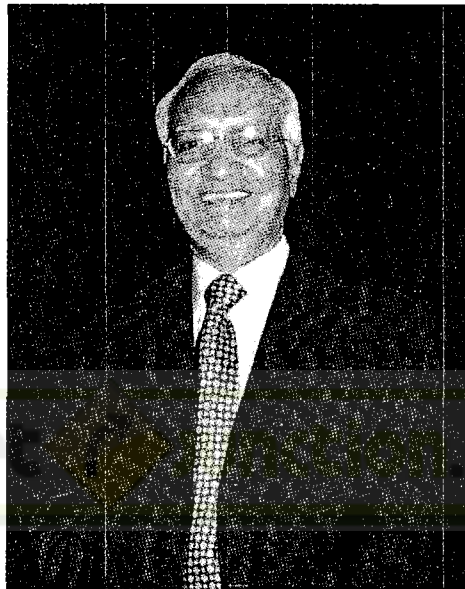




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IFB AGRO INDUSTRIES LIMITED

26th Annual Report 2007-2008



K Srinivasan
Vice Chairman
(29.11.1941 - 04.02.2008)

His integrity, values and vision will continue
to guide us forever.

■ BOARD OF DIRECTORS

Mr. Bijon Nag *Chairman*
 Mr. Bikramjit Nag *Executive Director*
 Mr. Arup Kumar Banerjee *Wholetime Director*

DIRECTORS

Mr. Nandan Bhattacharya
 Mr. Amitabha Kumar Nag
 Mr. Allen Lawrence
 Mr. H.R. Agarwal
 Mr. M.K. Vijay

■ WORKS

Noorpur, P.S. Diamond Harbour
 Dist. South 24 Parganas
 West Bengal

Durgapur
 Dist. Burdwan
 West Bengal

Serampore
 Dist. Hooghly
 West Bengal

■ GM - FINANCE & COMPANY SECRETARY

Mr. Rahul Choudhary
 Tel : (033) 3984-9627
 E-mail : complianceifbagro@ifbglobal.com

Maheshtala
 Dist. South 24 Parganas
 West Bengal

■ AUDITORS

Maheshwari & Associates
 Chartered Accountants

Marine Product Processing Plant
 Kasba Industrial Estate
 East Kolkata Township
 Kolkata - 700 107

■ BANKERS

Indian Overseas Bank
 State Bank of India
 HDFC Bank
 Axis Bank

■ REGISTERED OFFICE

Plot No. IND-5, Sector-1
 East Kolkata Township, Kolkata - 700 107
 Website : www.ifbagro.in

■ REGISTRAR & SHARE TRANSFER AGENT

(For both Physical & Dematerialised Shares)
 CB Management Services (P) Ltd.
 P-22, Bondel Road, Kolkata - 700 019
 Tel : 2280-6692-94, 2280-2486/2937
 E-mail : cbmsl1@cal2.vsnl.net.in

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Notice to the Members

Notice is hereby given that the Twenty Sixth Annual General Meeting of IFB Agro Industries Limited will be held on Friday the 29th day of August 2008, at 10.00 A.M. at Paschimbanga Bangla Academy, Rabindra Okakura Bhawan (Near City Centre), 27/A/1, D.D.Block, Sector-1, Salt Lake, Kolkata-700 064 to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts together with Reports of Auditors and Directors thereon for the year ended 31st March 2008.
2. To appoint a Director in place of Mr. Nandan Bhattacharya, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. A K Nag, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Maheshwari & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS :

5. To appoint a Director in place of Mr. Hari Ram Agarwal, who holds office upto the date of the Annual General Meeting by reason of Section 260 of the Companies Act, 1956, read with Article 83 of the Articles of Association of the Company, but, being eligible, offers himself for re-appointment and in respect of whom a notice has been received at the Registered Office of the Company by a Member signifying his intention to propose Mr. Hari Ram Agarwal as a candidate for the Office of Director under Section 257 of the said Act.
6. To appoint a Director in place of Mr. M.K.Vijay, who holds office upto the date of the Annual General Meeting by reason of Section 260 of the Companies Act, 1956, read with Article 83 of the Articles of Association of the Company, but, being eligible, offers himself for re-appointment and in respect of whom a notice has been received at the Registered Office of the Company by a Member signifying his intention to propose Mr. M.K.Vijay as a candidate for the Office of Director under Section 257 of the said Act.
7. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution :
 "RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), applicable rules, guidelines, regulations, notifications and circulars of the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") and other concerned and relevant authorities and enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, in accordance with the applicable provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("Guidelines") and subject to the consent, approval, permission or sanction of SEBI, RBI and any other bodies, authorities and institutions, as may be necessary and further subject to such terms and conditions as may be prescribed by any of them while granting any approval, consent, permission or sanction and considered appropriate by the Board of Directors (hereinafter referred to as "Board" which shall be deemed to include any committee which the Board may constitute to exercise its powers) at its absolute discretion, the Company is hereby accorded to create, offer, issue and allot upto 3,00,000 Equity shares of nominal value of Rs 10 each, on a preferential basis (hereinafter referred to as "Shares") to such companies, promoters, persons of management group, their respective friends, relatives, and associates ("Allottees") as the Board may decide in its absolute discretion, at a price of Rs. 67/- per share ("Consideration") which includes a premium of Rs.57/- per share calculated in accordance with the Guidelines for preferential allotment of equity shares and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment."

