. Pratap Mukherjee, Chief Operating Officer - Marine (Resigned on 22nd February, 2017)
Mr. Soumitra Chakraborty, AGM - Supply Chain - Marine
Mr. Diprangshu Deb, Head-EXIM Desk (Retired on 31st December, 2016)
Mr. Aditya Narayan Kalle, GM- Project and Operations - Marine (Retired on 11th December, 2016)
Mr. Rajat Purkayastha, GM Finance - Marine Export (Ongole)
Mr. Rahul Dev Pathak, GM-National Sales Head (Marine Foods)
Mr. Sonjoy Banerjee, DGM- Finance and Accounts -Marine Foods (Joined from 21st October, 2016)
Mr. Soumen Basu Chowdhury, AGM-Marine Feed
Mr. Nilesh Soni, Senior Manager Finance - Marine Export (Kolkata)
Mr. Madan Dutta, Senior Manager- Marine Feed

Enterprises over which a KMP, directly or indirectly have a significant influence or control

Asansol Bottling and Packaging Company Private Limited
Travel Systems Limited
IFB Industries Limited
Special Drinks Private Limited

Note: Related parties' relationships as identified by the Company and relied upon by the Auditors.

Summary of significant accounting policies and other explanatory information (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)
34 Related Party Disclosures (Contd.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Transaction with related parties		
Purchase of goods		
IFB Industries Limited	0.57	25.44
	<u>0.57</u>	<u>25.44</u>
Sale of goods		
Asansol Bottling and Packaging Company Private Limited	7,113.43	5,346.64
Others	11.19	0.20
	<u>7,124.62</u>	<u>5,346.84</u>
Purchase of fixed assets		
IFB Industries Limited	8.52	6.70
	<u>8.52</u>	<u>6.70</u>
Receiving of services		
Travel Systems Limited	104.18	86.65
Others - rent and other annual maintenance charges	10.15	6.65
	<u>114.33</u>	<u>93.30</u>
Rent received		
IFB Industries Limited	16.40	35.52
Others	9.99	9.92
	<u>26.39</u>	<u>45.44</u>
Remuneration		
Mr. Arup Kumar Banerjee	186.29	188.36
Mr. Bikram Nag	109.09	112.09
Others	873.60	693.92
	<u>1,168.98</u>	<u>994.37</u>
Balance outstanding as at the end of the year		
Outstanding payable at year end		
IFB Industries Limited	38.96	32.46
	<u>38.96</u>	<u>32.46</u>
Security deposit outstanding at year end		
IFB Industries Limited	168.12	168.12
	<u>168.12</u>	<u>168.12</u>

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

35. Additional Information

Company has entered into arrangements with bottling units (“tie-up unit”) at Kandi and Purulia for production and marketing of its own IMIL brands. Production in premises of tie-up units in accordance with such arrangements is carried out under close supervision of the Company. The Company is also required to ensure adequate finance to the tie-up units wherever required. Though under this agreement, the production and sales are accounted for in the books of tie-up units, the Company promotes its brands through this arrangement. Accordingly, it is considered appropriate to disclose the following quantitative and value information for the financial year, as furnished by tie-up units.

i. Profit/(Loss) from tie-up operations

Particulars	Kandi		Purulia*	
	2016-17	2015-16	2016-17	2015-16
Net Sales	1,071.12	882.58	1,700.44	9.15
Cost of Sales	864.15	722.73	1,297.49	25.22
Gross Profit	206.97	159.85	402.95	(16.07)
Expenses	104.50	102.80	217.36	5.83
Gross Income/(loss)	102.47	57.05	185.59	(21.90)

Particulars	Kandi				Purulia			
	2016-17		2015-16		2016-17		2015-16	
	Quantity (bottles)	Value	Quantity (bottles)	Value	Quantity (bottles)	Value	Quantity (bottles)	Value
Opening Stock	0.36	13.90	0.01	0.46	1.05	13.44	-	-
Production	60.77	862.68	47.39	736.17	130.07	1,319.22	2.00	38.66
Sales	60.83	1,071.12	47.04	882.58	129.22	1,700.44	0.95	9.15
Closing Stock	0.30	12.42	0.36	13.90	1.89	35.17	1.05	13.44

* Tie-up bottling unit at Purulia started commercial production from February, 2016.

36. Unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at 31st March, 2017	As at 31st March, 2016
Trade Receivables	USD	22.81	12.82
Loan	USD	65.63	75.00
Mark to market losses/(gain) accounted for:			
- Trade Receivables	INR	45.00	25.30
- Loan	INR	(94.61)	55.14

37. In accordance with Accounting Standard 19 - 'Leases' issued by the Institute of Chartered Accountants of India (ICAI), the Company does not have any non cancellable operating lease.

