IFB
AGRO

IFB Agro Industries Limited
Plot No. - IND-5, Sector-1,
East Kolkata Township, Kolkata - 700 107
Phone : 033-39849675, Fax : 033-2442-1003
Website : www.ifbagro.in
CIN : L01409WB1982PLC034590

13th August, 2020

The Manager
National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza, 5th floor
Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

The Secretary,
Bombay Stock Exchange of India Ltd
Phiroze Jeejebhoy Towers
Dalal Street,
Mumbai-400001

Stock Code: IFB Agro EQ
Scrip ID: 507438

Dear Sir,

Sub: Annual Report for the financial year ended 31st March, 2020

We enclose, in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a copy of the Report and Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Notice dated 10th July, 2020 convening the 38th Annual General Meeting of the Company scheduled to be held on Friday, September 4, 2020 at 12.45 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India.

This is for your kind information and records.

Thanking you,

Yours faithfully
For IFB AGRO INDUSTRIES LIMITED

Ritesh Agarwal
Company Secretary

IFB AGRO









Annual Report
2019–2020

IFB Agro Industries Limited

IFB



Fresh Catch

Served a la carte

Restaurant like
quality and flavour
for your home



Certifications

HACCP · fssai · FDA APPROVED · BRC FOOD · EXPORT INSPECTION AGENCY KOLKATA PRODUCT OF INDIA APPROVAL No. 477

The IFB quality code

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

READY TO COOK GOOD AS FRESH

Small to King Jumbo Prawns
Basa Fish Portions, Basa Fish Fillets

READY TO FRY PARTY SNACKS

Prawn Pops, Prawn Torpedoes
Prawn Patties, Prawn Cheese Balls
Butterfly Shrimps, Fish Fingers
Fish Fritters, Fish Poppers
Breaded Fish Fillets, Spicy Fish Sticks
Kolkata Bhetki Fries

Call
98312 49000
Order at www.ifbfreshcatch.com

BOARD OF DIRECTORS

Chairman
Mr. Bijon Nag

Joint Executive Chairman
Mr. Bikram Nag

Vice Chairman and Managing Director
Mr. Arup Kumar Banerjee

Independent Directors
Mr. Sudip Kumar Mukherji
Mr. Hari Ram Agarwal
Mr. Manoj Kumar Vijay
Dr. Runu Chakraborty

Non Executive Director
Mr. Amitabha Kumar Nag

CHIEF FINANCIAL OFFICER

Mr. Rahul Choudhary

COMPANY SECRETARY

Mr. Ritesh Agarwal

AUDITORS

B S R & Co. LLP
Chartered Accountants

REGISTERED OFFICE

Plot No. IND-5, Sector-1
East Calcutta Township, Kolkata - 700 107
Tel : (033) 3984 9675
Fax No.: (033) 2442 1003
E-mail : complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
CIN : L01409WB1982PLC034590

REGISTRAR & SHARE TRANSFER AGENT

(For both Physical & Dematerialised Shares)
CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel : (033) 4011 6700/2280 6692/2282 3643/2287 0263
Fax : (033) 4011 6739
E-mail: rta@cbmsl.com
Website : www.cbmsl.com

WORKS

Noorpur, P.S. Diamond Harbour
Dist. : South 24 Parganas
West Bengal - 743 368

Panagarh
Bud Bud
Dist. : Burdwan
West Bengal - 713 148

Dankuni
Dist. : Hooghly
West Bengal - 712 306

Marine Product Processing Plant
Plot No. IND-5, Sector-1
East Calcutta Township
Kolkata - 700 107

BANKERS

HDFC Bank Limited

ICICI Bank Limited

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Notice to the Members

Notice is hereby given that the Thirty Eighth Annual General Meeting (AGM) of the members of IFB Agro Industries Limited will be held on 4th day of September, 2020, Friday at 12.45 P.M. (IST) through Video Conferencing / Other Audio Visual Means (VC/OAVM), in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India to transact the following business:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt :

   a. the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Reports of the Board of Directors ("the Board") and Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2020 together with the Report of the Auditors thereon.

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

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

AS SPECIAL BUSINESS

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

   "**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for waiver of recovery of excess managerial remuneration paid to Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director **(**DIN: 00336225) of the Company, in excess of the stipulated limits prescribed in Section 197 read with Schedule V to the Companies Act, 2013 during the period April 1, 2019 to March 31, 2020 and as set out in explanatory statement attached hereto and forming part of this notice.

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

   "**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for re-appointment of Mr. Arup Kumar Banerjee (DIN: 00336225), as Vice Chairman and Managing Director of the Company for a further period of 3(three) years, with effect from 30th July, 2020, on the terms and conditions including remuneration as set out in explanatory statement attached hereto and forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and Schedule V to the Companies Act, 2013 in case of no profits / inadequate profits during any financial year / period in between.

   "**RESOLVED FURTHER THAT** notwithstanding anything contained in Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments / re-enactment thereof or any revised/ new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director (DIN: 00336225) of the Company even if it exceeds the various stipulated limits laid down by the Companies Act, 2013 or the rules related thereto during any financial year / period in between.

"**RESOLVED FURTHER THAT** the Board (the term " Board" includes Board of Directors of Company and the Nomination 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."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all 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."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and subject to such approvals, permissions and sanctions of Registrar of Companies, appropriate authorities, departments or bodies as and to the extent necessary, consent of the members of the Company be and is hereby accorded for effecting the following alterations in the existing Object Clause of the Memorandum of Association (the "MOA") of the Company by Addition/substitution/deletion of certain clauses in the following manner:-

"The following sub-clause (8) be inserted and to appear after the existing sub-clause (7) in Part A of Clause III of the existing Memorandum of Association of the Company :

8. *To establish, acquire and carry on the business of manufacturing, selling, distributing/ trading, importing, exporting, stockists, marketing, processing and re-processing, altering, formulizing or otherwise, mixing and dealing with all type of consumer goods such as toilet soaps, perfumes, laundry soaps, detergents, scourers, toiletries, cosmetics, hand sanitizers, floor and surface cleaners cum sanitizers, personal care and hygiene products of all kinds, fabric care products of all kinds and household consumer products/durables of all kinds including its related substitutes and by-products.*"

"**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company."

By the Order of the Board

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township, Kolkata - 700 107
CIN: L01409WB1982PLC034590
Email: complianceifbagro@ifbglobal.com
Website: www.ifbagro.in
Date: 10th July 2020

Ritesh Agarwal
Company Secretary
(ACS 17266)

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through Video Conferencing / Other Audio Visual Means (VC/OAVM).
2. Brief resume of Directors including those proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, no. of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to patnaikandpatnaik@yahoo.com with a copy marked to evoting@nsdl.co.in

5. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Registrar of the Company in case the shares are held by them in physical form.

6. In case of Joint holders, there will be one vote for every Client ID / registered folio number irrespective of the number of joint holders.

7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 29, 2020 through email to complianceifbagro@ifbglobal.com. The same will be replied by the Company suitably.

8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website http://www.ifbagro.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.

11. All documents referred to in the Notice and the Explanatory Statement shall be made available for on-line inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at complianceifbagro@ifbglobal.com with a copy marked to rta@cbmsl.com from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers.

12. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, shall be made available for on-line inspection upon login at NSDL e-Voting system at www.evoting.nsdl.com.

13. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, substituted by Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited, on all the resolutions set forth in this Notice.

ii. **The remote e-voting will commence on September 1, 2020 at 9:00 AM (IST) and will end on September 3, 2020 at 5:00 PM (IST)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date of August 28, 2020**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The process and manner for remote e-voting are as under:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details of Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID (For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

   i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to patnaikandpatnaik@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password conûdential. Login to the e-voting website will be disabled upon ûve unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

Process for registration of email id for obtaining Annual Report and user id/password for e-voting

1. Physical Holding : In case shares are held in physical mode may please send a request to the Registrar and Transfer Agent of the Company at rta@cbmsl.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.

2. Demat Holding : In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to rta@cbmsl.com

3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

3. The Members can join the AGM through the VC/OAVM mode 30 minutes before the scheduled time of commencement of the Meeting by following the procedure mentioned later in the Notice and will be closed on expiry of 15 minutes from the schedule time of the AGM. The facility of participation at the AGM through VC or OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer and others who are allowed to attend the AGM without restriction on account of first come first serve basis.

4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553/ +91 9326781467.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at complianceifbagro@ifbglobal.com latest by August 29, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Each Speaker is requested to express his / her views within 2 – 3 minutes of the allotted time.

6. Please note that Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network.

   It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Infrastructure, connectivity and speed available at the Speaker's location are essential to ensure smooth interaction.

Other Instructions

1. Mr. S K Patnaik, Practicing Company Secretary (Membership No. FCS 5699) Partner of M/s. Patnaik & Patnaik, Company Secretaries has been appointed by the Board of Directors as the Scrutinizer for providing facility to the members of the Company, to scrutinize the remote e-voting process in a fair and transparent manner.

2. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and prepare, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

3. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.ifbagro.in and on the website of NSDL https://www.evoting.nsdl.com immediately after the declaration of the results by the Chairman or person authorized by him in writing. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

4. Subject to receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of the meeting itself, i.e. 4th September, 2020.

By the Order of the Board

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township, Kolkata - 700 107
CIN: L01409WB1982PLC034590
Email: complianceifbagro@ifbglobal.com
Website: www.ifbagro.in
Date: 10th July 2020

Ritesh Agarwal
Company Secretary
(ACS 17266)

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

As required under Section 102(1) of the Companies Act, 2013('The Act'), the following explanatory statements set out all material facts relating to the business mentioned under items nos. 3 to 5 of the accompanying Notice dated 10th July, 2020.

ITEM NO 3 &4

Mr. Arup Kumar Banerjee (DIN: 00336225), aged 68 years was reappointed as Vice Chairman and Managing Director of the Company by the Shareholders of the Company at the Annual General Meeting of the Company held on 28th July, 2017 for a period of three years w.e.f. 30.07.2017. His existing tenure shall came to an end on 29.07.2020.

Mr. Arup Kumar Banerjee, an Honours Graduate in Commerce and Diploma in Business Management from IIM Calcutta is having experience of more than 46 years in the industry. Before joining the Company in the year 1995 he worked with IFB Industries Limited in various positions. He was appointed as a Whole-time Director at the Nineteenth Annual General Meeting of the Company held on 31st August 2001 for a period of three years with effect from 28 July 2001 and thereafter reappointed from time to time. He was then appointed as Managing Director on 30 July 2008. Thereafter, he was elevated as Vice Chairman and Managing Director on 23rd September, 2015. The existing term of Mr Arup Kumar Banerjee will expire on 29th July, 2020.

He has made several significant contributions to the Company's growth and implementation of investment plans and business strategies. His contributions have been invaluable towards the growth of the Company.

Section 196(3) of the Companies Act, 2013, interalia provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager, unless it is approved by the Members by passing a Special Resolution, Part -I of schedule V of the Act contains such relaxation.

At the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company vide its meeting held on 10th July, 2020 reappointed Mr. Arup Kumar Banerjee as Vice Chairman & Managing Director of the Company for a further period of three years with effect from 30.07.2020, subject to approval of the shareholders of the Company, in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013 , at the terms and conditions as set out below:

Remuneration:

a) Salary: ₹8,40,000/- (Rupees Eight Lakhs Forty Thousand only) per month

b) HRA : ₹4,20,000/- (Rupees Four lakh Twenty Thousand only) per month

c) Other Allowance: ₹1,40,000 (Rupees One Lakh Forty Thousand only) per month.

d) Perquisites: Classified into three categories as under:

Part A

i) Medical Reimbursement: ₹25,000/- (Rupees Twenty Five Thousand only) per annum.

ii) Leave Travel Allowance: For self and family once in a year incurred in accordance with the Rules of the Company.

iii) Insurance: As per the Rules of the Company.

iv) Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

Part B

i) Gratuity as per the rules of the Company.

ii) Contribution to the Provident Fund, Superannuation Fund as per the rules of the Company.

iii) Leave encashment as per the rules of the Company.

Part C

i) Car: Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company to Mr Arup Kumar Banerjee.

ii) Telephone: Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.

e) Commission: In addition to Salary, Perquisites and other allowances, one percent commission based on the Net Profits of the Company computed in the manner laid down in section 198 of the Companies Act, 2013, or any statutory modification(s) or enactment thereof.

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

Apart from the aforesaid remuneration, he will be entitled to 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 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.

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations. Further, the remuneration as would be paid to Mr. Arup Kumar Banerjee during his tenure would be the minimum remuneration payable to him even if the said remuneration exceeds the stipulated managerial limits in terms of the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act and the excess payment of managerial remuneration, if any, during any financial year / period in between will stand waived subject to fulfillment and compliance of other conditions as mentioned under the various provisions of the Act or rules related thereto.

Information pertaining to Section II in Part II of Schedule V are as follows:

I. General Information:

(1) Nature of industry:

The Company is at present engaged interalia in the business of manufacturing of Extra Neutral Alcohol, bottling of Liquor and processing of Marine products etc.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on 19th February, 1982. It commissioned its commercial production in the year 1982.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus: Not applicable

(4) Financial performance based on given indicators:

(₹ In lakhs)

Particulars	**FY 2019-20**
Revenue from operations (Net)	96,276
Other income	1,121
Sub-total	97,397
Total Expenditure (Before interest and depreciation)	93,643
PBDIT	3,754
PBDIT%	4%
Profit After Tax	2,347

(5) Foreign investments or collaborations, if any: None

II. Information about the appointee:

(1) Background details: Mr Banerjee is a B.Com (Hons.) from Calcutta University, Diploma in Business Management from IIM Calcutta. His core competency area includes Business Management, Administration, Planning, Strategic Decision Making, Marketing etc.

(2) Past remuneration: ₹ 1.95 Crores per annum as on 31st March, 2020.