RESOLVED FURTHER THAT the 'relevant date' in relation to the issue and for the purposes of pricing of Equity shares in accordance with Explanation (a) to Clause 13.1.1 of the Guidelines would be, 30th day of July 2008, being the date 30 days prior to the date on which this meeting of the members is held."

RESOLVED FURTHER THAT the issue of Equity, if any, as above, shall be subject to the following terms and conditions:

1. The applicants for Equity shares shall, on or before the date of allotment, pay an amount equivalent to 100% of the consideration per share.
2. The equity shares so allotted shall rank pari passu, with existing equity shares of the Company.
3. The lock in of equity shares acquired by the Allottees shall be for a period of 3 years from the date of the allotment.
4. The equity shares acquired are transferable among the promoter/promoter group inter se in accordance with the provisions of the Guidelines.
5. The allotment of equity shares and creeping acquisition of share(s), if any, by promoters together shall not exceed 5% of the prevailing resultant share capital of the Company or such other limit as may be prescribed by appropriate authority from time to time during any financial year ending 31st March and that promoters shall comply with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as amended and prevailing from time to time.

“RESOLVED FURTHER THAT the Board be and is hereby authorised in its entire discretion to decide to proceed with the issue of the Equity shares, to finalise the list of Allottee(s) including the size and relative components of the same and for the purpose of giving effect to this issue or allotment of equity shares and to do all such acts, deeds, matters and things as it may deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares representing the same in any Indian Stock Exchanges with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in regard to any such issue, offer or allotment of equity shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid Resolution, the Board be and is hereby authorized to agree to, make and accept such conditions, modifications and alterations as may be stipulated by the relevant authorities and to take such actions as may be necessary, desirable or expedient to effect such modifications and alterations and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of equity shares and the underlying shares and to do all acts, deeds, matters and things as it may at its discretion consider necessary or desirable.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution.”

8. To appoint Mr. A.K.Banerjee as Managing Director of the Company.

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby accords its approval to the appointment of, and terms of remuneration of Mr. Arup Kumar Banerjee as Managing Director for a period of three years with effect from 30th July, 2008 on such terms and conditions as set out in Explanatory Statement, with liberty given to the Board of Directors to alter and vary the terms and conditions in such manner as may be agreed to by and between the Company and Mr. Arup Kumar Banerjee provided however, such alterations are within the maximum limits laid down in the Companies Act, 1956 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
Date : 30th day of July, 2008

Rahul Choudhary
GM - Finance & Company Secretary

NOTES:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Sl.No.5 to 8 above setting out the material facts related thereto is annexed hereto. The relevant details as required by clause 49 of the Listing Agreements entered into with stock exchanges, of persons seeking appointment as Directors under Item No 2 & 3 are also annexed.
2. The Register of Members and Share Transfer Registers of the Company will remain closed from 22/08/2008 to 29/08/2008 (both days inclusive).
3. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**

Proxies, in order to be effective, must be received at the Registered Office of the Company at least 48 hours before the meeting.

4. 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. Replies will be provided in respect of such written queries at the meeting only.
5. Consequent upon the amendment to Sec 205A, read with Sec 205C of the Companies Act 1956, the amount of applications money, Dividends etc remaining unclaimed for a period of seven years from the dates that they first became due for payment have been duly transferred to Investor Education and Protection Fund with Department of Company Affairs.
6. Members are requested to bring their copy of Annual Report to the Annual General Meeting.
7. Members/Proxies should bring the Attendance slip sent herewith, duly filled in, for attending the AGM.
8. Members are requested to :
 - a) notify immediately any change in their address to the Company.
 - b) bring their copy of Annual Report in the meeting.
 - c) bring duly filled in attendance slips sent herewith for attending the meeting
 - d) members holding shares in identical order of names in more than one Folio 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. CB Management Services (P) Limited is the Share Transfer Agent for shares in physical as well as dematerialized forms.