38. Disclosure in respect of Corporate Social Responsibility under section 135 of the Companies Act, 2013 and Rules thereon

	As at 31st March, 2017	As at 31st March, 2016
(a) Gross amount required to be spent during the year:	74.01	71.54
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	51.06	21.40

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

39. Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November, 2016 to 30 December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.16	26.09	5.67	31.76
(+) Permitted receipts	-	74.51	74.51
(-) Permitted payments	-	66.04	66.04
(-) Amount deposited in Banks	26.09	4.46	30.55
Closing cash in hand as on 30.12.16	-	9.68	9.68

* SBN means old ₹ 1,000 and ₹ 500 notes which got discarded as legal tender w.e.f. 08 November, 2016

40. Contingent Liabilities

Claims against the company not acknowledged as debt	As at 31 March 2017	As at 31 March 2016
a) Assessment order issued under the Income Tax Act, 1961 for Assessment Year 2013-14 with additional tax liability raised on various grounds mentioned in such order. Company is of the considered view that none of these grounds are tenable and the matter is pending in appeal before the Commissioner of Income Tax (Appeal). Entire demand amount has already been adjusted against the excess advance tax paid for such year.	62.96	-
b) Show Cause Notice issued by Customs Department against Marine Division. The Company had filed suitable reply and also faced personal hearing. Adjudication order is still awaited. The Company is of the considered view that this demand is not sustainable.	210.53	210.53
c) Demand issued by State Excise Department for payment of duty being regarded by the Company as unsustainable. Matter is pending with Commissioner department of Excise, Government of West Bengal, West Bengal Taxation Tribunal and High Court of Calcutta.	869.79	672.79
d) Demand raised by Commercial Tax Department, West Bengal under West Bengal Sales Tax Act 1994 for Assessment Years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2012-13 and 2013-14 under Central Sales Tax Act 1956 for the years 2005-06 and 2007-08 and under West Bengal VAT Act 2003 for the years 2005-06, 2006-07, 2007-08 and 2008-09 for payment of taxes including interest and penalty which is not sustainable as per Company's considered view. Matter pending in appeal with the West Bengal Commercial Taxes Appellate and Revisional Board/ Additional Commissioner of Commercial Taxes, West Bengal.	2,832.46	2,695.95

41. Estimated amount of capital contracts remaining to be executed and not provided for, net of advances ₹ 153.03 lacs (Previous year ₹ 838.40 lacs).
42. Previous year's amounts have been regrouped/ rearranged wherever considered necessary to conform with the classification of current year.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013
per Anamitra Das
Partner
Membership No.: 062191
Kolkata, 17th May, 2017

For and on behalf of the Board of Directors

Bikram Nag
Joint Executive Chairman

Arup Kumar Banerjee
Vice Chairman and
Managing Director

Dipak Sen
Chief Financial Officer

Ritesh Agarwal
Company Secretary

Ten Years' Financial Summary

Rs in Lacs

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue from Operations (net)	19,833.50	27,617.45	27,794.97	44,998.26	58,462.93	46,232.08	50,688.55	59,505.35	62,131.41	82,930.85
PBDIT	1,785.89	2,847.13	1,738.68	3,627.58	5,116.58	5,071.69	6,988.42	4,470.22	5,918.44	6,228.83
PBIT	1,241.62	2,187.18	826.43	2,807.01	3,852.73	3,948.31	6,058.80	2,607.95	3,748.21	4,196.25
PBT	1,094.32	1,975.46	649.80	2,622.90	3,816.61	3,910.17	6,021.96	2,590.81	3,611.98	4,022.33
PAT	786.90	1,305.31	442.45	1,782.41	2,654.70	2,620.02	4,167.54	1,557.45	2,932.54	3,206.28
Net Fixed Assets	5,138.37	7,105.52	6,676.96	7,069.31	7,759.16	7,185.46	9,694.20	11,803.12	14,463.98	14,055.68
Earnings per Share	10.21	16.30	5.53	22.26	33.15	29.09	44.49	16.63	31.31	34.23
Book Value per Share	64.03	80.44	85.97	108.23	141.38	174.98	219.97	236.60	267.91	302.13
Operating Cash Flow	1,723.23	2,612.88	(60.20)	3,392.19	2,598.21	2,004.85	4,242.33	2,913.56	3,644.10	4,811.43
PBDIT %	9.00%	10.31%	6.26%	8.06%	8.75%	10.97%	13.79%	7.51%	9.53%	7.51%
Return on Capital Employed	22.77%	30.32%	10.72%	29.66%	32.35%	24.66%	31.23%	10.93%	12.08%	12.73%
Return on Net Worth	15.95%	20.27%	6.43%	20.57%	23.45%	16.63%	20.23%	7.03%	11.69%	11.33%
Asset Turnover Ratio	3.86	3.89	4.16	6.37	7.53	6.43	5.23	5.04	4.30	5.90



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