


 IFB

IFB INDUSTRIES LIMITED
ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS*Executive Chairman*

Mr. Bijon Nag

*Directors*Mr. P. K. Biswas (*Nominee of IDBI*)

Dr. Rathindra Nath Mitra

Mr. Somen Bal

Mr. Radharaman Bhattacharya

Mr. R. Muralidhar

Mr. K. M. Unnikrishnan

REGISTERED OFFICE

14, Taratolla Road

Kolkata – 700 088

Tel : (091) (33) 3048 9285, 3048 9299

Fax : (091) (33) 2401 4182, 2401 4579

E-mail : ifbi_legal@ifbglobal.com

CORPORATE OFFICE

Plot No. IND-5, Sector – I

East Kolkata Township

Kolkata – 700 107

Tel : (091) (33) 3984 9524

Fax : (091) (33) 3984 9676

E-mail : corp@ifbglobal.com

AUDIT COMMITTEE*Chairman*

Dr. Rathindra Nath Mitra

Members

Mr. P. K. Biswas

Mr. Radharaman Bhattacharya

Mr. Somen Bal

COMPANY SECRETARY

Mr. G. Ray Chowdhury

AUDITORS

Deloitte Haskins & Sells

*Chartered Accountants***REGISTRAR AND
SHARE TRANSFER AGENTS****CB Management Services (P) Ltd.**

P 22, Bondel Road, Kolkata - 700 019

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IFB INDUSTRIES LTD.

Regd. Office : 14, Taratolla Road
Kolkata – 700 088

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the members of IFB Industries Limited will be held at Eastern Zonal Cultural Centre, IA – 290, Sector III, Bidhannagar, Calcutta – 700 091 on Wednesday, the 6th day of August, 2008 at 10.00 a.m to transact the following :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March, 2008 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Radharaman Bhattacharya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K M Unnikrishnan who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification the following resolution as a special resolution :

“RESOLVED THAT M/s.Deloitte Haskins & Sells, Chartered Accountants be and is hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and the Board of Directors be and is hereby authorised to fix their remuneration and out of pocket expenses payable to them.”

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following resolutions as

5 AS A SPECIAL RESOLUTION

RESOLVED THAT in accordance with Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (“the Act”), the Securities and Exchange Board of India Act, 1992 (SEBI Act) including Guidelines for Preferential Issue of shares as issued from time to time and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time and /or any other provisions of any statute, rules or regulations for the time being in force, and subject to such other consent or approval of any other authority and subject to such conditions or modifications as may be considered necessary, proper or expedient and agreed to by the Board of Directors (hereinafter referred to as ‘the Board’ which term shall include any committee which the Board may have constituted or may hereafter constitute), consent of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis to the Promoters (individuals and bodies corporate) comprising the Promoter Group and hereinafter identified in the Explanatory Statement pursuant to Section 173(2) of the Act, 18,50,000 Equity Shares in the Company of the face value of Rs. 10/- each for cash at a price of Rs. 47/-per share (including premium of Rs 37/-) in accordance with the SEBI guidelines referred to hereinbefore.

That all the Equity Shares as and when allotted in terms of this resolution, shall rank in all respects, *pari passu* with the existing Equity Shares of the Company.

That the Board be and is hereby authorized to take necessary measures to seek the listing of such Equity Shares at the Stock Exchanges where the Company’s shares are presently listed.

That for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit and proper or desirable and necessary and to settle any question or doubt that may arise with regard to the offer, issue and allotment of the aforesaid Equity Shares.

6. SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 81, 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations / guidelines, prescribed by the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, including any statutory modification(s) or amendment of the Act and or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board'), which term shall be deemed to include any Committee including 'Compensation Committee' or any 'Sub Committee' thereof constituted by the Board to exercise its powers, (including the powers conferred by this resolution) to issue, offer, allocate and allot at any time and from time to time in one or more tranches, to such present and future employees and Directors of the Company (collectively referred to as the 'employees') as may be decided by the board under an 'EMPLOYEES STOCK PURCHASE SCHEME 2008' not exceeding ten percent of the issued and subscribed Share Capital of the Company as on 31st March, 2008, up to 1727344 equity shares of Rs.10/- each (as adjusted for any bonus, consolidation or other re-organisation of the capital structure of the Company from time to time) at such price, including at discount and on such terms and conditions as may be fixed by the Board, to or for the benefit of the employees of the Company (including Independent Directors, non-executive directors of the Company as may be determined by the Compensation Committee of the Company) under a Scheme titled "EMPLOYEES STOCK PURCHASE SCHEME-2008" (hereinafter referred to as the "ESPS 2008") to be evolved in this regard.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid resolution shall in all respects rank pari passu inter-se as also with the then existing equity shares of the Company including dividend entitlement.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies set out in Clause 19.2 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 with subsequent amendments, if any.