(3) Recognition or awards: Nil

(4) Job profile and suitability: He is entrusted with the management of the whole of the affairs of the Company, subject to the superintendence, control and direction of the Board.

(5) Remuneration proposed: As set out in Item No. 3 & 4 of the Notice of the Annual General Meeting.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): His remuneration is in line with that drawn by his peers in Industry.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: None.

III. Other information:

(1) Reasons for inadequate profits:

The Company's Earnings Before Interest, Depreciation, Taxation and other Amortisations ("EBIDTA") are positive. Due to loss from marine operations the profit were lower than estimated. Operating margin experienced a dent owing to the impact of the COVID-19 pandemic impact in the 4th Quarter as well as the market slowdown.

(2) Steps taken or proposed to be taken for improvement. The Company has resumed the business operations cautiously and have tried to bring efficiencies with cost efficacy, which will bring better results once the pandemic is over. The risk, however, remains, as the pandemic may cause disruption to our supply chains, hamper field work etc.

(3) Production is expected to increase and may reach pre-covid level in the Alcohol Division. However, business in Marine Division is expected to remain subdued. It is extremely difficult to forecast profit numbers in the pandemic situation.

IV. Disclosures:

The required disclosures are given in the Report on Corporate Governance annexed to the Directors' Report.

The detail of other Directorship and memberships in other companies/committees of Mr. Arup Kumar Banerjee are provided in the "Annexure" to the Notice. Mr. Banerjee holds Nil shares in the Company.

Considering, his vast experience and association with the Company and on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company vide its meeting held on 10th July, 2020 propose to waive the recovery of excess managerial remuneration of Rs 26.03 Lakhs as was paid to him during the period April 1, 2019 to March 31, 2020 and the resolution for such waiver of recovery is proposed for your approval.

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

The above may be treated as an abstract of the terms of contract between the Company and Mr. Arup Kumar Banerjee.

Mr. Arup Kumar Banerjee shall perform such duties and exercise such powers as are entrusted to him by the Board.

No director, Key managerial personnel or their relatives, except Mr. Arup Kumar Banerjee in his personal capacity is concerned or interested, financially or otherwise, in the proposed resolution.

The board recommends the Special Resolutions set forth in item no's 3 & 4 for the approval of the members of the Company.

ITEM NO 5

The main business of the Company is to manufacture Extra Neutral Alcohol, Manufacture and bottle country Spirit, production and sale of DDGS, CO2, DRY ICE, Processing of marine Products, packing and selling them in processed form for ready cook and ready to eat, trade in aquatic feed and health products. The outbreak of catastrophic pandemic COVID -19 has diverted the attention of masses towards maintenance of hygiene's and sanitization. This has prompted the Company to start working towards new revenue streams which are not specifically covered under the main objects of the Company. Further, it is the social responsibility of the Company to contribute its pie towards the huge social demand of sanitized products. Hence, to enable the Company to capitalize on these business opportunities, the Board of Directors of the Company in its meeting held on July, 10th, 2020 has approved, subject to the consent of the shareholders and other statutory authorities, amendment in Clause III (Object Clause) of the Memorandum of Association of the Company in the manner as set out in the Special Resolution at Item no. 5 of this Notice.

The alteration in the Object Clause of the MOA, as set out in the resolution, is to facilitate Company's entry into new business areas as defined therein. The proposed activities can be carried out, under the existing circumstances, conveniently and advantageously along with the existing activities of the Company. These will enable the Company to carry on its business economically and efficiently.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any.

The Board recommends the resolution under Item No. 5 for approval of the members as a Special Resolution.

By the Order of the Board

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township, Kolkata - 700 107
CIN: L01409WB1982PLC034590
Email: complianceifbagro@ifbglobal.com
Website: www.ifbagro.in
Date: 10th July 2020

Ritesh Agarwal
Company Secretary
(ACS 17266)

Details of the Director seeking appointment/ reappointment in Annual General Meeting (in pursuance of Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of Director	Mr. Arup Kumar Banerjee
Date of birth	23.08.1952
Nationality	Indian
Date of first appointment on the board	28.07.2001
Qualification	B.COM (Hons.), Diploma in Business Management from IIM Calcutta
Experience in functional area	Business Executive
Relationship with other Directors	He is not related to any Director
Shareholding in the Company	NIL
List of directorship held in other listed companies	NIL
Committee membership in other listed companies	NIL

Report of the Directors' & Management Discussion and Analysis Report

To the Members,

The Directors have pleasure in presenting before you the Thirty Eighth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2020.

Financial Results & Performance Review

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

(₹ in Lakhs)

	Standalone		Consolidated	
Particulars	**Year Ended 31.3.2020**	**Year Ended 31.3.2019**	**Year Ended 31.3.2020**	**Year Ended 31.3.2019**
Revenue from Operations (Gross)	**188,842**	173,204	**1,91,146**	1,75,244
Less: Excise Duty	**92,566**	80,723	**92,566**	80,723
Revenue from Operations (Net)	**96,276**	92,481	**98,580**	94,521
Other Income	**1,121**	1,277	**1,149**	1281
Total Revenue	**97,397**	93,758	**99,729**	95,802
Profits prior to finance charges and depreciation (EBITDA)	**3,754**	5,957	**3,639**	5,777
Less: Finance Charges	**179**	294	**188**	297
Depreciation & Amortisation	**1,770**	1,869	**1,772**	1871
Profit Before Tax	**1,805**	3,794	**1,679**	3609
Less: Tax Expenses	**(542)**	473	**(542)**	473
Profit After Tax	**2,347**	3,321	**2,221**	3136
Other Comprehensive Income	**(1,039)**	(317)	**(1,046)**	(312)
Total Comprehensive Income	**1,308**	3,004	**1,174**	2,824

Consolidated figures includes standalone figures and figures of IFB Agro Marine FZE, the wholly owned Subsidiary.

During the year under review your Company has recorded net operational revenue of ₹ 96,276 lakhs (as against ₹ 92,481 lakhs in 2018-19) recording a growth of 4%.

Operational profit (EBITDA) decreased from ₹ 5,957 lakhs in 2018-19 to ₹3,753 lakhs in 2019-20, a decrease of 37% as compared to the previous year.

Your Company has achieved a profit before tax of ₹ 1,805 lakhs (as against ₹ 3794 lakhs in 2018-19) and net profit of ₹ 2,247 lakhs (as against ₹3,321 lakhs in 2018-19).

Net Revenue from Operations on consolidated basis grew by 4% to ₹ 98,580 lakhs. Profit before depreciation, finance cost and tax on consolidated basis as compared to last year reduced by 37% to ₹ 3,639 lakhs.

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

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

Spirit, Liquor and Spirituous Beverages:

The grain based distillery along with Carbon Dioxide (CO_2) and DDGS plants operated at optimum capacity during the year under review before the lockdown imposed by the Govt. of India in a bid to tackle the catastrophic Corona Virus (COVID-19). The continuous increase in the price of grain and fuel significantly increased the input costs. The increased cost could not be passed on fully to the buyer's due to competition. The Company proposes to enhance the production capacity of the distillery from 110 KL per day to 170 KL per day during the financial year 2020-2021. All necessary statutory approvals have been received.

Indian Made Indian Liquor (IMIL) business continues to face stiff competition due to excess capacity created by the new bottling plants in West Bengal. Inspite of tough competition, the IMIL business during the FY 2019-20, registered a net revenue growth of 16%. However due to increase in input cost, logistics and higher retailer scheme margins were impacted during the year under review. To increase its distribution and geographical reach, the company entered into some tie-up operations with other bottling plants, who have spare capacity and have agreed to produce for the Company on contract basis. During the year Company also started its business in the State of Jharkhand.

Marine Products:

Marine exports registered a growth of 12% during the financial year 2019-20. Company suffered losses in third party processing units at Kolkata and Ongole, Andhra Pradesh, due to quality and infrastructure issues and hence the existing arrangements has been discontinued. In the current year, Company will focus to improve margins by strengthening its marketing by adding new countries and geography and by reducing its overhead.

Marine aqua feed business could not register any growth during the year under review due to restrictive credit policy adopted by the Company due to timid market conditions. Operating margins declined due to lower sales and increase in the overhead. The company is focusing on direct sales to farmers through its retail aqua shop chain "Aquashop". Due to failure of crop, certain sum of money got stuck in the market, adequate provisions have been made in the books of accounts for the same, however efforts are being made to recover the said amount.

Marine domestic food business registered a revenue growth of 10% during the year under review. We continue to invest in this business in terms of product innovation, marketing and infrastructure.

Your Company incorporated a Wholly Owned Subsidiary in the name and style of IFB Agro Marine(FZE), a limited liability Company in the Sharjah Airport International Free Zone, Sharjah, United Arab Emirates on 20th April, 2017. It was the third year of operation for the company. Efforts are being made to strengthen the trading operation in international market. The revenue increased from ₹2040 lakhs in 2018-19 to ₹2386 lakhs in 2019-20. Increase in revenue and decrease in overhead cost has decreased the loss to ₹130 lakhs during the year (₹185 lakhs in 2018-19). Better results are expected in the current financial year.

OUTLOOK, OPPORTUNITIES, THREATS AND CONCERNS

The current financial year will be a year of challenges for both the domestic and export business. Pursuant to the imposition of national lockdown due to COVID, the Company had to suspend all its operations from 25th March, 2020. However partial operations have resumed since mid of May, 2020. Revenues of the Company was severely impacted during the month of April and May 20 due to closure of the plant and lower capacity utilization due to social distancing norms after the resumption of operation.

The discontinuation of tie-up operations in Andhra and Kolkata will lead to decline in the volume and the value of export during the year but margins are expected to be better due to strict control overhead cost. However, export market during the year will be tough due to closure of hotels and restaurants in many countries. The Company has entered into a new third party tie-up operations for marine export based out in Bengal to buy the shrimps from farmers and recover the dues remaining outstanding against the supply of feed.

Growth in the Aqua feed business will be affected due to the competition and restrictive credit being allowed by the Company in the market. The current financial year will witness a restrictive growth in the feed sales as stocking by the farmers is less due to uncertainties in the Export market. The focus of the company will be more on direct cash sale to the farmers from its aqua shops.

Your Company will focus on margin improvement plans across the verticals through better procurement of its key raw materials like broken rice, shrimps etc.

During 2020-21, efforts will be to ensure improved margins and better returns on capital employed. The company is focused on its resource allocation and is looking for expansion by way of capex light model.

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

RISK MANAGEMENT

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

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

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

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There were significant changes in certain key financial ratios of the company, that have changed more than 25% over previous year. Current ratio has improved (FY 19-20: 5.55 Vs FY 18-19: 4.02) due to repayment of term loan. Operating margin (FY 19-20: 2% Vs FY 19-20: 3.44%) and Net profit margin (FY 19-20: 0.96% Vs FY 18-19: 2.19%) have declined mainly due to loss in marine business during the year 2019-20.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the Regulators/ Courts/ Tribunals which would impact the going concerns status of the Company and its future operations.

DIVIDEND

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

TRANSFER TO RESERVE

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

NUMBER OF BOARD MEETINGS

During the year ended 31st March, 2020, Four meetings of the Board were held. For details of meetings of the Board, please refer to the Report on Corporate Governance, which forms part of this report.

EXTRACTS OF ANNUAL RETURN

The extracts of the Annual Return for the financial year 2019-20 as stipulated in MGT -9 pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 may be referred to at the Company's Official website at the weblink: https://www.ifbagro.in and forms part of this Report as Annexure -1.

DIRECTORS

Dr. Runu Chakraborty (DIN: 08463092) was appointed as Independent Woman Director at the 37th Annual General Meeting of the Company with effect from 27 May, 2019.

Mr Sudip Kumar Mukherji (DIN: 02764262), Mr Hari Ram Agarwal (DIN: 00256614) and Mr Manoj Kumar Vijay (DIN: 00075792) the Independent directors of the Company were re-appointed as Independent director for a second term at the 37th Annual General Meeting of the Company.

Mr Nandan Bhattacharya (DIN: 00313590), Independent director passed away on 9th June, 2019. The Board places on record its appreciation for his invaluable contribution and guidance during his tenure.

Mr. Arup Kumar Banerjee (DIN: 00336225) retires by rotation and being eligible, offers himself for re-appointment. The details about his qualification, other directorships etc. as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the explanatory statement under Section 102 of the Companies Act, 2013.

Mr. Arup Kumar Banerjee, an Honours Graduate in Commerce and Diploma in Business Management from IIM Calcutta is having experience of more than 46 years in the industry. Before joining the Company in the year 1995 he worked with IFB Industries Limited

in various positions. He was appointed as a Whole-time Director at the Nineteenth Annual General Meeting of the Company held on 31st August 2001 for a period of three years with effect from 28 July 2001 and thereafter reappointed from time to time. He was then appointed as Managing Director on 30 July 2008. Thereafter, he was elevated as Vice Chairman and Managing Director on 23rd September, 2015. The existing term of Mr Arup Kumar Banerjee will expired on 29th July, 2020. The Board of Directors in its meeting held on 10th July, 2020, on the recommendations of the Nomination and Remuneration Committee, reappointed Mr. Arup Kumar Banerjee (subject to the approval of members in the ensuing Annual General Meeting) for a further period of 3 (three) years with effect from 30 July, 2020.

Appropriate resolutions seeking the appointment/reappointment of director is appearing in the Notice convening the ensuing Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL

During the year there were no changes in the Key Managerial Personnel of your Company.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted a declaration that each one of them meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013.The declaration was placed and noted by the Board at its meeting held on 10th July, 2020.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

According to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held on 31st January 2020 to review the performance of the Non-Independent Directors, Chairman and the Board as a whole.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis;

e the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REMUNERATION POLICY

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 stating therein the Company's policy on Directors'/Key Managerial Personnel/other employee's appointment and remuneration by the Nomination and Remuneration Committee and approved by the Board of Directors.