By Order of the Board

Rahul Choudhary

GM - Finance & Company Secretary

Registered Office :

Plot No. IND-5, Sector - 1

East Calcutta Township

Kolkata - 700 107

Date : 30th day of July, 2008

Annexure to the Notice

Item No. 2 & 3

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

Name of the Director	Mr. Nandan Bhattacharya	Mr. Amitabha Kumar Nag
Date of Birth	02.09.1940	23.06.1956
Nationality	Indian	Indian
Date of Appointment on the Board	03.09.1996	26.07.2003
Qualification	Electronic & Telecommunications Engineer	B.Com (H), M.Com., FCA
Experience in functional areas	Experience of over 35 years in different Industries. He was Managing Director of the West Bengal Electronics Industry Development Corporations Limited. He has also served on the Board of many reputed companies.	29 years of experience in Finance function
Shareholding in the Company	Nil	Nil
List of Directorship held in other Companies	Mгнаcon Electricals India Limited Mishanti Engineers Limited Cadworld Infosystems Limited Titagarh Wagons Limited	Nil
Committee Membership	Nil	Nil

Item No. 5

Mr. Hari Ram Agarwal, aged 45 years was appointed as an Additional Director on the Board of the Company with effect from 2nd June, 2008 in terms of Section 260 of the Companies Act, 1956 (the Act) and will hold office upto the date of conclusion of the ensuing Annual General Meeting of the Company.

The Company has received a valid notice and requisite deposit from a member of the company under section 257 of the Act, proposing candidature of Mr Agarwal as director.

Mr Agarwal is a Law graduate and a fellow member of Institute of Chartered Accountants of India as well as of the Institute of Company Secretaries of India. Mr Agarwal is an advisor in Accountancy and Income Tax matters to various body corporate.

He is also on board of many reputed companies like Aastha Broadcasting Network Ltd, Richfield Computers Limited and Silicon Valley Infotech Limited.

Your Directors recommend the resolution for approval of the members.

None of the Directors of the Company is in any way concerned or interested in the Resolution No.5 other than Mr Agarwal, which pertains to his appointment.

Item No. 6

Mr. Manoj Kumar Vijay, aged 42 years was appointed as an Additional Director on the Board of the Company with effect from 2nd June, 2008 in terms of Section 260 of the Companies Act, 1956 (the Act) and will hold office upto the date of conclusion of the ensuing Annual General Meeting of the Company.

The Company has received a valid notice and requisite deposit from a member of the company under section 257 of the Act, proposing candidature of Mr Vijay as director.

Mr Vijay is a Commerce Graduate with diploma in Multimedia Designing. Mr. Vijay has vast experience in Accounts and Finance.

He is also on board of many reputed companies like Usha Martin Agro Industries Limited, Usha Gases and Industries Limited, Shauma Vanijya Pratisthan Limited.

Your Directors recommend the resolution for approval of the members.

None of the Directors of the Company is in any way concerned or interested in the Resolution No.6 other than Mr Vijay, which pertains to his appointment.

Item No 7

The following further particulars/information is given in terms of the requirements of the aforesaid Chapter XIII of the Guidelines:

a) Objects of the Issue

In the long term interested of the Company and to meet the fund requirements for its capex plans, projects, long term working capital needs and general corporate purposes, the Company proposes to issue upto 3,00,000 Equity shares on preferential basis to the promoters group and its associates. The proposed issue and allotment of the equity shares as above require the approval of the members by a Special Resolution pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), applicable rules, guidelines, regulations, notifications and circulars of the Securities and Exchange Board of India ("SEBI"), and other concerned and relevant authorities and enabling provisions of the Memorandum and Articles of Association of the Company and provisions of the listing agreements entered into by the Company with the Stock Exchanges.

b) Number of Equity Shares and Issue Price

The Company proposes to issue upto 3,00,000 Equity shares of the Company, of the nominal value of Re 10 each at a premium of Rs 57/- per share totaling to an issue of Rs 2.01 crores in accordance with the provisions of Chapter XIII titled "Guidelines for Preferential Issues" of SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended (the "Guidelines") and for the purposes of the Guidelines, the relevant date is 30th day of July, 2008. The Subscriber(s) to Equity shares shall, on the date of allotment, pay an amount equivalent to 100% of the consideration per share.

c) Identity of the Proposed Allottee

In view of their association with the Company, the following company in the promoter group has expressed its intention to subscribe to the shares and the underlying equity shares to be offered pursuant to the Special Resolution covered in this Notice:

Sl. No.	Name of the Proposed Allottee	No. of equity shares to be subscribed	% of post Preferential Issued Capital
1.	IFB Automotive Pvt. Ltd.	3,00,000	3.75
	Total	3,00,000	3.75

d) Shareholding Pattern before and after the offer :