RESOLVED FURTHER THAT to determine all other terms and conditions for the purpose of giving effect to any offer, issue or allotment of equity shares or securities or instruments representing the same, as described above, under ESPS 2008, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard to such issue(s) or allotment(s) including to amend or modify any of the terms of such issue or allotment(s).

RESOLVED FURTHER THAT with regard to ESPS 2008, the Board be and is hereby authorised to delegate all or any of its powers to any Sub Committee consisting of one or more Officers/Directors of the Company and such Sub Committee shall report periodically to the Board/Compensation Committee.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps to seek the listing of the Equity Shares allotted under the Employee Stock Purchase Scheme at the Stock Exchanges where Company's shares are presently listed.

Registered Office :
14, Taratolla Road
Kolkata - 700 088
Date : 9th July, 2008

By Order of the Board

G Ray Chowdhury
Company Secretary

NOTES :

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy, to attend and vote on a poll on his behalf and such a proxy need not be a member of the Company. Proxies in order to be effective must be deposited at the Registered Office or with the Registrars and Share Transfer Agents of the Company, M/s CB Management Services (P) Ltd. , not less than 48 hours before the meeting.
- ii) The Registrar of Members of the Company and the Share Transfer Registers shall remain closed on from August 4, 2008 to August 6, 2008 (both days inclusive).
- iii) The members are requested to
 - a) notify immediately any change in their address to the Company.
 - b) bring their copy of the Annual Report to the meeting.
 - c) write to the Company's Registrar & Share Transfer Agents, M/s CB Management Services (P) Ltd enclosing their share certificates for consolidation into one folio for better investor service, if they have more than one folio in identical order of name(s).
- iv) Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors, recommended by the Board of Directors for appointment/ reappointment at the Annual General Meeting is appearing in the Corporate Governance Report.
- iv) Explanatory Statements under Section 173(2) of the Companies Act, 1956 for resolution nos. 4 to 6 are annexed hereto.

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

Resolution No. 4

As the Company is a widely held Company and its shares are traded on the Stock Exchanges regularly, a part of its share capital is sometimes held by the financial institutions who now routinely invest in the stock market. As this may sometime attract the provisions of Section 224A of the Companies Act, 1956, the Company proposes to appoint the Auditors by Special Resolution as abundant precaution.

The Board recommends passing of this Special Resolution.

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

Resolution No. 5

In view of working capital requirement and proposed capital investment of the Company, it has become necessary for the promoters to bring fund immediately through the route of preferential issue.

The resolution for the proposed preferential offer of 18,50,000 Equity Shares to the Promoters (the offer) in accordance with Section 81(1A) is placed for your consent. The Directors recommend passing of the resolution. None of the Directors except Mr. Bijon Nag, Chairman as a Promoter is concerned or interested in the resolution.

The Promoter Group subscribing to the preferential issue is identified hereinafter and consequent to the acceptance in full of the proposed offer, by the said Promoter Group and after the Company issues and allots 18,50,000 Equity Shares, the Promoter Group will own 53.50% and Public (including Mutual Fund and others) the balance 46.50 % of the total post preferential Issue Paid up Equity Share Capital of the Company. The Promoters named in the Table 'A' annexed to and forming part of this Explanatory Statement intend to subscribe to the said Offer. The promoters other than those identified in the said Table 'A' do not intend to subscribe to the Offer.

As per SEBI Guidelines on preferential issue, "the issue of shares on a preferential basis can be made at a price not less than the higher of the following :

- i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;
- or
- ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

Explanation :

"The relevant date", for the purpose of calculating such issue price, is defined to mean "the date thirty days prior to the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Act to consider the proposed issue"

"Stock Exchange" for the purpose of this clause means any of the recognised Stock Exchanges in which the shares are listed and in which the highest volume in respect of the Shares of the Company has been recorded during the preceding six months prior to the relevant date.

Accordingly the relevant date for calculating the issue price of the Equity Shares is 7th July 2008 average price in accordance with the aforesaid guidelines comes to Rs. 46.20. per share. The Promoter group has agreed to subscribe to the issue at Rs 47/- per share which is above the said average price. A copy of the certificate of the Statutory Auditor that the issue price of Rs47/- per share is in accordance with the requirement of the SEBI Guidelines will be laid before the Meeting and is available for inspection.