The said policy may be referred to, at the Company's official website at https://www.ifbagro.in.

DEPOSITS

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

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is given in Annexure II which forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the corporate website at https://www.ifbagro.in/assets/pdf/Policy_on_Related_Party_Transactions.pdf

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

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

In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the company has been prepared, which forms part of this Annual Report. Further, the report on the performance and financial position of the subsidiary in the prescribed form AOC-1 is annexed as Annexure VI to this report.

HUMAN RESOURCES

For the development of the human resources, number of training programmes were organized during the year. Internal personnel as well outside faculty members undertook these programmes. Your Company plans to organize more such training programmes for the overall development of its people. Total number of employees in the Company stood at 418 as on 31st March 2020.

PREVENTION OF SEXUAL HARASSMENT

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company had constituted a Prevention of Sexual Harassment Committee. The Prevention of Sexual Harassment Policy is available on the company's website. All women employees were made aware of the Policy and the manner in which complaints could be lodged. During the year the Committee has not received any compliant.

WEBSITE OF THE COMPANY

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

AUDIT COMMITTEE

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

VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns have been established. The said policy may be referred to, at the Company's official website at the weblink: https://www.ifbagro.in/assets/pdf/Whistle_Blower_Policy.pdf

INTERNAL CONTROL SYSTEMS

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

LISTING WITH STOCK EXCHANGES

The Equity shares of the Company is listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the Company has paid the Annual listing fee for the year 2020-21 to each of the said Exchanges. The Annual Custody/ issuer fee for the year 2020-21 has been paid by the Company to NSDL and CDSL.

DEMATERIALISATION OF SHARES:

95.48% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2020 and balance 4.52% is in physical form. The Company's Registrars are M/s C.B. Management Services Pvt. Ltd., having their registered office at P-22, Bondel Road, Kolkata- 700 019.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Your Company has identified the activities and accordingly projects mainly relating to a) eradicating hunger, malnutrition and sanitation b) promoting education and livelihood enhancement and c) Promoting Healthcare were undertaken in line with the CSR policy. The necessary budget outlay was assigned to the aforesaid projects. The Company made an expenditure of Rs. 67.32 lakhs against the stipulated amount of Rs. 84.78 lakhs. There was shortfall in the CSR expenditure due to COVID -19 pandemic as the scheduled projects got delayed.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term stakeholder's value. The certificate of the Auditors, M/s BSR

& Co LLP, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of this Annual Report.

STATUTORY AUDITORS

At the 37th Annual General Meeting held on 26th July, 2019 the shareholders of the company appointed M/s. BSR & Co. LLP (Firm Registration No.: 001076N/N500013), Chartered Accountants as the Auditors of the Company for a term of five consecutive years from the conclusion of 37th Annual General Meeting to the conclusion of 42nd Annual General Meeting. The requirement to place the matter relating to reappointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of reappointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

SECRETARIAL AUDITOR

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company. The Board in its meeting held on 30th March, 2019, appointed Mr. S. K. Patnaik, partner of M/s Patnaik & Patnaik, Practising Company Secretary (Certificate of Practice No. 5699) as the Secretarial Auditor of the Company.

The Secretarial Auditors' Report for the financial year ending 31st March 2020 is given in Annexure V, which forms part of this report.

SECRETARIAL STANDARDS

Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT

In conformance to the requirements of the clause (f) of sub-regulation (2) of regulation 34 of Securities and Exchange Board of India (SEBI) Listing Regulations, the Business Responsibility Report for financial year 2019-2020 is given in Annexure VII which forms part of this Report.

ACKNOWLEDGEMENT

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

The Directors wish to place on record their appreciation for the dedicated efforts put in by the employees of the Company at all levels.

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

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Date : 10th July, 2020

Annexure I to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Alcohol (Spirits and Spirituous Beverages)	1101	76
2	Marine Products	1020	24

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IFB Agro Marine(FZE), Sharjah Airport International Free Zone, Sharjah, U.A.E	018085	Wholly Owned Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

		No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Category of Shareholder	**Demat**	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
(A)	**Promoter**									
1	**Indian**									
(a)	Individuals/ HUF	239824	-	239824	2.56	239824	-	239824	2.56	-
(b)	Central Government(s)	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	5848856	-	5848856	62.44	5848856	-	5848856	62.44	-
(e)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	**6088680**	**-**	**6088680**	**65.00**	**6088680**	**-**	**6088680**	**65.00**	**-**
2	**Foreign**									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**6088680**	**-**	**6088680**	**65.00**	**6088680**	**-**	**6088680**	**65.00**	**-**
(B)	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds	-	9000	9000	0.10	-	9000	9000	0.10	0.00
(b)	Bank/Financial Institutions	1122	95850	96972	1.03	2588	95850	98438	1.05	0.02
(c)	Central Government(s)	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors (FII)	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Foreign Portfolio Investors	15000	-	15000	0.16	15000	-	15000	0.16	0.00
(j)	Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**16122**	**104850**	**120972**	**1.29**	**17588**	**104850**	**122438**	**1.31**	**0.02**

		No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Category of Shareholder	**Demat**	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
B 2	**Non-institutions**									
(a)	Bodies Corporate									
i)	Indian	765412	5042	770454	8.22	783473	5042	788515	8.42	0.20
ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	903813	303121	1206934	12.89	975756	268887	1244643	13.29	0.40
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1108244	0	1108244	11.83	1003135	0	1003135	10.70	-1.13
(c)	Other (specify)									
1	NRI	41723	26781	68504	0.73	42502	24967	67469	0.72	-0.01
2	Clearing Member	2669	0	2669	0.03	8615	0	8615	0.09	0.06
3	OCB	-	-	-	-	-	-	-	-	-
4	Trust	154	-	154	0.00	154	-	154	0.00	0.00
5	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
6	Office of the Custodian Special Court	-	500	500	0.00	-	500	500	0.01	0.01
7	Employee*	0	0	0	0.00	0	18793	18793	0.20	0.20
8	Director & Director Relatives*	0	0	0	0.00	0	0	0	0.00	0.00
9	LLP*	0	0	0	0.00	3002	0	3002	0.03	0.03
10	HUF*	0	0	0	0.00	21321	0	21321	0.23	0.23
	Sub-Total (B)(2)	**2822015**	**335444**	**3157459**	**33.71**	**2837804**	**318189**	**3155993**	**33.69**	**-0.02**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**2838137**	**440294**	**3278431**	**35.00**	**2855392**	**423039**	**3278431**	**35.00**	**-**
	TOTAL (A)+(B)	**8926817**	**440294**	**9367111**	**100.00**	**8944072**	**423039**	**9367111**	**100.00**	**-**
(C)	**Shares held by Custodians for GDRs & ADRs**	**-**	-	-	-	**-**	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**8926817**	**440294**	**9367111**	**100.00**	**8944072**	**423039**	**9367111**	**100.00**	**-**

* Figures of the category for the year 2018-19 were included in b(i) Individual shareholders.

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	% change in share holding during the year
1	Bijon Nag	237509	2.54	0	237509	2.54	0	0
2	Bikramjit Nag	1000	0.01	0	1000	0.01	0	0
3	Preombada Nag	1315	0.01	0	1315	0.01	0	0
4	Nurpur Gases Pvt. Ltd	785543	8.39	0	785543	8.39	0	0
5	Asansol Bottling & Packaging Co. Pvt. Ltd	307197	3.28	0	307197	3.28	0	0
6	Zim Properties Pvt.Ltd	385000	4.11	0	385000	4.11	0	0
7	Lupin Agencies Pvt.Ltd	385300	4.11	0	385300	4.11	0	0
8	Windsor Marketiers Pvt.Ltd	382916	4.09	0	382916	4.09	0	0
9	IFB Automotive Pvt.Ltd	3602900	38.46	0	3602900	38.46	0	0
	Total	**6088680**	**65.00**	**0**	**6088680**	**65.00**	**0**	**0**

(iii) Change in Promoters' Shareholding

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	6088680	65.00	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	NIL	NIL	-	-
	At the end of the year	-	-	6088680	65.00

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

Sl. No.	For each of the Top ten Shareholders			Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding at the end of the year (31.03.2020)	
		Date	Reason	No of Shares Company	% of total shares of the	No of Shares Company	% of total shares of the
1	**SICGIL INDIA LIMITED**						
	a) At the beginning of the year	01.04.2019		674400	7.20	674400	7.20
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				674400	7.20
2	**F L DADABHOY**						
	a) At the beginning of the year	01.04.2019		246000	2.63	246000	2.63
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				246000	2.63
3	**P F DADABHOY**						
	a) At the beginning of the year	01.04.2019		174000	1.86	174000	1.86
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				174000	1.86
4	**N F DADABHOY**						
	a) At the beginning of the year	01.04.2019		150900	1.61	150900	1.61
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				150900	1.61
5	**DOLLY KHANNA**						
	a) At the beginning of the year	01.04.2019		121902	1.30	121902	1.30
	b) Changes during the year						
		12.04.2019	Sale	2500	0.03	119402	1.27
		26.04.2019	Sale	1000	0.01	118402	1.26
		10.05.2019	Sale	1000	0.01	117402	1.25
		17.05.2019	Sale	3000	0.03	114402	1.22
		24.05.2019	Sale	1459	0.02	112943	1.21
		14.06.2019	Sale	1000	0.01	111943	1.20
		21.06.2019	Sale	5703	0.06	106240	1.13
		28.06.2019	Sale	2000	0.02	104240	1.11
		05.07.2019	Sale	1000	0.01	103240	1.10
		26.07.2019	Sale	1000	0.01	102240	1.09
		02.08.2019	Sale	1000	0.01	101240	1.08
		16.08.2019	Sale	1000	0.01	100240	1.07
		23.08.2019	Sale	3346	0.04	96894	1.03
		30.08.2019	Sale	2579	0.03	94315	1.01
		06.09.2019	Sale	1000	0.01	93315	1.00
		20.09.2019	Sale	1000	0.01	92315	0.99
		30.09.2019	Sale	1000	0.01	91315	0.97
		04.10.2019	Sale	3000	0.03	88315	0.94

Sl. No.	For each of the Top ten Shareholders			Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding at the end of the year (31.03.2020)	
		Date	Reason	No of Shares Company	% of total shares of the	No of Shares Company	% of total shares of the
		11.10.2019	Sale	3418	0.04	84897	0.91
		18.10.2019	Sale	1266	0.01	83631	0.89
		27.12.2019	Sale	1324	0.01	82307	0.88\
		10.01.2020	Sale	1000	0.01	81307	0.87
		17.01.2020	Sale	1000	0.01	80307	0.86
		31.01.2020	Sale	10000	0.11	70307	0.75
		07.02.2020	Sale	5096	0.05	65211	0.70
		14.02.2020	Sale	5296	0.06	59915	0.64
		21.02.2020	Sale	23349	0.25	36566	0.39
		28.02.2020	Sale	12000	0.13	24566	0.26
		06.03.2020	Sale	3563	0.04	21003	0.22
		13.03.2020	Sale	5000	0.05	16003	0.17
		31.03.2020	Sale	2552	0.03	13451	0.14
	c) At the end of the year	31.03.2020				13451	0.14
6	**R F DADABHOY**						
	a) At the beginning of the year	01.04.2019		129000	1.38	129000	1.38
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				129000	1.38
7	**SHIRIN WATWANI**						
	a) At the beginning of the year	01.04.2019		102300	1.09	102300	1.09
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				102300	1.09
8	**ABN-AMRO BANK N V CALCUTTA BRANCH A/C TRANSCOM INTERNATIONAL INC.**						
	a) At the beginning of the year	01.04.2019		72500	0.77	72500	0.77
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				72500	0.77
9	**T T RAGHUNATHAN**						
	a) At the beginning of the year	01.04.2019		41456	0.44	41456	0.44
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				41456	0.44
10.	**YOGESH SHASHIKUMAR SAVADEKAR**						
	a) At the beginning of the year	01.04.2019		31000	0.33	31000	0.33
	b) Changes during the year			NIL			
	c) At the end of the year	31.03.2020				31000	0.33

(v) Shareholding of Directors and Key Managerial Personnel

Name Of Director/KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
Bijon Nag, Chairman					
At the beginning of the year	01.04.2019	237509	2.5356	237509	2.5356
Changes during the year	NIL	-	-	-	-
At the end of the year	31.03.2020	-	-	237509	2.5356
Bikram Nag, Joint Executive Chairman					
At the beginning of the year	01.04.2019	1000	0.01	1000	0.01
Changes during the year	NIL	-	-	-	-
At the end of the year	31.03.2020	-	-	1000	0.01
Rahul Choudhury, Chief Financial Officer					
At the beginning of the year	01.04.2019	510	0.001	510	0.001
Changes during the year	NIL	-	-	-	-
At the end of the year	31.03.2020	-	-	510	0.001

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Figure in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,96,99,706	-	-	19,96,99,706
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	11,75,586	-	-	11,75,586
Total (i+ii+iii)	**20,08,75,292**	**-**	**-**	**20,08,75,292**
Change in Indebtedness during the financial year				
Addition				
Reduction	20,08,75,292	-	-	20,08,75,292
Net Change	**20,08,75,292**	**-**	**-**	**20,08,75,292**
Indebtedness at the end of the financial year				
i) Principal Amount	**-**	**-**	**-**	**-**
ii) Interest due but not paid	**-**	**-**	**-**	**-**
iii) Interest accrued but not due	**-**	**-**	**-**	**-**
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors and Whole time Director : (Figure in ₹)

Sl . No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Bikram Nag, Joint Executive Chairman	Arup Kumar Banerjee, Vice Chairman and Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73,80,031.00	1,95,09,215.00	2,68,89,246.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission payable			
	- as % of profit	40,00,000.00	-	40,00,000.00
	- Others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**1,13,80,031.00**	**1,95,09,215.00#**	**3,08,89,246.00**
	Ceiling as per the Act*	**1,69,06,112.00**	**1,69,06,112.00**	**3,38,12,224.00**

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

Payment of Rs 26, 03,103 has been in excess of the ceiling limits being 5% of the Net Profits of the Company as calculated under section 198 of the Companies Act, 2013.

