

**MINUTES OF THE 32nd ANNUAL GENERAL MEETING OF MEMBERS/
SHAREHOLDERS OF IFB AGRO INDUSTRIES LIMITED HELD ON WEDNESDAY,
THE 30TH JULY, 2014 AT 12.30 PM AT ECOHUB, ECOSPACE, (BUSINESS PARK),
AMBUJA REALITY, PLOT NO.2F/11, NEW TOWN, RAJARHAT, NORTH 24
PARGANAS, KOLKATA - 700 156.**

Directors Present : Mr Bikram Nag
Mr A.K. Banerjee
Mr Nandan Bhattacharya
Mr A.K. Nag
Mr M.K. Vijay
Mr S.K. Mukherji

110 Members were present in person and 13 Members by proxy.

By reason of absence of Mr. Bijon Nag, Chairman of the Company, the name of Mr Bikram Nag, Joint Executive Chairman of the Company was proposed to Chair the Meeting by Mr. A.K.Banerjee and seconded by Mr A K Nag. Mr. Bikram Nag accordingly took the Chair.

The Chairman, having ascertained that the requisite quorum for the Meeting was present, called the meeting to order.

The Register of Attendance, Register of Proxies and other statutory Registers of the Company produced at the commencement of the meeting, were kept open and were accessible during the continuance of the meeting to the persons having right to attend the meeting.

Notice dated 28th May 2014 convening the Annual General Meeting, having been circulated amongst the members of the Company, was taken as read by general consent.

The Chairman welcomed the members to the Annual General Meeting and introduced the Board members sitting on the dais.

Then he delivered his speech -

During the year 2013-14, the Company achieved a net Revenue of Rs 511 crores compared to Rs 465 crores last year, a growth of 10%. The company has achieved profit before tax of Rs. 60.22

Shyamal R.
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crores during the year compared to Rs 39.1 crores last year. This year's PBT includes proceeds from sale of IMFL brands.

During the year, the Company has sold its IMFL brands, to consolidate its position in Distillery and IMIL business. The sale proceeds is planned to be used in future Distillery projects.

The IMFL unit at Dankuni has been converted into IMIL facility and the operations have started from December, 2013. Production is getting stabilized and the plant is expected to run full capacity during the current year. Panagarh plant has worked to its full capacity during the year.

Margins in distillery were affected during the year due to the imposition of spirit removal fee of Rs. 2 per BL imposed by the Excise Department, Govt. of West.Bengal and increase in broken rice and husk price. However, the Distillery worked at 110% of its capacity with higher yield. This has helped recovery of some of the additional costs mentioned above.

Marine Export registered a growth of 96%. Margins are under pressure due to high cost of raw material and distribution expenses. Plans are underway to increase capacity and to improve efficiency.

The current financial year would be more difficult and challenging as:

- a) The margins in the Distillery will decline due to imposition of spirit removal fee and increase in the prices of grain on account of higher MSP declared by the Government.
- b) Severe competition in the IMIL segment due to new entrants into the Industry.
- c) Lower margins in Company's Marine product business due to increase in raw material cost.

The Management will put its best efforts to retain and improve the market share and the margins, despite all the above adversities.

1st Quarter, (2014-15) results

The Board of Directors would be meeting tomorrow to consider the quarterly results. It will be announced in the newspaper the day after.

Syamal B.
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PLANNED CAPEX CYCLE FOR THE NEXT 3 to 5 YEARS

EXISTING CAPEX SPENT

The company has invested about Rs 60 crores in setting up a 5MW Captive Power Plant and DDGS plant at the existing distillery at Noorpur. The Power Plant has been commissioned on 27th Mar'14 and the DDGS plant has been commissioned on 15th Jul'14 and is under trial run.

This investment has been primarily funded from internal accruals. The investment is expected to improve margin for the distillery operations by way of savings in power cost and generation of value added by products. Expected saving from power plant is about Rs 4 crores p.a. DDGS plant is expected to give additional revenue and profit of Rs 25 crores and Rs 5 crores respectively.

Company also spent Rs 5 crores in its Bottling and Marine Plants, which will improve production capacity.

Company has also purchased the CO2 and allied businesses from Nurpur Gases Pvt Ltd in the current year for a sum of Rs 8.05 crores. This integration will add profitability due to synergy in operation and reduced power cost.