The proposed allotment shall be completed within fifteen days of the date of passing the resolution approving the offer provided necessary approval is obtained from regulatory authority. In such case, allotment shall be completed within fifteen days from the date of such approval.

The proposed allottees as mentioned in Table A have not sold/transferred any equity shares during the six month period prior to the relevant date.

Table – A

	Name of the Proposed Allottees
1.	IFB Automotive Pvt. Ltd.

Table – B

Shareholding Pattern of the Company before and after the Preferential Allotment

	Pre-Allotment		Post-Allotment *	
	No. of Equity Shares	% of holding	No. of Equity Shares	% of holding
1. Promoter Group				
a) Proposed allottee IFB Automotive Pvt. Ltd.	4244410	24.57	6094410	31.87
b) Others	4136366	23.95	4136366	21.63
Total for (a) + (b)	8380776	48.52	10230776	53.50
2. Financial Institutions (including FIIs, Banks/ Insurance Companies and State Govts.)	872100	12.40	872100	4.56
3. Mutual Funds	40363	0.24	40363	0.21
4. Others including Public, Bodies Corporate, NRIs & others	7980208	43.53	7980208	41.73
Total	17273447	100.00	19123447	100.00

* Subject to acceptance of the offer by the Proposed Allottees.

In accordance to SEBI guidelines on preferential allotment-

- a) the shares held by the proposed allottees shall be locked in from the relevant date upto a period of six months from the date of preferential allotment;
- b) the shares proposed to be allotted on a preferential basis to the promoters group shall be locked-in for a period of three years from the date of allotment.

Resolution No. 6

Stock Option serve to align the interests of employees with those of the shareholders by creating a common sense of purpose towards enhancing shareholders value and also serve to attract and retain talent that is absolutely essential for survival and growth of the company in an environment that increasingly demands global competitiveness. In order to attract the best personnel, it would be essential for the Company to offer attractive remuneration and in keeping with the market trend, also offer shares to such personnel through stock purchase schemes. Accordingly, the Company proposes to issue shares to its employees. The Company, in order to attract, motivate and retain the employees in the Company now proposes to issue shares by formulating an Employee Stock Purchase Scheme, 2008 (ESPS 2008) for allotment of aggregate of 1727344 Equity shares to such personnel.

The Scheme shall be formulated in accordance with the guidelines laid down under the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, with subsequent amendments hereto and such other laws, as may be applicable in this regard.

The information as required under Clause 17.2 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 is given below :

(A) Pricing :

The Company shall have the freedom to determine price of shares to be issued under ESPS 2008, provided they conform to the provisions of clause 19.2 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 with respect to adoption of prescribed accounting policy. Clause 19.2 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 specifies that any price discount to the market price should be accounted for as employee compensation. Price discount means the excess of the market price of the shares at the date of issue over the price at which they are issued under the ESPS 2008.

The Board (which term shall include any 'Compensation Committee' or Sub Committee thereof) shall determine the price at which shares shall be issued under ESPS 2008, on the date of issue of such shares.

(B) Total Number of shares to be offered :

The Scheme will be offered to all eligible employees of the Company including nonexecutive directors as may be determined by the compensation Committee of the company and shall not exceed ten percent of the issued and subscribed Share Capital of the Company as on 31st March, 2008 upto 1727344 equity shares of Rs 10/- each (as adjusted for any bonus, consolidation or other reorganisation of the capital structure of the Company from time to time) at such price, including at discount and on such terms and conditions as may be fixed by the Board, to or for the benefit of the employees of the Company.

(C) Appraisal process for determining the eligibility of the employees for ESPS 2008 :

The eligible employees from each of the categories will be determined by the Board or Compensation committee. The appraisal process includes evaluation of an eligible employee based on performance, tenure of service and such other criteria as may be determined by the Board or Compensation Committee. The Board or the Committee as the case may be, may prescribe different sets of criteria for each of the categories of the eligible employees with respect to the performance bench mark to be achieved, tenure of service etc., in respect of the ESPS 2008.

(D) Identification of classes of employees entitled to participate in ESPS 2008

All employees of the Company including the Directors, whether whole-time Directors or otherwise but excluding the

- Promoter or promoter group;
- A director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

(E) Maximum number of shares to be offered per employee and in the aggregate :

The number of shares to be issued to an employee under ESPS would be determined by the Board. However, no single employee shall be issued, in any financial year, equity shares exceeding 0.99 percent of the issued and subscribed Share Capital of the Company as on 31st March, 2008 i.e up to 171000 Ordinary Shares of Rs 10/- each (as adjusted for any bonus, consolidation or other re-organisation of the capital structure of the Company from time to time). The aggregate of such shall not exceed 1727344 equity shares of Rs 10/- each.