B. Remuneration to other Directors: (Figure in ₹)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Bijon Nag	Mr. Amitabha Kumar Nag	Mr. Sudip Kumar Mukherji	Mr. Hari Ram Agarwal	Mr. Manoj Kumar Vijay	Dr. Runu Chakraborty	
Independent Directors							
Fee for attending Board/ Committee meetings	-	-	1,39,000	1,55,000	1,03,000	75,000	4,72,000
Commission	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-
Total (1)	-	-	**1,39,000**	**1,55,000**	**1,03,000**	**75,000**	**4,72,000**
Other Non-Executive Directors							
Fee for attending Board / Committee meetings	30,000	1,38,000	-	-	-	-	1,68,000
Commission	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-
Total (2)	**30,000**	**1,38,000**	**-**	**-**	**-**	**-**	**1,68,000**
Total (B)= (1+2)	**30,000**	**1,38,000**	**1,39,000**	**1,55,000**	**1,03,000**	**75,000**	**6,40,000**
Total Managerial Remuneration (A) + (B)							**3,15,29,246**
Overall Ceiling as per the Act *							**3,71,93,447**

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

Mr. Nandan Bhattacharya, Independent Director passed away on 9th June, 2019, however he did not attend any meeting in the Financial Year 2019-20 and he did not receive any Sitting Fees during the year 2019-20.

C. Remuneration to Key Managerial Personnel other than MD/WTD (Figure in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer Mr. Rahul Choudhury	Company Secretary Mr Ritesh Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69,57,708	44,81,401	1,14,39,109
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	others, specify…	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	**69,57,708**	**44,81,401**	**1,14,39,109**

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: There is no penalty, punishment or compounding of offences during the year ended 31st March, 2020.

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Date : 10th July, 2020

Annexure II to Directors' Report

(i) The ratio of the remuneration of each Director to the median remuneration to the employee of the Company for the financial year 2019-20

Director's Name	Ratio to median remuneration
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	30.26
Mr. Bikram Nag, Joint Executive Chairman	17.65

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

(ii) The Percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary (CS) in the financial year 2019-20.

Director's/CFO/CS	% increase / (decrease) in remuneration in the Financial Year
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	1.54%#
Mr. Bikram Nag, Joint Executive Chairman	(1.09)%#
Mr. Rahul Choudhary, Chief Financial Officer	10.00%
Mr. Ritesh Agarwal, Company Secretary	15.00%

The remuneration of Executive Directors includes the variable components such as commission on Net profits of the Company.

(iii) Percentage increase in the median remuneration of employees in the financial year 2019-20: 12.73%

(iv) Number of permanent employees on the rolls of the Company as on 31.03.2020 : 418

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

The average annual increase for the year 2019-20 was around 12.73%

The average increase in staff salary for the year 2019-20 was 14.02%.

The average increase in Managerial Remuneration for the year 2019-20 was 12.23%

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

(vii) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

(viii) The statement containing the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided on the website at www.ifbagro.in.

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and
Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Date : 10th July, 2020

Annexure III to Directors' Report

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

[A] CONSERVATION OF ENERGY

a) Energy conservation measures taken:

1. Continued operation of Distilleries on 'Eco Smart' multi pressure distillation technology with integrated evaporation plant. This energy efficient technology has helped in reducing of steam consumption.
2. Very High gravity fermentation process (VHG) is continued as standard operating procedure which helped to reduce the consumption of steam and water.
3. Distilleries were operated mostly on cogenerated power (95.4%). This year captive power generation improved by 9.40% compared to last year due to increase in dryer capacity utilization.
4. Jet cooking process was modified to use low pressure exhaust steam in liquefaction process, which helped to reduce heat energy consumption and resulting in reduction in fuel consumption.
5. Total steam condensate recycling (100% recycling) from DDGS and new distillation unit has substantially reduced fuel and energy consumption.
6. Overall power factor achieved > 98% for the distillery operation, with the help of using modern gadgets.

b) Steps taken for utilizing alternate sources of energy

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

The capital investment on energy conservation equipment is not significant.

[B] TECHNOLOGY ABSORPTION

a) Efforts made towards technology absorption

1. Adoption and use of high temperature tolerant yeast strain to support high gravity fermentation which helped to reduce energy consumption for fermentation cooling.
2. Installation of sand separator in milling section to avoid sand related erosion in process machinery.
3. Installation of rotating steam tube bundled dryer with PLC controls for making DDGS with flexible product quality options.
4. Vapour integration from DDGS dryer to thin slop evaporation for steam and fuel saving.
5. Introduction of water cooled screw type brine chiller with refrigerant R134A, which is environment friendly, and does not lead to GHG (greenhouse gas) emission.
6. Incorporation state of art high precision imported mass flow meters for fully automatic spirit handling process at distillery which is first of its kind in the country.
7. Continuation of CPCB approved online monitoring instruments (system) for water and stack monitoring.
8. Recycling of ash back to fuel stream inside boiler furnace to reduce LOI (loss on ignition) of fuel.
9. Boiler blow down water recycling after due heat recovery.
10. In house enzyme production to support liquefaction of starch from grain.

b) Benefits derived:

1. Improvement in fermentation efficiencies and overall yield.
2. Improved quality, productivity and yield in grain distillery operation.
3. Minimizing spirit handling loss at distillery using precision mass flow meters.
4. Lowering of steam and water consumption through 'Eco Smart' distillation technology and integration of vapour from DDGS dryer for thin slop evaporation very high gravity fermentation technique, multi-effect evaporation plant operation and utilization of reverse osmosis plant to clean treated condensate and effluent water.

5. Ground Water conservation.
6. Improvement in fuel burning efficiencies in Boiler.
7. Reduction in chemical cost for spirit processing.
8. New initiatives on boiler blow down water management has led to savings of Raw water consumption by 5% and 1% on fuel consumption.

c) Technology Imported:

1. Coriolis principle based precision mass flow meters were bought and the technology with SCADA controls was fully absorbed. This technology is adopted for the first time in distillery industry in India.
2. Tie-up with IIT Kharagpur for in house enzyme production to support spirit manufacturing process.

d) Research & Development:

1. In house R&D has successfully developed and all-purpose floor/surface cleaner utilizing distillery byproducts.
2. Successfully completed feeding trial at National Dairy Research Institute, Kalyani, to utilize Condensed Distillery Soluble (CDS) and Distiller's Dried Grains Soluble (DDGS) as an active ingredient for cattle feed.
3. Project on DDGS digestibility in poultry feed is sponsored with University of Animal Science.
4. Value added product based on DDGS and other useful ingredients are being developed with the help of WBUAH&S (West Bengal University of Animal Husbandry and Fisheries Science).
5. Expenditure on R&D:

5.1	Capital	:	NIL
5.2	Recurring	:	Rs 29.66 lakhs.
5.3	Total	:	Rs 29.66 lakhs.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	Particulars	**31.03.2020**	31.03.2019
a)	Foreign Exchange Earnings (FOB value)	**19756.75**	17635.90
b)	CIF Value of Capital Imports	**41.91**	215.34
c)	Expenditure in Foreign Currency	**780.16**	564.09

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
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Date : 10th July, 2020

Annexure IV to Directors' Report

CORPORATE SOCIAL RESPONSIBILITY

During the year, Company constituted a Corporate Social Responsibility Committee (CSR) pursuant to provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. Weblink	The CSR Committee evolved a policy to spend the amount towards the activities mentioned in Clause i, ii, ix & x of Schedule VII of the Companies Act, 2013. www.ifbagro.in
2.	The Composition of the CSR Committee.	Mr. A.K. Banerjee - Chairman Mr. H.R. Agarwal - Member Mr. M.K. Vijay - Member
3.	Average net profit of the Company for last three financial years.	Average net profit of ₹ 4,238.76 lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 84.78 lakhs
5.	Details of CSR spent during the financial year 2019-20	
	(a) Total amount to be spent for the financial year 2019-20	₹ 84.78 lakhs
	(b) Amount unspent , if any	₹ 17.46 lakhs

5(c) Manner in which the amount spent during the financial year is detailed below: (₹ in Lakhs)

SL No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes 1) Local area or other 2) Specify the State and district where projects or programmes was undertaken.	Amount outlay (budget) project or programmes wise.	Amount spent on the projects or programmes sub heads: 1) Direct Expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto to the reporting Period.	Amount spent Direct or through implementing Agency.
1	Eradicating hunger, malnutrition and sanitation etc	Eradicating hunger, malnutrition and sanitation etc	District: 24 Parganas(S), Burdwan, State-West Bengal	1.00	1.40	1.40	Direct
2	Promoting Healthcare and Safe Drinking Water	Promoting Healthcare and Safe Drinking Water	District: 24 Parganas(S), State-West Bengal	15.00	12.77	12.77	Direct and through Indian Institute of Cerebral Palsy
3	Promoting education and Livelihood enhancement	Promoting education and Livelihood enhancement	District: 24 Parganas(S), Burdwan, Hooghly, Midnapore, State-West Bengal	30.78	18.62	18.62	Direct
4	Rural Development and Livelihood	Rural Development and Livelihood	District: 24 Parganas(S), Burdwan, Midnapore, State-West Bengal and Kerala	38.00	34.53	34.53	Direct and through donation to Chief Ministers Relief Fund
	TOTAL			**84.78**	**67.32**	**67.32**	

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

On behalf of the Board

Bikram Nag
Joint Executive Chairman
DIN: 00827155

A. K. Banerjee
Vice Chairman and Managing Director
DIN: 00336225

Kolkata, 10 July, 2020

Annexure V to Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
IFB Agro Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IFB Agro Industries Ltd.** (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

  a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the company during the audit period);

  d] Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the company during the audit period)

  e] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);

  f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and

  h] The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not applicable to the company during the audit period).

(vi) The other laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company namely:

  a] The Food Safety and Standards Act, 2006 and the rules and regulations made thereunder;

b] Legal Metrology Act, 2009 and the rules made thereunder;

c] The West Bengal Sales Tax Act, 1944

d] Bengal Excise Act, 1909

e] The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;

f] The Water (Prevention & Control of Pollution)Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;

g] The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

h] The Factories Act, 1948 and allied state laws.

We have also examined compliance with the applicable clauses of the following:

(i) The Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the remuneration paid by the company to its Vice Chairman and Managing Director for the year ended 31st March, 2020 is in excess of the limits specified in section 197 of the Companies Act, 2013 read with Schedule V thereto as the company does not have adequate profits during the year in terms of section 198 of the Act. The company has represented to us that it is in the process of obtaining necessary approval from shareholders in the ensuing Annual General Meeting to regularize the payment of such excess remuneration.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of the Company entering into any events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above for example

(i) Public/Right/Preferential issue of Shares/Debentures/Sweat Equity, etc.;

(ii) Redemption/Buy-back of Securities;

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;

(iv) Merger/Amalgamation/Reconstruction, etc.;

(v) Foreign Technical Collaborations.

For Patnaik & Patnaik
Company Secretaries

S. K. Patnaik, Partner
FCS No. : 5699
C. P. No.: 7117
UDIN: F005699B000429507

Place : Kolkata
Date : 10th July, 2020

[Note: This Report is to be read with our letter of declaration which is annexed hereto as "**Annexure - A**"*and forms an integral part of this Report.]*

Annexure - A

To,
The Members,
IFB Agro Industries Ltd.

Our Report is to be read along with this letter.

(i) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(ii) We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

(iv) The status of compliance of other laws as listed at (vi) in our Report, we relied upon the statement provided by the Management.

(v) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

(vi) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.

(vii) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Patnaik & Patnaik
Company Secretaries

S. K. Patnaik, Partner
FCS No. : 5699
C. P. No.: 7117
UDIN: F005699B000429507

Place : Kolkata
Date : 10th July, 2020

Annexure VI to Directors' Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

Sl. No.	1
Name of the subsidiary	IFB AGRO MARINE(FZE)
The date since when subsidiary was acquired	20-April-2017
Reporting Period for the subsidiary concerned, if different from the holding company's reporting period.	NOT APPLICABLE
Reporting currency	AED
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR 20.52
Share capital	2,700,000
Reserves and surplus	(3,300,018)
Total assets	7,46,058
Total Liabilities	13,46,076
Investments	-
Turnover	1,19,32,204
Profit / Loss before taxation	(652,699)
Provision for taxation	-
Profit / Loss after taxation	(652,699)
Proposed Dividend	-
Extent of shareholding (in percentage)	100%

Notes:

1. There are no subsidiaries which are yet to commence operations.
2. There are no subsidiaries which have been liquidated or sold during the year.

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Since there are no associates and joint ventures as at 31 March, 2020, the information required in Part B has not been furnished.

