

trust technology innovation  
health freedom quality  
efficient easy modern

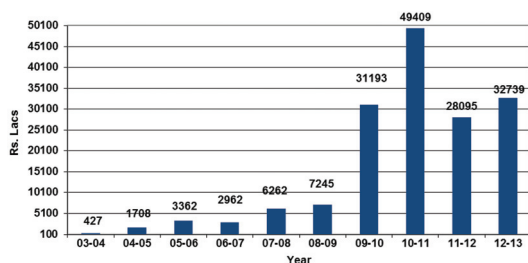


Annual Report  
2012-2013

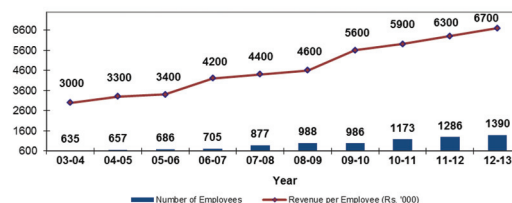
IFB Industries Limited

# 10 YEAR HIGHLIGHTS

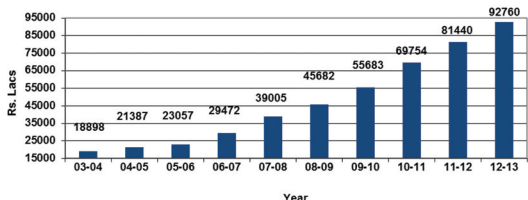
## MARKET CAPITALISATION (Rs in lacs)



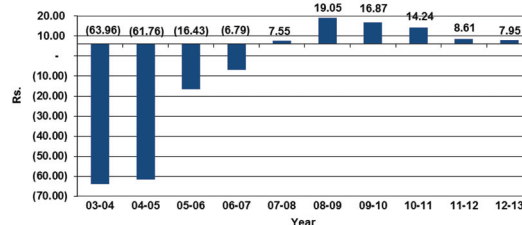
## EMPLOYEES AND PRODUCTIVITY



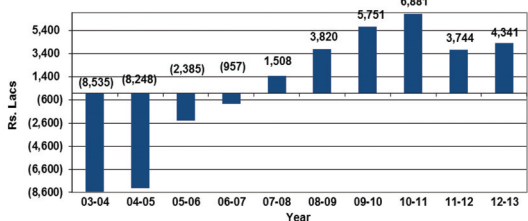
## REVENUES (Rs in lacs)



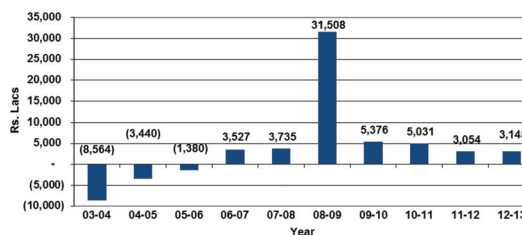
## BASIC EPS BEFORE EXTRAORDINARY (Rs)



## PROFIT BEFORE TAX BEFORE EXTRAORDINARY AND PRIOR PERIOD (Rs in lacs)



## PROFIT AFTER TAX (Rs in lacs)



## **BOARD OF DIRECTORS**

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*Executive Chairman*

Mr. Bijon Nag

*Joint Executive Chairman & Managing Director*

Mr. Bikram Nag

*Directors*

Dr. Rathindra Nath Mitra

Dr. Tridibesh Mukherjee

Mr. Radharaman Bhattacharya

Mr. R. Muralidhar

Mr. Sudip Banerjee

Mr. Prabir Chatterjee

## **AUDIT COMMITTEE**

---

*Chairman*

Dr. Rathindra Nath Mitra

*Members*

Mr. Radharaman Bhattacharya

Mr. Prabir Chatterjee

## **COMPANY SECRETARY**

---

Mr. G. Ray Chowdhury

## **AUDITORS**

---

B S R & Co.

*Chartered Accountants*

## **REGISTRAR AND SHARE TRANSFER AGENTS**

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**CB Management Services (P) Ltd.**

P 22, Bondel Road, Kolkata - 700 019

Tel : (091) (33) 2280 6692/2282 3643, 4011 6700

Fax : (091) (33) 4011 6739

E-mail : rta@cbmsl.com

## **REGISTERED OFFICE**

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14, Taratolla Road

Kolkata – 700 088

Tel : (091) (33) 3048 9299, 3048 9219

Fax : (091) (33) 3048 9230

## **CORPORATE OFFICE**

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Plot No. IND-5, Sector – I

East Kolkata Township

Kolkata – 700 107

Tel : (091) (33) 3984 9524

Fax : (091) (33) 3984 9676

E-mail : g\_raychowdhury@ifbglobal.com

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## **IFB INDUSTRIES LTD.**

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

### **NOTICE**

NOTICE is hereby given that the 37th Annual General Meeting of the members of IFB Industries Limited will be held on Friday, the 26th day of July 2013 at 10.00 AM at Ecohub Conclave Club Eco Space (IT Park), Plot No. 2F/ 11, New Town, Rajarhat, North 24- Parganas, Kolkata- 700 156 to transact the followings:

#### **ORDINARY BUSINESS**

1. To Consider and adopt the Audited Balance Sheet as at March 31, 2013, the statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Rathindra Nath Mitra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.Radharaman Bhattacharya 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(s) the following resolution as special resolution:  
“RESOLVED THAT Messrs B S R & Co., Chartered Accountants having registration No. 101248W allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed 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 of the Company at a remuneration to be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

#### **SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following resolution, with or without modification(s), as Ordinary Resolution:-  
“RESOLVED that Mr. Prabir Chatterjee, who was appointed as an additional director during the year be and is hereby appointed as a director of the Company whose office shall be liable for retirement by rotation.”
6. To consider and if thought fit to pass the following resolution, with or without modification(s) as Special Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendments or modifications thereof consent of the Company be and is hereby accorded to increase the remuneration payable to Mr. Bijon Nag, Executive Chairman of the Company with effect from 1 June 2013 within the limits prescribed in Section II, Paragraph (1)(B) of Part II of Schedule XIII of the Companies Act, 1956 as set out in the Explanatory Statement attached to this Notice.”  
“FURTHER RESOLVED THAT the Board (the term “Board” referred hereinafter includes Board of Directors of Company and Remuneration Committee) be and is hereby authorized to vary and/or modify the terms and conditions including remuneration, benefits and perquisites payable/made available to the appointee in such manner as may be agreed upon between the Board and the appointee.”  
“FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the Company to give effect to the aforesaid resolutions.”  
“FURTHER RESOLVED THAT in the event of loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of the appointee, the remuneration as mentioned in the Explanatory Statement shall be paid to him as minimum remuneration.”

7. To consider and if thought fit, to pass the following resolution, with or without modification(s), as Special Resolution:

“RESOLVED THAT in pursuance of the provisions contained in Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Bikram Nag designated as Joint Executive Chairman & Managing Director of the Company for a period of 3 (three) years with effect from 1 November 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment.

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

“FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the Company to give effect to the aforesaid resolution.”

“FURTHER RESOLVED THAT in the event of loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of the appointee, the remuneration as mentioned in the Explanatory Statement shall be paid to him as minimum remuneration.”

8. To consider and if thought fit to pass the following resolution, with or without modification(s) as Special Resolution:

“RESOLVED THAT in pursuance of accordance with the provisions contained in Sections 198, 269, and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification(s) or thereof, consent of the Company be and is hereby accorded to the appointment of Mr. Prabir Chatterjee designated as Director & Chief Financial Officer of the Company for a period of 3 (three) years with effect from 1 April 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice convening this Meeting.

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

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

“FURTHER RESOLVED THAT in the event of loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of the appointee, the remuneration as mentioned in the Explanatory Statement shall be paid to him as minimum remuneration.”

Registered. Office :  
14, Taratolla Road  
Kolkata - 700 088  
Date: 29 May 2013

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 Register shall remain closed from 24 July 2013 to 26 July 2013 (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/re-appointment at the Annual General Meeting is appearing in the Report and Accounts.
- v) Explanatory Statements under Section 173(2) of the Companies Act, 1956 for resolution nos.4, 5, 6, 7 & 8 are annexed hereto.
- vi) 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 details to the Company/Registrars and Transfer Agents CB Management Services (P) Ltd.

Details of Directors seeking appointment/re-appointment in Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of Director	Dr. Rathindra Nath Mitra	Mr. Radharaman Bhattacharya	Mr. Prabir Chatterjee
Date of birth	06.09.1946	12.04.1933	18.06.1955
Nationality	Indian	Indian	Indian
Date of Appointment on the board	21.06.2003	21.06.2003	01.04.2013
Qualification	Post Graduate from IIT & PHD from IIT.	BSC, FCA	BSC, AICWA
Experience in functional areas	Business Executive	Practising Chartered Accountant	Business Executive
Shareholding in the Company	Nil	2030	25,000
List of Directorship held in other Companies	Nil	Nil	One
Committee Membership	Three	One	Two



## **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 could attract the provisions of Section 224A of the Companies Act, 1956, the Company proposes as a matter of abundant caution to appoint the Auditors by Special Resolution.

The Board recommends passing of this Special Resolution.

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

### **Resolution No. 5**

Mr. Prabir Chatterjee was appointed by the Board as an Additional Director of the Company w.e.f. 1 April 2013 and accordingly holds office of a director upto this meeting. Notice under Section 257 of the Companies Act, 1956 has been duly received from a member stating therein his intention to propose appointment of Mr. Prabir Chatterjee as a director of the Company whose office shall be liable to retirement by rotation. Consent from Mr. Prabir Chatterjee has been received in accordance with Sec 264 (1) of the Act. The members are requested to approve the appointment of Mr. Prabir Chatterjee. The information details pertaining to Mr. Prabir Chatterjee has been furnished in the statement of Corporate Governance.

The Board recommends passing of this Ordinary Resolution.