FUTURE CAPEX PLAN

The company has planned CAPEX of Rs 300 to Rs 350 crores in the next 3 to 5 years – division wise spend estimates are as follows: -

Distillery

1. The company plans to set up another 60KLPD distillery with DDGS and CO2 plant at Noorpur – estimated capital investment for the same is about Rs 80 crores. This investment is expected to generate additional revenue of Rs 120 crores .
2. The company also has plans for set up of a distillery overseas for which markets are being explored and discussions are being done with the governments. The estimated investment for the overseas distillery project of 30KLPD capacity with DDGS and CO2 plant will be about Rs 60 crores.

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- 3 -



Marine Plant

1. The company has plans for set up of marine plants in Andhra Pradesh and West Bengal for export of value added prawn products. Estimated capital requirement for both the plants is Rs 50 crores. This investment is expected to generate additional revenue of Rs. 300 crores .

Food Business

1. The company is exploring investment opportunities in food business by way of acquiring brands/franchisees of leading QSR chains. Discussion is on with various companies, however prices seem to be on the higher side. The company has planned to earmark Rs 150 crores for this investment.

He explained that the management will review the fund requirement as and when the projects are finalized and a right mix of funding by way of internal accruals, equity and debts, as required, will be done.

The projects will increase the interest and depreciation charge initially in the short term, which will have an impact on PBT, however, these projects are important from the long-term growth perspective of the company. In the long term these projects are expected to give good revenue and profit growth to the company.

All the current capex are funded from internal accruals. For future growth in Distillery, expansion of bottling capacities, technological up-gradation, building up of the grain stock for distillery etc. further capital would be required. This is over and above the future investment plan, already elaborated above. Keeping in mind the tight liquidity in the market and high interest cost, it would be prudent to conserve cash.

He explained that therefore recommend no dividend be paid.

He also expressed his gratitude towards the colleagues in the Board, employees, customers, and the valued shareholders for their continuous support.

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Audited Annual Accounts for the year ended March 31, 2014 being the Balance Sheet made as at that date together with the Auditors' Report and Directors' Report thereon were placed before the meeting. With general consent of the members, they were taken as read.

The Shareholders considered the Statement of Profit & Loss and Cash Flow for the year ended 31.3.2014 and the Balance Sheet as at that date alongwith the Auditors' Report and Directors' Report with annexure attached thereto. Thereafter, the Chairman invited the members present to raise queries and comments on the Audited Accounts of the Company.

Mr. Krishnendu Das, Shareholder wanted to know what are the Company's plans to protect margin in future? He also wanted to know the quantum of Employment generation expected with the future investments.

Mr. Keshab Garg, Shareholder wanted to know whether there is any possibility that the West Bengal Government may ban the sale of Country Spirit. He also wanted to know why the margin in Marine Feed business is going down and why the operating profit in the Alcohol segment is remaining stagnant.

Mr. Amit Banerjee, Shareholder wanted to know why no dividend is declared this year and what is the dividend policy of the Company? He also wanted to know whether there will be any plan for splitting up shares. He also asked whether Company has any plan to go to un-connected business opportunities and why some of the other expenses are earned the higher side.

Chairman answered the questions by saying the following :

1. Most of the points are generally covered in the Chairman's speech.
2. Future investment will be funded by a mix of debt and equity, which will be decided in due course.
3. There will be job opportunities in hundreds but accurate estimation is not possible at this point of time.
4. No ban is expected on sale of Country Spirit in West Bengal.
5. IMFL business was sold as we were only a minor player in this segment. Proceeds from sale will be used to consolidate our position where we are a major player.
6. Overall margins went down this year with stiff increase in raw material cost. However, both Alcohol and Marine business margins are expected to improve with new investments, due to larger economics of scale. We have to invest quickly to start getting the return. Alcohol segment margins are also expected to improve with introduction of DDGS and other value added products.

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Shyamal K.



7. As dividend policy must be consistent, Company is not considering Dividend this year, since, huge amount of internal generation of funds will be needed for future CAPEX. However, Shareholders are expected to get good Returns in the long run.
8. Time is not appropriate to consider split up of shares, considering the prevailing share price level.