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Date : 10th July, 2020

Annexure VII to Directors' Report

BUSINESS RESPONSIBILITY REPORT

The Company is conscious of its responsibilities towards various stakeholders such as customers, vendors, employees, shareholders, Bankers, Statutory authorities and to the society at large. Our Business Responsibility Report includes the responses of the Company to the questions on its practices and performance on key principles defined by the Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 covering topics across environment, governance and stakeholder relationships. We provide hereunder the Business Responsibility Report in the format provided under Regulation 34(2)(f) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L01409WB1982PLC034590
2. Name of the Company: IFB Agro Industries Limited
3. Registered Address: Plot No. IND-5, Sector-1, East Kolkata Township, Kasba Industrial Estate, Kolkata – 700107
   Website : www.ifbagro.in
   E-mail id : complianceifbagro@ifbglobal.com
4. Financial Year reported: 2019-2020
5. Sector(s) that the Company is engaged in (industrial activity code-wise)

Sl. No.	Name and Description of main products/ service	NIC Code of the Product/Service
1	Alcohol (Spirits and spirituous Beverages)	1101
2	Marine Products	1020

6. List three key products/services that the Company manufactures/provides (as in balance sheet)
   (a) Extra Neutral Alcohol for use in Potable Liquor, Homeopathic Medicine etc.
   (b) Bottling of Country Liquor/ India Made Indian Liquor.
   (c) Processing of Marine food items like prawn, fish etc.
7. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Provide details of major 5): NIL. However, the company has a subsidiary i.e. IFB Agro Marine FZE, at UAE for the purpose of trading in Marine Food Items.
   (b) Number of National Locations: The Company's business and operations are spread across the country. Details of Plant locations are provide in the section, 'General Shareholder Information' in the Corporate Governance Report.
8. Markets served by the Company – Company's products and services have a national and international presence.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : ₹936.71 lakhs.
2. Total Turnover (INR) : ₹1,91,146 lakhs.
3. Total profit after taxes (INR) : ₹2,221 lakhs.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.59% of average profit for previous three years.
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Promoting Education
   (b) Skill Development Programme
   (c) Promoting Healthcare and safe drinking water etc.
   (d) Eradicating Hunger, Malnutrition and sanitation.
   (e) Rural Development.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? – Yes. The company has one subsidiary.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number : 00336225
2. Name : Mr. Arup Kumar Banerjee
3. Designation : Vice Chairman and Managing Director

(b) Details of the BR Head

No.	Particulars	Details	Details	Details
1	DIN Number(if applicable)	N.A	N.A	N.A
2	Name	Mr. Santanu Ghosh	Mr. Debasis Ghosh	Mr. Soumitra Chakraborty
3	Designation	Assistant Vice President-Plant Operations and Safety (Distillery)	Assistant Vice President - Business Head (IMIL)	Business Head- Marine Division
4	Telephone number	9830702959	9800013855	9831234696
5	e-mail id	Santanu_ghosh@ifbagro.in	debasis_ghosh@ifbagro.in	soumitra_chakraborty@ifbglobal.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a policy/ policies for.	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national / international standards? If yes, specify?	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/Owner/CEO/ appropriate Board director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified committee of the Board /Director/Official to oversee the implementation of the Policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Does the Company have in house structure to implement the policy/ policies.	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	✓	✓	✓	✓	✓	✓	✓	✓	✓

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – Not applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Four Board Meetings were held during the year and committee meeting were held from time to time during the year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. Being published once a year with the Annual Report of the Company since the financial year ended 31st March, 2020. The report can viewed at www.ifbagro.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. It extends only to the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the past financial year the following are the details of the stakeholders complaints received by the Company along with the details of complaints resolved satisfactorily: -

   No complaints received during the financial year 2019-2020.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   a. The effluent Treatment Facility in Noorpur complies with Zero Liquid Discharge (ZLD) concept set up by MOEFCCC and CPCB. The state of art effluent set up with imported DDGS Dryers have ensured ZLD status of the distillery and also ensures profitability through judicious use of the output from that plant.

   b. The cogeneration plant of Noorpur Distillery consist of 2 X 22 MT capacity boiler and 2 X2.5 MW Turbine Generator which in tandem makes the distillery self-reliant upto 95% of its requirement for power for its normal operation.

   c. Meeting 100% Pollution Control norms by way of establishing two imported DDGS plants with all accessories thus generating high quality animal feed supplements for the feed industry etc.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   The Company has been continuously striving hard to reduce the power, fuel and water consumption thereby contributing for the improvement of environment.

   IFB has been focusing on tree plantation nearby its manufacturing plants. It has planted more than 3000 no's of trees and plants to are continuing to add more in various other locations. Further, the company has also contributed a lot to its nearby areas through CSR activities.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The resources involved in the manufacturing processes are efficient and sustainable and 100% of the inputs are sustainably sourced by the Company.

   Majority of suppliers of raw material are located within a radius of 200 Kms of the manufacturing units of the Company which helps to minimise transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   Yes, the company has built up a complete small producer's supplier base over the years – generating employment in the local community.

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The local labours are provided with safety, hygiene equipment and apparatus and are expected to adhere to the safety procedures of the Company. The parties are trained and their competencies increased through intervention of company's vendor development department.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. –

   The production process of the Company is based on principles of optimising the material and energy resources including water recycling through reverse osmosis process. Therefore, the Company lays high degree of stress to reduce waste associated with its products. In the said direction, it has installed Effluent Treatment Plant ("ETP") and filter processes at all of its plants and whatever, liquid and solid waste is generated, the same is being recycled and reused in the process. The current waste generation is less than 2% of the total production, majority of which is recycled.

Principle 3

1. Please indicate the Total number of employees.-

   418 employees in IFB Agro Industries Ltd – inclusive of the Alcohol and Marine divisions as on 31st March, 2020.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.- 763 nos. – across all divisions of the company as on 31.03.2020.

3. Please indicate the Number of permanent women employees.- 9 nos. across all the division

4. Please indicate the Number of permanent employees with disabilities - None.

5. Do you have an employee association that is recognized by management -None.

6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
   (a) Permanent employees 100%
   (b) Permanent Women employees 100%
   (c) Casual / Temporary/ Contractual employees 100%
   (d) Employees with disabilities – Not Applicable

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No –

   Yes– in terms of mapping stake holders upto supplier / sales partner levels.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.-

   The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company's collaborative stakeholders are manifest in its programmes which company has done under CSR which are mostly towards the welfare of the people and stakeholders in and around our factory locations by providing health and sanitary care, educational facilities and vocational training, essential facilities like water, nutrition etc. Most of the welfare schemes undertaken by the Company are targeted towards upliftment of the poor and down-trodden and marginalised stakeholders located in and around our factories. These initiatives augment the natural resource base of the nation and create sustainable rural livelihoods.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others? –

   The Policy of the Company on Human Rights covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?-

   There was no complaint received relating to violation of Human Rights during 2019-20.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company has a Policy on Safety Health and Environment (SHE), which covers all the operations of the Company. The Policy includes implementation of a low carbon growth strategy across its businesses, integrated soil and water conservation programmes and the creation of large-scale sustainable livelihoods amongst the marginalised sections of society. The policy is applicable to the Companies all the location.

   All supplier partners and also the company itself adhere to the environment and social norms as mandated by the Government of India.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. The Company is committed to reduce Greenhouse Gas (GHG) emissions and have short-term and long-term targets in this regard. The hyperlink for webpage is https://www.ifbagro.in. All these targets are aimed at:

   - Continuous focus on reduction of thermal and electrical energy consumption.
   - Installation of Waste Recovery System.
   - Utilisation of waste products from its thermal power plants like fly ash to improve the environment.
   - Development of ponds and afforestation of the mined area to ensure greener environment.
   - Installation of high efficiency bag filters in place of ESPs to ensure emissions are well within the permissible limits.

3. Does the company identify and assess potential environmental risks?

   Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Yes, the Company produces powers in its own plants through use of turbine and waste.

   Further, it has also installed heat recovery systems and latest generation energy lighting and equipment, to save energy and fuel cost. The Company has also commissioned Rain Water harvesting projects within the plant and nearby villages. Details are given on the company website www.ifbagro.in.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The company has projects on energy efficiency at the work place and in its products. Details of the energy efficiency of the company's products and it's activities are listed on the company's website

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? –

   Emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2019-20.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   NIL

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   i. Confederation of Indian Industry (CII)

   ii. All India Distillers Association (AIDA)

   iii. Marine Products Export Development Authority (MPEDA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) :

   NONE

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Not applicable

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

   Not applicable

3. Have you done any impact assessment of your initiative?

   Not applicable

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   The company's contribution in CSR projects during 2019-20 was ₹67.32 lakhs which has been elaborated in the separate annexure on CSR to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large. This helps in increased reach as well as ensuring the adoption of initiative by communities.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Nil.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information) – Yes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.- No

   Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company periodically visits its main customers, namely, stockiests, subdealers, consumers, as part of the appraisal programme and get the feedback on the satisfaction levels on supply, quality and other terms, etc.

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Date : 10th July, 2020

Report on Corporate Governance

[Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR")]

1) **Company's philosophy on code of Governance**

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

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

2) **Board of Directors**

A. Composition of the Board of Directors as at 31st March 2020 is as follows:

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises 8 (Eight) Directors that includes 1 (one) Woman Director.

Category	No. of Directors	%
Executive Directors	2	25.00
Independent Directors	4	50.00
Non-Executive, Non Independent Director	2	25.00
Total	8	100.00

B) **Particulars of Directorships & Committee Chairmanship/Membership of other Companies & Attendance at the Board Meetings & Last AGM:**

Name	Category	No. of Board Meetings attended during 2019-20	Whether attended in AGM held on 27th July 2019	No. of Directorships in other Indian Public Limited Companies as on 31st March 2020.		No. of Committee position held in other Indian Public Limited Companies as on 31st March 2020*		Directorship in other Listed Entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Bijon Nag (Chairman)	Non-Executive Director / Promoter Director	2	Yes	1	-	-	-	IFB Industries Limited - Executive Chairman, Non Independent
Mr. Bikram Nag (Joint Executive Chairman)	Executive Director/ Promoter Director	4	Yes	1	1	-	-	IFB Industries Limited - Joint Executive Chairman & Managing Director, Non Independent
Mr. Arup Kumar Banerjee, (Vice Chairman and Managing Director)	Executive Director	4	Yes	-	-	-	-	-
Mr. Amitabha Kumar Nag	Non-Executive Director	4	Yes	-	-	-	-	-
Mr. Sudip Kumar Mukherji	Independent Non-Executive Director	4	Yes	-	-	-	-	-
Mr. Hari Ram Agarwal	Independent Non-Executive Director	4	Yes	-	1	-	-	-
Mr. Manoj Kumar Vijay	Independent Non-Executive Director	4	Yes	-	2	1	-	Usha Martin Education & Solutions Limited Non Executive, Independent
Dr. Ranu Chakraborty (joined w.e.f 27th May, 2019)	Independent Non-Executive Director and Woman Director	4	No	-	-	-	-	-

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

- None of the Directors held directorship in more than 8 Listed Companies and /or 10 Public Limited Companies and/or were members of more than 10 committees or acted as Chairman of more than 5 committees across all Public Limited Companies in which they were Directors.
- Mr. Nandan Bhattacharya, Independent Director passed away on 9th June, 2019 and did not attend any meeting during the period 1st April, 2019 to 9th June, 2019.
- None of the Independent Directors served as Independent Director in more than 7 listed Companies.
- None of the Executive Directors served as Independent Director of any other listed Company.
- Mr. Bijon Nag and Mr. Bikram Nag holds 2,37,509 shares and 1,000 shares respectively in the Equity Share Capital of the Company.

No Director is related to any other Director on the Board except Mr. Bikram Nag and Mr. Bijon Nag in terms of the definition of "Relative" given under the Companies Act, 2013.

C) Board Meetings held during the financial year 2019-2020

The Board meets at least once in a quarter in order to consider amongst other business, the quarterly performance of the Company and its financial results. The gap between any two meetings does not exceed 4 months.

During the year under review 4 (four) meetings were held on following dates:

27 May 2019, 29 July 2019, 1 November 2019, and 31 January 2020.

D) Competencies of Board of Directors

The Board has identified the list of core skills/expertise/competencies as required in the context of its business for it to function effectively and are as under:-

1. Knowledge on Company's Business and of the Industry in which the Company operates.
2. Behavioural Skills attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, legal, Administration and Decision Making.
4. Accounting, Financial and Management Skills.
5. Technical / Professional Skills and Specialised Knowledge in relation to Company's business.

The Board believes that the skills/expertise/ competencies are available with the Company.

E) Confirmation

The Board of Directors of the Company has confirmed that all Independent Directors of the Company fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and they are all Independent of the management as on 31.03.2020.

F) Skills / Expertise/ Competencies of Board of Directors

The Board composition is evenly poised between members specialized in Technical & commercial fields. The specialized skills/ experience of Board Members are given hereunder:-

1. Mr. Bijon Nag, Chairman :

   Mr. Bijon Nag a Mechanical Engineer, Mentor, having more than five decades of vast experience in Machine tool and Engineering industries. He is a visionary for our state of art Distillery at Noorpur.

2. Mr. Bikram Nag, Joint Executive Chairman.

   Mr. Bikram Nag a BBA from Richmond College, U.K. His area of core competency area includes Business Management, Controls, Financial analysis, Planning, Strategic decision Making, Marketing etc. He has also strong legal acumen too.

3. Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director

   Mr Banerjee is a B.Com (Hons.) from Calcutta University, Diploma in Business Management from IIM Calcutta. His core competency area includes Business Management, Administration, Planning, Strategic Decision Making, Marketing etc.

4. Mr. Amitabha Kumar Nag, Non -Independent Director:

   Mr. Nag, a Chartered Accountant and his key areas of competency includes treasury Management, negotiation with Banks, JV Partners, Taxation, Laws etc.

5. Mr. Manoj Kumar Vijay, Independent Director:

   Mr. Vijay did his graduation in B.com (Hons.) from Calcutta University. Mr. Vijay is having rich exposure in functions like business development, Operations, Technology, H.R, IT services etc.

6. Mr. Sudip Kumar Mukherji, Independent Director:

   Mr Mukherji, has done his graduation in commerce from the Calcutta University. He is a qualified Chartered Accountant. He has got comprehensive experience in diversified areas including Financials Analysis, Strategic Management, Corporate governance, Risk Management, Accounts and Taxation etc.

7. Mr. Hari Ram Agarwal, Independent Director:

   Mr. Agarwal, is a qualified Chartered Accountant, Company Secretary and a Law Graduate with rich experience in Strategic Financial Reporting, Project Financing, Costing and Budgeting, Finance & Accounting, Auditing, Law and Secretarial Matters.