(F) Accounting policies :

The Company shall comply with the accounting policies specified in Schedule II referred in Clause 19.2 of Schedule II in respect of the Shares issued under ESPS 2008.

(F) Other terms :

- i) **Lock in period :** The Board or Compensation Committee shall have the freedom to specify the lock-in period for the shares to be issued pursuant to ESPS.
- ii) **Listing :** The Company is required to get in-principle approval for listing of shares.
- iii) **Power to amend vary or modify ESPS 2008 :**

The Board or the Compensation Committee shall have powers to amend, vary, or modify any of the terms and conditions of ESPS 2008 including with respect to the issue of shares, pricing of shares, without being required to seek any further consent or approval of Members.

In case the Shares under ESPS 2008 are made available to the Directors of the Company (other than promoter Directors) then such Directors may be deemed to be interested in this item of business. Pursuant to the Provisions of the Companies Act, 1956, approval of the members is sought by way of Special Resolution for the proposed ESPS 2008 and the Board of Directors recommends Resolutions No. 6 for approval by the members.

INSPECTION OF DOCUMENTS

The document mentioned in resolution 5 is available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day of the Company prior to the date of the meeting.

Registered. Office :
14, Taratolla Road
Calcutta - 700 088
Date : 9th July, 2008

By Order of the Board

G Ray Chowdhury
Company Secretary

DIRECTORS' REPORT to the Shareholders

Dear Shareholders,

Your Directors present the 32nd Annual Report and Accounts for the Financial Year ended 31st March, 2008.

1. FINANCIAL RESULTS :

	(Rs. in thousand)	
	For the Year ended 31st March, 2008	For the Year ended 31st March, 2007
Total Income	4367183	3359931
Expenditure	4216339	3455627
Profit before Extra-ordinary items and prior Period adjustments	150844	(95696)
Prior period items	—	921
Gain on interest waiver	233800	457745
Profit/Loss	384644	362970
Provision for Taxation	—	—
Provision for FBT	(11181)	(10319)
Balance Brought forward	(5112636)	(5465287)
Adjustment for transitional provision of AS 15 (revised)	—	—
Employee benefits	(13374)	—
Balance carried to Balance Sheet	(4752547)	(5112636)

2. DIVIDEND

In view of the huge accumulated loss, the Board regrets its inability to recommend any dividend for the year.

3. REVIEW OF OPERATION

Your company completed another year of sustained growth. Both the Home Appliance and Engineering Divisions posted growth in revenue and strengthened their market standing. Washing machine sales crossed the one lakh fifty thousand mark. Sales in Washing machine, dish washers, microwave ovens & cloth dryers registered a growth of 34%, 35%, 33% & 27% respectively. The Engineering division also achieved a sales growth of 24%.

During the year the company introduced Top loaders and one new model of microwave oven. Due to financial constraints the Company could not make adequate advertisement and incur marketing expenses leading to under exploitation of market potential.

Despite significant growth in the automobile sector there has been a severe price war among the competitors leading to a lower margin on fine blanking components supplied by the company to its customers.

During the year the Company has earned, an operating profit of Rs. 15.08 crores as against previous year's reported loss of Rs. 9.56 crores. After considering prior period adjustment and gain on exceptional items the company earned a profit of Rs 38.46 crores as against previous year reported profit of Rs 36.29 crores. The profit figure for the year under review improved due to increase in operating profit and booking of gain on interest waiver consequent to debt settlement. To reflect a true and fair view, the Company has identified unusable tools pertaining to discontinued models and also junked machineries. Consequently a sum of Rs. 12.86 crores has been provided in the accounts.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure & Developments :

India's gross fiscal deficit, already one of the highest in the world, is just getting larger. The hefty increase in fuel and fertiliser subsidies, the big six pay commission recommended wage hike, the generous debt-waiver to farmers announced in the budget and the significant excise & customs duty cut on account of war against inflation threaten to reverse hard won gains on the fiscal front. With pressure from higher crude oil and elevated global commodity prices unlikely to ease anytime soon, the era of large fiscal deficits appears to be back just when we thought we had got it under control after several years of adherence to fiscal discipline.