Chairman then explained to the members that as per section 108 of the Companies Act 2013 read with rule 20 (voting through electronic means) of the Companies [Management and Administration] Rules, 2014 [the Rules] and clause 35B of the listing agreement, the company had provided e-voting platform of NSDL to the shareholders for exercising their voting right in electronic form. the e-voting platform was open from 23 July to 25 July, 2014. Mr. J Patnaik, a practising company secretary (membership no FCS 5045) was appointed as scrutinizer. He has submitted his report on the results of e-voting. Then he announced poll for all the resolutions. Since no shareholders casted their votes physically, he requested the scrutinier to submit his report on the results of the e-voting including the results of the poll,if any.

Then he read out the resolutions and announced the details of votes casted for/against each resolution and declared the results.

AS ORDINARY BUSINESS:

1. TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTOR AND AUDITOR'S THEREON:

“Resolved that the Audited Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss along with the Cash Flow Statement for the year ended on 31st March, 2014 together with the Reports of the Auditors and Directors for the year ended 31st March 2014 as published and circulated to all the shareholders and submitted to this meeting be and hereby approved and adopted”.

Votes in favour –6185725

Votes against –1381200

The above resolution was passed by requisite majority.

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Syama R.



2. APPOINTMENT OF M/s WALKER CHANDIOK & Co. LLP AS STATUTORY AUDITORS:

"RESOLVED that pursuant to the provisions of section 139 (2) and 142(1) of the Companies Act, 2013, M/s Walker Chandiook & Co, LLP (Firm registration No : 001076N), Chartered Accountants, the retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company for a period of three (3) 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 fourth consecutive Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company on a year to year basis."

Votes in favour -6123176

Votes against -1443749

The above resolution was passed by requisite majority.

AS SPECIAL BUSINESS:

3. Re-appointment of Mr Arup Kumar Banerjee(DIN:00336225) as Managing Director

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 196, 197, 203 and schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Arup Kumar Banerjee, is reappointed as Managing Director for a period of three years with effect from 30th July, 2014, on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with liberty given to the Board of Directors to alter and 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 Company 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."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Votes in favour -6088676

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Votes against – 1478249

The above resolution was passed by requisite majority.

4. Appointment of Mr. Nandan Bhattacharya (DIN: 00313590) as an Independent Director.

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 149,152 read with schedule IV and all other applicable provisions of the Companies Act,2013, and the rules made there under, Mr. Nandan Bhattacharya Director, from whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying his intentions for the Directorship of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 37th Annual General Meeting,not liable to retire by rotation.”

Votes in favour –6088676

Votes against –1478249

The above resolution was passed by requisite majority.

5. Appointment of Mr. Hari Ram Agarwal (DIN: 00256614) as an Independent Director.

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 149,152 read with schedule IV and all other applicable provisions of the Companies Act,2013, and the rules made there under, Mr.Hari Ram Agarwal Director, from whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying his intentions for the Directorship for the office of the directors of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 37th Annual General Meeting, not liable to retire by rotation.”

Votes in favour –6088676

Votes against –1478249

The above resolution was passed by requisite majority.

6. Appointment of Mr. Manoj Kumar Vijay (DIN: 00075792) as an Independent Director.

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Manoj Kumar Vijay



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 149,152 read with schedule IV and all other applicable provisions of the Companies Act,2013, and the rules made there under, Mr.Manoj Kumar Vijay Director, from whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying his intentions for the Directorship for the office of the directors of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 37th Annual General Meeting, not liable to retire by rotation.”

Votes in favour –6088676

Votes against –1478249

The above resolution was passed by requisite majority.

7.Appointment of Mr. Sudip Kumar Mukherji (DIN: 02764262) as an Independent Director.

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 149,152 read with schedule IV and all other applicable provisions of the Companies Act,2013, and the rules made there under, Mr. Sudip Kumar Mukherji Director, from whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying his intentions for the Directorship for the office of the directors of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to to the conclusion of 37th Annual General Meeting, not liable to retire by rotation.”

Votes in favour –6088676

Votes against –1478249

The above resolution was passed by requisite majority.

8. Approval of the Remuneration of the Cost Auditor.

To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2015 and in this regard 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014

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Sudip Kumar Mukherji

-9-



(including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Votes in favour –6088676

Votes against –1478249

The above resolution was passed by requisite majority.

Chairman then thanked the members for their participation in the proceedings and the members thanked the Chairman for the conduct of the proceedings.

There being no other business to transact the Meeting ended with a vote of thanks to the Chair.

Sd/-

CHAIRMAN



Signature
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