8. Dr. Runu Chakraborty, Independent Director:

   Dr. Chakraborty a BE, ME and PHD in Bio Chemical Engineering and Food Technology. Her core areas of competency includes Bio Chemical Engineering, Food Technologies, Quality and Testing, Research and Product development etc.

3. Audit Committee

Terms of Reference:-

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

Composition, Name of members, Number of meetings, Chairperson and attendance of the Audit Committee during the financial year 2019-20:

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

* Mr. Nandan Bhattachaya, member passed away on 9th June, 2019. He did not attend any meeting during the period 1st April, 2019 to 9th June, 2019.

During the year under review 4 (Four) meetings were held of the members of the Committee which are as follows:

27 May 2019, 29 July 2019, 31 October 2019 and 31 January 2020.

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

The Chairman of the audit committee is an Independent Director.

4) Nomination and Remuneration Committee

Terms of reference:-

This Committee identifies the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also carries out evaluation of the Board, its committees and each director's performance. The Committee also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Composition, Name of members, Number of meetings, Chairperson and attendance of the Nomination and Remuneration Committee during the financial year 2019-20:

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

* Mr. Nandan Bhattachaya, member passed away on 9th June, 2019. He did not attend any meeting during the period 1st April, 2019 to 9th June, 2019.

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

27 May 2019 and 31 October 2019.

Nomination and Remuneration Policy:

The Nomination and Remuneration policy may be referred to at the Company's official website at the weblink**:** https://www.ifbagro.in/assets/pdf/Nomination-and-remuneration-policy.pdf

Remuneration/ Commission paid to Directors during the financial year 2019-20:

Name of Director	Sitting Fees	Salary, Perquisites & Commission	Total
Mr. Bijon Nag	30,000	-	30,000
Mr. Bikram Nag		1,13,80,031	1,13,80,031
Mr. Arup Kumar Banerjee		1,95,09,215	1,95,09,215
Mr. Amitabha Kumar Nag	1,38,000	-	1,38,000
Mr Hari Ram Agarwal	1,55,000	-	1,55,000
Mr Manoj Kumar Vijay	1,03,000	-	1,03,000
Mr Sudip Kumar Mukherji	1,39,000	-	1,39,000
Dr. Runu Chakraborty	75,000	-	75,000

- Mr. Bikram Nag was re-appointed as the Joint Executive Chairman for a period of 3 years w.e.f 27th January, 2019.
- Mr. Arup Kumar Banerjee was appointed as Vice Chairman and Managing Director for a period of 3 years w.e.f 30th July, 2017.
- No severance fee is payable and no stock option has been given.
- Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non Executive Directors.
- Mr. Nandan Bhattacharya passed away on 9th June, 2019, no remuneration was paid to him during the year.

5) **Stakeholders' Relationship Committee**

Terms of reference:

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

Composition, Name of members, Number of meetings, Chairperson and attendance of the Stakeholder's Relationship Committee during the financial year 2019-20:

Name of Members**	Member/Chairman	No of Meetings held	No. of Meetings attended
Mr. Sudip Kumar Mukherji*	Chairman	4	2
Mr. Amitabha Kumar Nag	Member	4	4
Mr. Manoj Kumar Vijay	Member	4	4

* *Appointed Member w.e.f 29th July, 2019.*

** Mr. Nandan Bhattachaya, member passed away on 9th June, 2019. He did not attend any meeting during the period 1st April, 2019 to 9th June, 2019.

In view of compulsory trading of shares in dematerialized form and consequent lowering of volume of physical transfers there were very few complaints which were sufficiently addressed to at the level of the Compliance Officer and CB Management Services (P) Ltd., the Registrar & Transfer Agent of the Company for shares both in physical and demat modes.

During the year under review 4 meetings were held on the following dates:

20th May, 2019, 8th July, 2019, 31st October, 2019 and 31st January, 2020.

Investor Grievance Redressal

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

No. of shareholders complaints received so far	1
No. of complaints not solved to the satisfaction of shareholders	Nil
No. of pending complaints	Nil

Name, Designation & Address of the Compliance Officer:

Mr. Ritesh Agarwal, Company Secretary

IFB Agro Industries Limited
Plot No- IND 5, Sector-1,
East Calcutta Township, Kolkata-700 107
Tel: (033) 39849524 • Fax: (033) 24421003
E-Mail: complianceifbagro@ifbglobal.com

6) **General Body Meetings**

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

AGM	For the year ended	Date	Venue of the AGM	Time
37th	2018-2019	26.07.2019	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town, Kolkata - 700 156.	11.30 A.M
36th	2017-2018	27.07.2018	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town, Kolkata - 700 156.	12.00 Noon
35th	2016-2017	28.07.2017	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town, Kolkata - 700 156.	12.30 P.M

b.	Whether any special resolution passed in the previous three AGMs	:	Yes
c.	Whether any special resolution passed last year through postal ballot	:	No
	Details of voting pattern	:	N.A
	Person who conducted the postal ballot exercise	:	N.A
d.	Whether any special resolution is proposed to be conducted through postal ballot	:	No

e. Procedure for postal ballot:

Your Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process under the Companies Act, 2013 and rules made thereunder, if any.

7) **Disclosure:**

a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with interests of the Company. Transactions with the related parties are disclosed in Note No 34 "Notes to Financial Statements" annexed to the Financial Statements for the year.

The Board has adopted a policy for related party transactions which has been uploaded on the Company's website at web link https://www.ifbagro.in/assets/pdf/Policy_on_Related_Party_Transactions.pdf

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter related to capital markets during the last 3 years: *None.*

c. The financial statements for the year 2019-20 have been prepared in accordance with the applicable accounting standards prescribed by The Institute of Chartered Accountants of India and there are no deviations.

d. The Board has noted and reviewed the Compliance Reports of all laws applicable to the Company, which were placed before each of its meeting held during the year 2019-2020.

e. The Company has adopted Whistle Blower/Vigil Mechanism Policy for Directors and employees which has been placed in the website of the Company at www.ifbagro.in. No personnel has been denied access to the Audit Committee.

f. The Company has periodically reviewed and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.

g. Reconciliation of Share Capital Audit:

A Qualified Practicing Company Secretary carried out a Share Capital Audit during the financial year 2019-20 on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the total Paid up Share Capital is in agreement with the total No. of Shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.

h. Separate Meeting of the Independent Directors

As per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors are required to hold at least one meeting in a year. Accordingly, a meeting was held on 31st January, 2020.

i. Code of Conduct for Board members and Senior Management

The Board of Directors has laid down the 'Code of Conduct' for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management Personnel have affirmed compliance with the code of conduct. The Code is available on the Company's Official website under the weblink: https://www.ifbagro.in/assets/pdf/code_of_conduct_IFB_Agro.pdf**.**

j. Familiarisation Programme for Independent Director

The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. The programmes/presentations also familiarizes the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business operates, business model of the Company etc. through various programmes.

The familiarisation programme is available on the Company's official website of the following link https://www.ifbagro.in/assets/images/investor_relations/Familiarisation_Program_2019_2020.pdf.

Whenever new Non-executive and Independent Directors are inducted on the Board they are introduced to our Company's culture through appropriate session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website at https://www.ifbagro.in/assets/images/investor_relations/StAppointmentLetter.pdf

k. The Company has adopted Policy for determining 'material' subsidiaries which has been placed on the website of the Company under the web link https://www.ifbagro.in/assets/images/investor_relations/Policy_Material_Subsidiary.pdf.

l. The Company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate risk.

m. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year 2019-20.

n. The Company has received a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/ Ministry of Corporate Affairs or any such Statutory authority.

o. During the year Board had accepted all mandatory recommendation made by the Committees.

p. Total fees for all services paid by the Company and its subsidiaries on a consolidated basis a sum of ₹29.77 lakhs to M/s. B S R & Co LLP, Statutory Auditors for the Financial year ended 31.03.2020.

q. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This Corporate Governance Report of the Company for the financial year 2019-2020 as on 31st March, 2020 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

8) **Means of communication**

Quarterly Results: The Company's quarterly/half yearly/ annual financial results are sent to the Stock Exchanges with whom the Company has listing agreements as soon as the results are approved and taken on record by the Board of Directors of the Company. Further, the results are generally published in leading newspapers such as Business Standard (English) and Aajkal (Bengali).

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

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

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

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

9) **General Shareholder information**:

i) 38th AGM date, time and venue : 4th day of September., 2020, At 12.45 PM
(The meeting is to be conducted through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM.)

ii) Financial year : 1st April, 2019 to 31st March, 2020.

iii) Book closure date : 29th August, 2020 to 4th September, 2020 (both days inclusive)

iv) Dividend Payment date : Not Applicable.

v) Listing on Stock Exchanges :
a) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
b) National Stock Exchange of India Limited
"Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

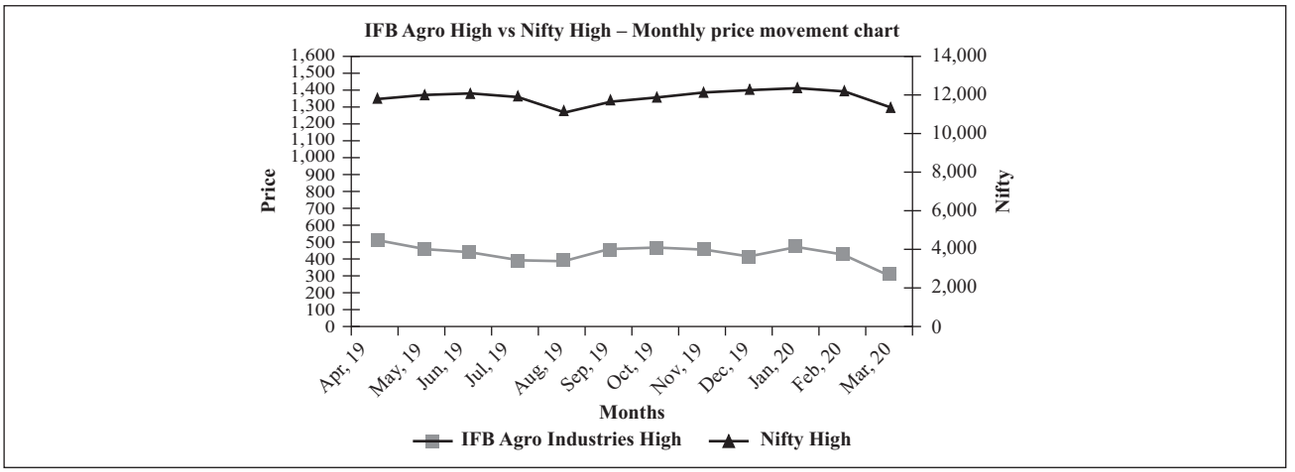
vi) Stock Code :
BSE : 507438
NSE : IFB Agro EQ
NSDL & CDSL : ISIN No. INE 076C01018

vii) Market Price Data :

Monthly High and Low quotation along with the volume of shares traded at National Stock Exchange of India Ltd & Bombay Stock Exchange during the Financial Year 2019-20.

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr,2019	508.70	437.05	509.00	446.05
May,2019	478.45	386.00	458.70	400.55
June,2019	441.55	341.65	439.90	355.10
July,2019	399.00	280.10	392.95	280.05
August,2019	393.85	241.05	394.50	264.00
September,2019	457.85	301.00	458.75	302.00
October,2019	470.00	341.05	470.00	365.50
November,2019	460.00	379.00	460.05	390.50
December,2019	414.95	366.50	415.00	367.05
January,2020	478.35	391.65	477.70	392.00
February,2020	426.40	290.00	425.45	290.00
March,2020	310.10	147.30	311.65	144.00

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



ix) Registrar & Share Transfer Agent : CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel : (033) 4011 6700/2280 6692/2282 3643/2287
Fax : (033) 4011 6739
E-mail : rta@cbmsl.com
Website :www.cbmsl.com

x) Share Transfer System

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

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

xi) Distribution of Shareholding & Shareholding Pattern

(a) Distribution of Shareholding as on 31 March 2020

Range		No.of Shareholders	% of total	No.of Shares	% of total
From	To				
1	500	8862	94.87	773598	8.26
501	1000	257	2.75	194254	2.07
1001	2000	105	1.13	151507	1.62
2001	3000	29	0.31	70118	0.75
3001	4000	25	0.27	86065	0.92
4001	5000	13	0.14	59683	0.64
5001	10000	19	0.20	128852	1.37
10001	9999999	31	0.33	7903034	84.37
	TOTAL	**9341**	**100.00**	**9367111**	**100.00**

b) Shareholding Pattern as on 31 March 2020

	No. of Shares	% of total	% Dematerialised
Indian Promoters	6088680	65.00	65.00
Mutual Funds/UTI	9000	0.10	0.00
Foreign Portfolio Investor	15000	0.16	0.16
Banks, Financial Institutions & Insurance companies	98438	1.05	0.03
Indian Public	2247778	24.00	21.13
Private Corporate Bodies	788515	8.41	8.36
Non Resident Indians	67469	0.72	0.45
Clearing Members	8615	0.09	0.09
Custodian/DR Holder	500	0.01	0.00
Employee	18793	0.20	0.00
LLP	3002	0.03	0.03
HUF	21321	0.23	0.23
Total :	**9367111**	**100.00**	**95.48**

xii) Dematerialization of shares :

As on 31st March 2020, 95.48 % of the Company's total shares representing 8944072 shares were held in dematerialised form and the balance 4.52% representing 4,23,039 shares were held in physical form.