Except Mr. Chatterjee none of the directors is in any way concerned or interested in the resolution.

### **Resolution No. 6**

Mr. Bijon Nag is the Promoter and Executive Chairman of the Company. Mr. Nag is a mechanical engineer and a prominent industrialist having more than three decades of vast experience in machine tool and engineering industries. Mr. Bijon Nag is also Chairman of IFB Agro Industries Ltd and director of IFB Automotive Pvt. Ltd., and Maruti Insurance Broking Pvt Ltd.

His directorships and/or memberships in other companies/committees are provided in Corporate Governance Report, which forms part of this Annual Report.

Mr. Bijon Nag holds 157869 nos equity shares in the Company.

The Board of Directors and the Remuneration Committee at their meeting held on 29 May 2013 approved the revision of remuneration of Executive Chairman subject to the approval of Members w.e.f. 1 June 2013. The terms and conditions with respect to revision in remuneration are given below. The terms and conditions of the appointment including remuneration payable to Mr. Nag are:

#### **1. Remuneration :**

- a) **Salary :** Rs. 150000/- (Rupees one lac fifty thousand only) per month.
- b) **Commission :** In addition to salary, perquisites and other allowances, 0.5% commission based on net profits 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, but not exceeding an amount equal to half of annual salary paid during the financial year.
- c) **Housing :** The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceiling:
  - I. Sixty percent of the salary
  - II. In case the accommodation is owned by the Company, ten percent of the salary of the Chairman shall be deducted by the Company.
  - III. In case no accommodation is provided by the Company, entitlement to house rent allowance will be subject to the ceiling laid down as in I above.



- d) **Medical Reimbursement :** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- e) **Leave Travel Concession :** For self and family once in a year incurred in accordance with the Rules of the Company.
- f) **Club Fees :** Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- g) **Personal Accident Insurance :** As per the rules of the Company.
- h) **Gas & Electricity :** As per the rules of the Company.
- 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 to the Chairman.
- j) **Telephone :** Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

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

## 2. Other Benefits

- i) **Gratuity :** As per the rules of the Company.
- ii) **Contribution to the provident Fund, Superannuation Fund or Annuity Fund :** As per the rules of the Company.
- iii) **Encashment of leave :** As per the rules of the Company.

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

The above remuneration will be payable as the minimum remuneration in the case of loss or inadequacy of profits in any financial year during the term of appointment and will be subjected to the provisions of Section II, paragraph (1)(B) of Part II of Schedule XIII of the Companies Act, 1956 i.e., not exceeding Rs 4,00,000/- month.

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

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

Payment of remuneration is approved by a resolution passed by the Remuneration Committee.

The terms and conditions of the said appointment and/or 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 as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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

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

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

No Director except Mr. Bijon Nag and Mr. Bikram Nag are concerned or interested in the proposed resolution.

**Resolution no. 7**

Mr. Bikram Nag (39) is a BBA from Richmond College, U.K. He has more than seventeen years of experience in the field of business management. Mr. Nag is also Joint Executive Chairman of IFB Agro Industries Ltd and director of IFB Automotive Pvt. Ltd., Travel Systems Ltd. and Thai Automotive & Appliances Ltd.

His directorships and/or memberships in other companies/committees are provided in Corporate Governance Report, which forms part of this Annual Report.

Mr. Nag holds 3,000 equity shares in the Company.

The Board of Directors of the Company and the remuneration committee at their meeting held on 29 May 2013 has subject to the approval of Members reappointed Mr. Bikram Nag as Joint Executive Chairman & Managing Director of the Company for a period of three years with effect from 1 November 2013. Since Mr Nag has declined to take any remuneration no provision is being made for his remuneration except for reimbursement of all expenses incurred in connection with the business of the Company.

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

The terms and conditions of the said appointment and/or agreement are subject to the provisions of Section 198 and section 309 of the Companies Act, 1956, if any and may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

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

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

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

No Director except Mr. Bijon Nag and Mr. Bikram Nag are concerned or interested in the proposed resolution.

**Resolution No 8**

Mr. Prabir Chatterjee, the Chief Financial Officer of the Company was appointed as an additional director of the company with effect from 1 April 2013. Being in employment of the Company, the Remuneration Committee and the Board of Directors of the Company at their meeting held on 29 May 2013 has subject to the approval of the members ratified the appointment of Mr. Prabir Chatterjee as Additional Director & Chief Financial Officer of the Company for a period of three years with effect from 1 April 2013.

Mr. Chatterjee is also a director of Travel Systems Ltd.

His directorships and/or memberships in other companies/committees are provided in Corporate Governance Report, which forms part of this Annual Report.

Mr. Chatterjee holds 25,000 equity shares in the Company.

The terms and conditions of the appointment including remuneration payable to Mr. Chatterjee are:

**1. Remuneration :**

- a) Salary : Rs. 200,000/- (Rupees two lacs only) per month with liberty to the Board/Audit Committee to review and set the level from time to time.
- b) HRA : Rs.100,000/- ( Rupees one lac only) per month
- c) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.