Sl. No.	Particulars	Pre-Issue		Post Issue	
		No. of Shares	% to capital	No. of Shares	% to capital
A	Promoter Holding				
	1. Indian Promoters	4102600	53.23	4402600	54.98
	2 Foreign Promoters	Nil	-	Nil	-
	3 Person Acting in concert	-	-	-	-
	Sub Total	4102600	53.23	4406000	54.98
B	Non Promoter				
	1. Institutional Investors				
	Mutual Funds/UTI, Financial Institution, Banks and Insurance Companies	126264	1.64	126264	1.58
	Sub Total	126264	1.64	126264	1.58
	2 Non-Institutional Investors				
	Bodies Corporate	1167134	15.14	1167134	14.58
	Indian Public	2242997	29.11	2242997	28.01
	Non Residents	61919	0.80	61919	0.77
	Sub Total	3478247	45.13	3478247	43.44
	Grand Total	7707111	100.00	8007111	100.00

Note : The above shareholding pattern has been prepared on the basis of the shareholding as on 26th day of July, 2008.

IFB AGRO INDUSTRIES LIMITED

e) **Intention of the Promoters/Promoters Group/Management Group**

The proposed Allottee has indicated their intention to subscribe the Equity shares.

f) **Proposed time limit within which the allotment shall be complete**

The Company will complete the allotment of the shares within 15 days from the date of passing of the aforesaid Special Resolution by the members, or the date, on which the Company obtained all applicable Governmental approvals for consummating transactions contemplated herein, whichever is later on receipt of 100% of the consideration for the shares.

g) **Auditors Certificate**

M/s Maheshwari & Associates, Chartered Accountants, the Statutory Auditors of the Company have certified that the preferential issue is being made in accordance with the requirements contained in the Guidelines. A copy of the certificate will be laid before the meeting for inspection by the shareholders.

Shareholders consent is sought pursuant to Section 81(1A) of the Companies Act, 1956 and in terms of the listing agreements of the Company with Stock Exchanges to the issue of the above Equity shares as set out in the Resolution.

The Special Resolution set out in item No. 7 of the convening Notice is recommended for approval of the Shareholders.

Memorandum of Interest

The Directors are deemed to be concerned and interested in the resolution to the extent of the number of shares that may be allotted to the company in which they are Directors/Members.

Item No. 8

Mr. Arup Kumar Banerjee a graduate in commerce from the Calcutta University having experience of more than 30 years in the industry. He joined the company in the year 1995 in managerial capacity. He was appointed as 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 for a period of three years from 28th July 2004, and from 27th July 2007. The Board of Directors in its meeting held on 30th July, 2008 on the recommendations of the Remuneration Committee appointed Mr. Banerjee as Managing Director for a period of 3 years w.e.f 30th July, 2008. The said appointment is subject to the approval of the members in the General Meeting. The terms and conditions of the reappointment including remuneration payable to Mr. Arup Kumar Banerjee are as follows :

1. Period of appointment : Three years effective from 30th July 2008.
2. Remuneration
 - a) Salary : Rs.1,75,000/- (Rupees One lac seventy five thousand only) per month with the liberty to the Board to review and set the level from time to time.
 - b) House Rent Allowance : Rs. 87,500/- (Rupees eighty seven thousand five hundred only) per month.
 - c) Commission : In addition to salary, perquisites and other allowances, one per cent commission based on net profit of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956.
 - d) Perquisites : Classified into three categories A, B and C restricted to an amount equal to the annual salary.

Part - A

- a) Medical Reimbursement : Actual medical expenses incurred by the Managing Director for self and members of his family.
- b) Leave Travel Allowance : For self and family once in a year incurred in accordance with the Rules of the Company.
- c) Club fees : At actuals excluding admission and life membership fees.
- d) Personal Accident Insurance : Premium not to exceed Rs. 15,000/- per annum.

Part - B

- i) Gratuity as per the scheme of the Company but not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.3,50,000/-.
- ii) Contribution to the Provident Fund, Superannuation Fund as per the scheme of the Company to the extent they either singly or put together are not taxable under the Income Tax Act 1961.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Part - C

The provision of car with driver for use on Company's Business and telephone at residence at the cost of the Company.

The terms and conditions of the said appointment and/or the Agreement are subject to the provisions of Section 198 and Section 309 of the Companies Act, 1956 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.

In compliance with the provisions of the Companies Act, 1956 the appointment and the terms of remuneration specified above are now being placed before the Members in the Annual General Meeting for their approval. The Board recommends passing of the Ordinary Resolution in the best interests of the Company.

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

No Director except Mr. Arup Kumar Banerjee is concerned or interested in the proposed resolution.

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By Order of the Board

Rahul Choudhary

GM - Finance & Company Secretary

Registered Office :

Plot No. IND-5, Sector - I

East Calcutta Township

Kolkata - 700 107

Date : 30th day of July, 2008