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

xiv) Commodity price risk/ foreign exchange risk and hedging activities. : The Company is exposed to the foreign exchange risk for import of Capital Goods and export of finished goods and engages in foreign currency hedging with banks by way of currency forward contracts in order to protect its foreign currency exposure from exchange fluctuations in terms of the foreign exchange risk management policy of the Company.

xv) Plant Locations

A. Owned Plants

Distillery Plant	– Noorpur, P.S. Diamond Harbour, South 24-Parganas, West Bengal - 743 368
IMIL Bottling Plant	1) Panagarh, Dist. Burdwan, West Bengal - 713 148
	2) Dankuni, Dist. Hooghly, West Bengal - 712 306
Marine Product Processing Plant	– IFB Agro Industries Limited, Plot No.IND-5, Sector-1 East Calcutta Township, Kolkata - 700 107

B. Tie-up Plant Locations

IMIL Bottling Plant	1) Prasanta Kumar Dutta, Kandi, Murshidabad, West Bengal - 742137
	2) Singh Fisher N, Purulia, West Bengal - 723102
	3) Herald Breverages Pvt. Ltd., Jiyancha, 24 Pgs(S) - 743 504
	4) Farinni Eleven UP, 5/3A, Chetla Road, Kolkata- 700027
Marine Processing Plant	– Essex Marine Private Limited, Vill: Kuliatta, P.O. & P.S. Ramnagar, Dist: Purba Midnapore, West Bengal-721441

xvi) Address for correspondence :

Registered Office – IFB Agro Industries Limited
CIN : L01409WB1982PLC034590
Plot No.IND-5, Sector-1
East Calcutta Township
Kolkata - 700 107
Tel. : (033) 3984 9675
Fax : (033) 2442 1003
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in

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

i) The Board

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

ii) Shareholders' Rights

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

iii) Audit Opinion

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

iv) Separate Posts of Chairman and Managing Director

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

v) Reporting of Internal Auditor

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

On behalf of the Board

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

Arup Kumar Banerjee
Vice Chairman and Managing Director
(DIN: 00336225)

Registered Office:
Plot No. IND-5, Sector - 1
East Calcutta Township
Kolkata - 700 107
CIN: L01409WB1982PLC034590
E-mail: complianceifbagro@ifbglobal.com
Website : www.ifbagro.in
Date : 10th July, 2020

Independent Auditor's Certificate on Compliance with Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
IFB Agro Industries Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 8 November 2019 read in conjunction with the addendum to the aforesaid engagement letter dated 23 April 2020.

2. This report contains details of compliance of conditions of Corporate Governance by IFB Agro Industries Limited ('the Company'), for the year ended 31 March 2020, as stipulated in regulations 17-27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2020.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes [Revised 2016] ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757
UDIN: 20055757AAAACI3369

Place: Kolkata
Date: 10 July 2020

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors
IFB Agro Industries Limited
Kolkata

Dear Sirs,

Sub: **CEO & CFO Certificate**

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

a) We have reviewed the financial statements and the cash flow statement for the year ended 31 March 2020 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 March 2020 which are fraudulent, illegal or violative to Company's code of conduct.

c) We accept our responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the audit committee and steps have taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference.

   ii) There has not been any significant change in accounting policies during the year under reference.

   iii) We are not aware of any instance of fraud during the year, with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Arup Kumar Banerjee
Vice Chairman and
Managing Director
(DIN: 00336225)

Rahul Choudhary
Chief Financial Officer

Place : Kolkata
Date : 10 July 2020

CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT POLICY

I declare that in terms of Schedule V under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has received affirmation of Compliance with Code of Conduct from all the Board members and Senior Management Personnel of the Company for the financial year ended 31 March 2020.

For IFB Agro Industries Limited

Arup Kumar Banerjee
Vice Chairman and
Managing Director
(DIN: 00336225)

Place : Kolkata
Date : 10 July 2020

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of IFB Agro Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Litigations and claims

See note 19 and 32(a) to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has exposure to various tax and legal related litigation which are disclosed in Note 19 and 32(a) of the standalone financial statements. The recognition and measurement of provisions and measurement and disclosure of contingent liabilities in respect of litigations and claims require significant judgement. Due to the range of possible outcomes and considerable uncertainty around the various litigations and claims, the same has been considered a Key Audit Matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain audit evidence: 1. Obtained an understanding of the process for identification of litigations and claims. 2. Tested the design, implementation and the operating effectiveness of key controls associated with the process for identification and accounting of litigations and claims. 3. Read the latest correspondence between the Company and the various tax/legal authorities. 4. Involved our tax specialists to analyze the tax positions with respect to taxation related litigations. 5. We have considered the assessment of the Company's legal counsels internal and external, where relevant. 6. We have evaluated the Company's disclosures relating to provisions and contingent liabilities in Note 19 and 32(a) to the standalone financial statements adequately reflected the uncertainties associated with the litigations and also compliance with relevant account standards.

Impairment of trade receivables

See note 10 and 37 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
As at 31 March 2020, loss allowance for trade receivables of marine segment is 39% of total gross receivables of the segment. The Company provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Company's historical default rates determined through a provision matrix and is adjusted for forward-looking information specific to the debtors and economic environment. This assessment involves significant judgement and hence, is considered to be a Key Audit Matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain audit evidence: 1. Obtained an understanding of the Company's processes and controls relating to the determination of expected credit losses of trade receivables. 2. Tested the design, implementation and operating effectiveness of key controls associated with determination of expected credit losses of trade receivables. 3. Verified the inputs used in the provision matrix and evaluated the estimates for forward looking adjustments to the matrix. 4. Assessed the adequacy of the Company's disclosures on the trade receivables and the related risks under credit risk, in Note 10 and Note 37 to the standalone financial statements and also compliance with relevant accounting standards.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2019, included in these standalone financial statements have been audited by the predecessor auditor who had audited the standalone financial statements for the relevant year. The report of the predecessor auditor, on the comparative financial information dated 27 May 2019, expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 32 (a) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

We draw attention to Note 38 to the standalone financial statements according to which the managerial remuneration paid to Vice Chairman and Managing Director of the Company (amounting to ₹ 195.09 lakhs) exceed the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 26.03 lakhs. As per the provisions of the Companies Act, 2013, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN: 20055757AAAACG1029

Place: Kolkata
Date: 10 July 2020

Annexure A to the Independent Auditors' report on the standalone financial statements of IFB Agro Industries Limited for the year ended 31 March 2020

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory, except goods in transit and stock lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit, subsequent goods receipts have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material and has been adjusted in the books of account. For stock lying with third parties at the year-end, confirmation have been obtained by the management.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security during the year that would attract provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to investments made and guarantee provided. The Company has not given any loan or provided any security that would attract provisions of Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for any of the products manufactured by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Duty of customs, Duty of excise, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us by the management, the Company did not have any dues in respect of Service tax and Value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service tax, Duty of excise, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Entry tax, Goods and Service tax, Value added tax and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of dues	Amount in INR lakhs	Amount Paid Under Protest (in INR lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales tax	344.66	-	2005-06	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	41.38	-	2006-07	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	397.00	-	2007-08	Appellate and Revisional Board, West Bengal

Name of the statute	Nature of dues	Amount in INR lakhs	Amount Paid Under Protest (in INR lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales tax	175.11	-	2008-09	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	61.70	-	2012-13	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	64.99	-	2016-17	Senior Joint Commissioner of Commercial Taxes, West Bengal
West Bengal VAT Act, 2003	Value added tax	131.00	-	2005-06	Senior Joint Commissioner of Commercial Taxes, West Bengal
West Bengal VAT Act, 2003	Value added tax	5.75	-	2006-07	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	924.60	-	2007-08	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	559.18	-	2008-09	Appellate and Revisional Board, West Bengal
The Bengal Excise Act, 1909	State excise duty	139.61	-	2010-11	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	189.00	-	2011-12	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	117.18	-	2012-13	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	126.00	-	2013-14	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	101.00	-	2014-15	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	186.24	-	2015-16	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	332.91	-	2016-17	West Bengal Taxation Tribunal
West Bengal Molasses Control Act, 1973	State excise duty	43.34	15.00	2003-2006	High Court of Calcutta
West Bengal Molasses Control Act, 1973	State excise duty	14.65	-	2008	High Court of Calcutta

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loan or borrowings from financial institutions or government or debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of term loan, initial public offer or further public offer (including debt instruments). Accordingly, the provisions paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act except for managerial remuneration paid to Vice Chairman cum Managing Director of the Company (amounting to ₹ 195.09 lakhs), which exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 26.03 lakhs. As per the provisions of the Companies Act, 2013, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN: 20055757AAAACG1029

Place: Kolkata
Date: 10 July 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of IFB Agro Industries Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

We have audited the internal financial controls with reference to financial statements of IFB Agro Industries Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN: 20055757AAAACG1029

Place: Kolkata
Date: 10 July 2020

Standalone Balance sheet as at 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	**12,281.50**	13,452.20
Capital work-in-progress	3 (b)	**381.90**	171.13
Intangible assets under development	3 (c)	**63.05**	-
Financial assets			
(i) Investments	4 (a)	**2,571.57**	3,666.97
(ii) Loans	5 (a)	**6.06**	8.75
(iii) Other financial assets	6 (a)	**26.16**	-
Current tax assets (net)	7 (a)	**379.00**	526.21
Other non-current assets	8 (a)	**467.77**	627.37
Total non-current assets		**16,177.01**	18,452.63
Current assets			
Inventories	9	**8,838.76**	6,534.98
Financial assets			
(i) Investments	4 (b)	**8,009.43**	8,162.98
(ii) Trade receivables	10	**6,476.34**	5,372.65
(iii) Cash and cash equivalents	11 (a)	**1,767.61**	4,467.48
(iv) Bank balances other than (iii) above	11 (b)	**93.28**	124.37
(v) Loans	5 (b)	**32.33**	38.21
(vi) Other financial assets	6 (b)	**130.69**	78.46
Other current assets	8 (b)	**3,170.26**	2,852.38
Total current assets		**28,518.70**	27,631.51
Total assets		**44,695.71**	46,084.14
Equity and liabilities			
Equity			
Equity share capital	12	**936.71**	936.71
Other equity	13	**37,807.82**	36,499.88
Total equity		**38,744.53**	37,436.59
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14 (a)	**-**	-
(ii) Lease liabilities		**57.04**	-
(iii) Other financial liabilities	15 (a)	**240.02**	240.02
Deferred tax liabilities (net)	16	**480.99**	1,492.05
Other non-current liabilities	17 (a)	**31.84**	34.32
Total non-current liabilities		**809.89**	1,766.39
Current liabilities			
Financial liabilities			
(i) Trade payables	18		
– total outstanding dues of micro enterprises and small enterprises		**368.68**	260.19
– total outstanding dues of creditors other than micro enterprises and small enterprises		**2,908.08**	3,137.86
(ii) Lease liabilities		**6.73**	-
(iii) Other financial liabilities	15 (b)	**545.60**	2,585.28
Current tax liabilities (net)	7 (b)	**8.05**	-
Other current liabilities	17 (b)	**1,111.25**	698.31
Provisions	19	**192.90**	199.52
Total current liabilities		**5,141.29**	6,881.16
Total liabilities		**5,951.18**	8,647.55
Total equity and liabilities		**44,695.71**	46,084.14

The accompanying notes 1 to 41 form an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman **Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director **Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer **Rahul Choudhary**
Company Secretary **Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Standalone Statement of profit and loss for the year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	20	**188,841.83**	173,204.33
Other income	21	**1,121.30**	1,277.49
Total income		**189,963.13**	174,481.82
Expenses			
Cost of materials consumed	22	**57,143.53**	45,048.82
Purchases of stock-in-trade	23	**14,884.63**	21,595.67
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	**(1,045.35)**	701.83
Excise duty		**92,566.10**	80,722.81
Employee benefits expense	25	**4,814.65**	4,356.49
Finance costs	26	**178.62**	294.24
Depreciation and amortisation expenses	27	**1,770.14**	1,869.40
Other expenses	28	**17,846.06**	16,098.84
Total expenses		**188,158.38**	170,688.10
Profit before tax		**1,804.75**	3,793.72
Tax expenses	29		
Current tax		**357.31**	549.53
Deferred tax		**(899.26)**	(76.60)
		(541.95)	472.93
Profit after tax		**2,346.70**	3,320.79
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Changes in fair value of equity instruments		**(1,095.40)**	(621.99)
(ii) Remeasurement of post-employment benefit obligations		**(84.79)**	(98.51)
(iii) Tax relating to these items		**141.43**	403.44
Total other comprehensive income for the year, net of tax		**(1,038.76)**	(317.06)
Total comprehensive income for the year		**1,307.94**	3,003.73
Earnings per equity share			
Basic and diluted earnings per share (₹)	30	**25.05**	35.45

The accompanying notes 1 to 41 form an integral part of these standalone financial statements.