India's growing passenger car industry is pushing domestic auto ancillary manufacturers to keep pace with their foreign counterparts or risk becoming uncompetitive. Indian car makers need to not only enhance their technical knowledge in order to produce high-end auto components and offset China's export advantage, but also to increase product scope to match foreign car makers' niche demands. At the end of 2007, India's auto component industry faced mounting pressures as margins were squeezed, the appreciating rupee value made exports non-competitive and fierce competition from foreign players increased.

Now, however, Indian auto component makers are continuing to struggle against the backdrop of rising input costs for materials such as steel, plastic and rubber. Furthermore, as India is a labour-intensive economy, increasing labour cost caused by inflationary pressures have only increased the working capital requirement of manufacturers. These factors, coupled with an unfavourable tariff regime, are pushing India towards becoming a net importer of auto components.

Over the past few months, Indian auto component manufacturers have crossed borders to increase their sales base and hedge the rising production costs at home. In addition to acquisition of engineering companies abroad in order to support product innovation requirements, many Indian component manufacturers are out-sourcing by setting bases in China.

Domestic auto component manufacturers will need to target their R&D efforts so that products are price efficient, environmentally friendly and customized to meet the precise specification of vehicle manufacturers.

Although India's auto component industry has traditionally been dependent upon exports for its profits, with burgeoning opportunities in the country itself, manufacturers may be able to offset China and other Southeast Asian countries' long-held production advantage in the next few years, and help the industry to reach its targeted market value of \$ 40 billion by 2014.

The auto parts industry has emerged as one of India's fastest growing manufacturing industries and a globally competitive one. The auto components industry in India supports industries like automobiles, machine tools, rubber, plastics, electrical, electronics, forging, machining etc.

India has also emerged as an outsourcing hub for auto parts for international companies viz Ford, General Motors, Daimler Chrysler, Fiat, Volkswagen and Toyota.

Due to increase in the price of steel, plastic and other input materials and also due to severe price war, all washing machine manufacturers felt the heat. Demand growth has been slow because of low penetration of washing machines in sub-urban India. Being an appliance that has a substitute, the utility perception of the product is low and washing machines rank low in the priority list of consumers. The product is still to find acceptance in the rural market where a majority of the population resides, as a result demand remains restricted to the bigger towns and cities. With the increasing urbanization and marginal price difference between front loading fully automatic (lower end) and top loading automatic washing machine, front loading fully automatic washing machines are being preferred by a larger section of consumers.

B) Opportunities & Threats

With the inflation spiralling to 11% and inflationary pressures expected to continue, interest rates are bound to go up further and the GDP growth is going down. In the scenario of rising costs and demand contraction, the

ability of the firms to pass these costs to end consumers will be dented. This would reflect adversely on corporate margins.

It is fair to say that India is now firmly on a higher growth trajectory. With the accelerated reforms, it was anticipated for the country to achieve 9 percent growth over the next four to five years. The question that now crops up is to what extent the higher interest rates for record inflation rate will affect investment demand and pull down GDP growth

The greatest opportunity of the Company is its brand equity, product quality and last but not the least is the trust in products by its customers. The Company has built up brand image through close liaison with its valued customers over the past years. The threats facing the Company however are :

- ◆ Threats from competitors in the area of pricing.
- ◆ Significant rise in material cost that drastically impacts margins.
- ◆ Growth of the Indian economy together with reduction of import duties makes India increasingly a target market for many MNCs and therefore, competitive pressure on the domestic market will continue to grow. In particular, imports from low labour cost countries will increase and will lead to increased price pressure. Over the last couple of years MNCs have eaten up the share of other brand owners and have been consolidating their presence in the market. Today consumers are increasingly looking for products that not only offer varied features but also those that are competitively priced.
- ◆ Similarly in the engineering business there are threats from competitors who are enjoying considerable presence in China, Thailand etc.

C) Segment wise performance :

The Home Appliance Division has improved its turnover and profitability as compared to last year. The profitability of the division has grown due to growth in volume and value as also reduction in freight cost. The Engineering Division also achieved a revenue growth of 24% over last year and also a sizable growth in operating profit. The operations team took a special drive to simplify work and bring in process improvements. Process improvements helped in reduction of fatigue and improving productivity. Cost reduction has been a major focus area for the plant keeping in mind competition. Cost reduction on plastic tubs, new programmer etc resulted in good savings. The company is adopting various cost control measures but a lot more needs to be done in this area. To give more focus to Micro-wave ovens, dishwasher and dryers independent managers have been given the responsibility of these product categories. The