This is the standalone statement of profit and loss referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman	**Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director	**Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer	**Rahul Choudhary**
Company Secretary	**Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Standalone Statement of cash flows for the year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities:**			
	Profit before tax		**1,804.75**	3,793.72
	Adjustment for:			
	Depreciation and amortisation expenses		**1,770.14**	1,869.40
	Bad debts written-off		**74.68**	19.91
	Allowance for doubtful debts (net)		**1,213.55**	253.08
	Writeback of allowance of doubtful debts		**-**	(259.04)
	Net gain arising on sale of financial assets measured at FVTPL		**(324.37)**	(300.62)
	Net gain on remeasurement of financial assets measured at FVTPL		**(4.17)**	(159.03)
	Net loss arising on remeasurement of derivatives at FVTPL		**120.00**	2.26
	Amortisation of capital subsidy		**(2.48)**	(2.67)
	Loss on sale of property, plant and equipment, net		**10.77**	1.07
	Liability no longer required, written back		**(99.18)**	(145.41)
	Unrealised forex (gain)/loss		**(61.57)**	147.60
	Interest income		**(76.69)**	(51.86)
	Write off of property, plant and equipment		**46.37**	-
	Finance costs		**178.62**	294.24
	Operating profit before working capital changes:		**4,650.42**	5,462.65
	Adjustment for:			
	Increase in inventories		**(2,303.78)**	(17.05)
	(Increase)/decrease in trade receivables		**(2,329.09)**	884.13
	Decrease in loans		**8.57**	20.87
	(Increase)/decrease in other financial assets		**(82.22)**	76.92
	Increase in other non-financial assets		**(92.32)**	(139.53)
	Decrease in trade payables		**(122.55)**	(443.05)
	Increase/(decrease) in provisions		**(6.62)**	7.00
	Increase/(decrease) in other financial liabilities		**3.88**	(122.98)
	Increase/(decrease) in other non-financial liabilities		**512.12**	(152.62)
	Cash generated from operations		**238.41**	5,576.34
	Income taxes paid (net of refund)		**(172.42)**	(1,010.87)
	Net cash generated from operating activities	**(A)**	**65.99**	4,565.47
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment (including capital work in progress and intangible assets under development)		**(1,198.04)**	(1,481.52)
	Proceeds from sale of property, plant and equipment		**27.24**	20.12
	Investments made in wholly owned subsidiary		**-**	(166.75)
	Purchase of investments measured at FVTPL		**(75,775.00)**	(62,881.36)
	Sale of investments measured at FVTPL		**76,257.09**	64,511.53
	(Increase) / decrease in other bank balance		**25.76**	(118.71)
	Interest received		**82.02**	79.79
	Net cash used in investing activities	**(B)**	**(580.93)**	(36.90)

Standalone Statement of cash flows for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
C.	**Cash flow from financing activities**			
	Repayment of borrowings		**(1,996.99)**	(1,235.57)
	Finance costs		**(185.16)**	(303.26)
	Payments for lease liability including interest		**(2.78)**	-
	Net cash (used in) financing activities	**(C)**	**(2,184.93)**	(1,538.83)
	Net increase in cash and cash equivalents	**(A+B+C)**	**(2,699.87)**	2,989.74
	Cash and cash equivalents as at the beginning of the year		**4,467.48**	1,477.74
	Cash and cash equivalents as at the end of the year [refer note 11(a)]		**1,767.61**	4,467.48

Notes:

i) The above standalone statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7, " Statement of cash flow".

ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financial activities are as under:

	As at 31 March 2020	As at 31 March 2019
Term loans		
Opening balance of borrowings	**2,008.75**	3,125.75
Repayment during the year	**(1,996.99)**	(1,254.13)
Changes on account of foreign currency fluctuations	**(11.76)**	102.69
Changes on account of fair value measurement	**-**	34.44
	-	2,008.75

This is the standalone statement of cash flow referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman	**Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director	**Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer	**Rahul Choudhary**
Company Secretary	**Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Standalone Statement of changes in equity for the year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(A) Equity

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	**936.71**	936.71
Changes in equity share capital during the year	**-**	-
Balance at the end of the year	**936.71**	936.71

(B) Other equity

	Reserves and surplus				
	Securities premium	**General reserves**	**Retained earnings**	**Equity Instruments through OCI**	**Total**
Balance as at 31 March 2018	3,193.72	284.95	27,094.35	2,923.13	33,496.15
Profit after tax	-	-	3,320.79	-	3,320.79
Items of other comprehensive income, net of tax:					
- Remeasurements of post-employment benefit obligations	-	-	(64.09)	-	(64.09)
- Changes in fair value of equity instruments	-	-	-	(252.97)	(252.97)
Balance as at 31 March 2019	3,193.72	284.95	30,351.05	2,670.16	36,499.88
Profit after tax	**-**	**-**	**2,346.70**	**-**	**2,346.70**
Items of other comprehensive income, net of tax:					
- Remeasurements of post-employment benefit obligations	**-**	**-**	**(55.16)**	**-**	**(55.16)**
- Changes in fair value of equity instruments	**-**	**-**	**-**	**(983.60)**	**(983.60)**
Balance as at 31 March 2020	**3,193.72**	**284.95**	**32,642.59**	**1,686.56**	**37,807.82**

Refer to Note 13 for nature and purpose of reserve.

This is the standalone statement of change in equity referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman	**Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director	**Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer	**Rahul Choudhary**
Company Secretary	**Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Notes to standalone financial statements for the year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Summary of significant accounting policies and other explanatory informations:

1A Background

IFB Agro Industries Limited is a Company limited by shares, incorporated and domiciled in India. The Company is primarily engaged in the business of manufacturing alcohol, bottling of branded alcoholic beverages as well as processed marine foods both for domestic and export markets. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The registered office of the Company is located at Plot No. IND-5, Sector-I, East Kolkata Township, Kolkata – 700 107, India. The corporate identification number (CIN) of the Company is L01409WB1982PLC034590.

These standalone financial statements are approved by the Company's Board of Directors on 10 July 2020.

1B Basis of Preparation

(a) General information and statement of compliance with Indian Accounting Standards

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

(b) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- defined benefit plans – plan assets measured at fair value.

(c) Accounting estimates and judgements

Preparation of financial statements requires the use of judgements, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgements are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

Details of critical estimates and judgements used which have a significant effect on the carrying amounts of assets and liabilities, are provided in the following notes:

Income tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Refer note 7, 16 and 29.

Useful life of property, plant and equipment:

Refer note 2 (b) for details.

Measurement of defined benefit obligations:

The costs of providing pensions and other post-employment benefits are charged to the statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in note 25 and 33.

Impairment of assets:

Refer note 2 (b), (c) and (e) for details.

Classification of leases:

Refer note 2 (m) for details.

Estimation of provisions and contingencies:

Refer note 2 (n), 19 and 32(a) for details.

Recognition of deferred tax assets:

Refer note 2 (o) for details.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Fair value measurements:

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Refer note 36 (c) for details.

The Company presents all its assets and liabilities in the balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2 Significant accounting policies

(a) Revenue recognition

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS - 115, Revenue from contracts with customers:

i) Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

iii) Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

v) Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

Sale of goods:

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on despatch or delivery of the goods, as per the terms of the contract.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components. The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in Ind AS - 115 and not adjusted the consideration for significant financing component.

Revenue is measured based on the transaction price i.e. the consideration to which the group expects to be entitled from a customer, net of returns and allowances, trade discounts and volume rebates. Revenue includes both fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and estimated rebates.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties and transaction costs. The consideration promised in a contract with a customer is fixed.

For each performance obligation identified, the Company determines at contract inception that it satisfies the performance obligation over time or satisfies performance obligation at a point in time. When either party to a contract has performed, an entity shall present the contract in the Balance Sheet as a contract asset or a contract liability depending upon the relationship of the Company's performance and customer payment. A receivable is recognised when goods are delivered as this is the case of point in time recognition where consideration is unconditional because only passage of time is required.

Tie-up manufacturing arrangements:

The Company has entered into tie-up manufacturing arrangements with the tie-up manufacturers (TMU), where-in TMU's would manufacture and sell branded alcoholic products on behalf of the Company. Accordingly, the transactions of the tie-up units under such arrangements have been recorded as gross revenue, excise duty and expenses as they were transactions of the Company.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Property, plant and equipment

Recognition and initial measurement:

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably. All repairs and maintenance expenses are charged to the statement of profit and loss in the period in which they are incurred. Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment recognised as at 1 April 2016, as per the previous GAAP, and used the carrying amount as its deemed cost on the date of transition to Ind AS.

Capital work-in-progress:

Property, plant and equipment which are not ready for intended use as on the balance sheet date are disclosed as "Capital work-in-progress".

Subsequent measurement (depreciation and useful lives):

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013 with the exception of plant and equipment of bottling plants that are being depreciated considering a useful life of 20 years based on technical evaluation. Depreciation of land acquired under right of use is provided over their respective lease period or estimated useful life whichever is shorter. Residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each balance sheet date and any change in them is adjusted prospectively.

Category of asset	Useful life
Buildings	5 - 60 years
Plant and equipment	10 - 40 years
Furniture and fixtures	10 years
Office equipment	3 - 6 years
Vehicles	8 - 10 years

Freehold land is carried at historical cost.

De-recognition:

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

Intangible assets

(i) Recognition and measurement

Acquired Intangible assets: Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets: Expenditure pertaining to research is expensed out as an when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to statement of profit and loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is the systematic allocation of the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

(c) Impairment of non-financial assets

Assessment for impairment is done at each balance sheet date when there is an indication that a non-financial asset may be impaired. For the purpose of assessing impairment, smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets/groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the statement of profit and loss.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Investments in subsidiaries

Investment in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. On disposal of the investments, the difference between net disposal proceeds and the carrying amount is recognized in the statement of profit and loss.

(e) Financial instruments

(A) Financial assets

Classification:

The Company classifies its financial assets in the following measurement categories depending on the Company's business model for managing such financial assets and the contractual cash flow terms of the asset.

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the statement of profit and loss or other comprehensive income. Investments in debt instruments are classified depending on the business model managing such investments. The Company re-classifies the debt investments when and only when there is a change in business model managing those assets. For investments in equity instruments which are not held for trading, the Company has made an irrevocable election at the time of initial recognition to account for such equity investments at fair value through other comprehensive income.

Measurement:

At initial recognition, the Company measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss as and when they are incurred.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model managing such debt instruments and the contractual cash flow characteristics of the instrument. There are three measurement categories into which the debt instruments are classified:

(i) Amortized cost: Business model managing such asset has the objective to realize the contractual cash flows arising from the asset by holding such asset and the contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at amortized cost. A gain or loss on a financial asset subsequently measured at amortized cost is recognized in the statement of profit or loss when the asset is de-recognised or impaired.

(ii) Fair value through other comprehensive income (FVOCI): Business model managing such asset has the objective to collect the contractual cash flows arising from such asset and to sale the asset, where such contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at fair value through other comprehensive income (FVOCI). Changes in fair value of such instruments are recognized through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and recognized in other income.

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in statement of profit and loss in the period in which it arises.

Equity instruments:

The Company classifies all its equity investments at fair value. In case of equity instruments not held for trading, Company's management has made an irrevocable election to present fair value gains and losses on such equity instruments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss.

Investments in mutual funds:

Investments in mutual funds are measured at fair value through profit and loss.

Interest income:

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income:

Dividend income is recognized when the right to receive dividend is established.

Impairment:

The Company assesses the expected credit losses for its financial assets at amortized cost and FVTOCI debt instruments. Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 which requires loss allowance to be recognized at an amount equivalent to the lifetime expected credit losses from the initial recognition of such receivables irrespective of whether there has been a significant increase in credit risk.

De-recognition:

A financial asset is de-recognized when:

(i) Contractual right to receive cash flows from such financial asset expires;

(ii) Company transfers the contractual right to receive cash flows from the financial asset; or

(iii) Company retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the Company has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company does not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in such financial asset.

Financial liabilities

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other gains or (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derivatives

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign exchange risks.

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains/losses is recognised in the statement of profit and loss.

(f) Government grants and subsidies

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

Income from export incentives:

Income from export incentives such as Merchandise Export from India Scheme (MEIS) and duty drawback are recognized on accrual basis.

(g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

(h) Inventories

Raw materials, packing materials, work-in-progress, stores and spares, finished goods and stock-in-trade are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Cost of inventories comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from the tax authorities), cost of conversion and all other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In determining the cost of manufactured finished goods and work-in-progress an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow moving items.

(i) Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and demand deposits with banks. The Company considers it's highly liquid, short-term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents. Accordingly time deposits with banks, having original maturity less than three months, is considered as cash equivalent.

The standalone statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the company's cash management.

(j) Assets held for sale

Assets are classified as held for sale under current assets if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and is expected to be sold within one year from the balance sheet date. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

(k) Foreign currency transactions

Functional currency and presentation currency:

The financial statements are presented in Indian Rupees (i.e., INR), the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the statement of profit and loss.

(l) Employee benefits expense

Defined contribution plans:

The Company provides defined contribution plans for post-employment benefits in the form of provident fund and superannuation fund administered by Regional Provident Fund Commissioner and Life Insurance Corporation of India respectively. The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when incurred. Provident and superannuation funds are classified as defined contribution plans as the Company has no further obligation beyond making the contributions, even if the assets of the fund is not enough to pay all the employee benefits.

Defined benefit plans and other long term benefits:

Liability for compensated absence and gratuity is provided on the basis of actuarial valuation as at the balance sheet date carried out by an independent actuary using Projected Unit Credit (PUC) method. It is used to measure the plan liabilities, including death-in-service and incapacity benefits. Plan liability is the actuarial present value of the 'defined benefit obligations' as on the balance sheet dates for all active members.

Gratuity plan is classified as post retirement employee benefit and hence the current service cost including net interest cost / (income) is recognized in the statement of profit and loss under "employee benefit expenses" during the period in which it is incurred. Remeasurement of defined benefit obligation due to change in actuarial assumptions or experience adjustments or expected return on plan assets (to the extent not covered under net interest on net defined benefit obligation) is recognized under other comprehensive income and not subsequently reclassified to the statement of profit and loss.

Liability for compensated absence has been classified as long-term employee benefit and the entire cost incurred on such plan is recognized in the statement of profit and loss under "employee benefit expenses" during the period in which it is incurred.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Termination benefits

Termination benefits are recognized as an expense as and when incurred. The Company recognizes termination benefits at the earlier of the following dates:

(i) when the Company can no longer withdraw the offer of those benefits; or

(ii) when the Company recognizes a restructuring cost within the scope of Ind AS 37.

Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(m) Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii)the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The Right of Use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Effective 1 April 2019, the Company has adopted Ind AS -116 'Leases' using the modified retrospective approach. This has resulted in recognition of 'right-of-use' asset and lease liability as on 1 April 2019. The adoption of the standard did not have any material impact on standalone financial statements.

(n) Provisions, contingent liabilities and contingent assets

Provisions:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect of time value of money is material i.e., the obligation is to be settled after a period of 12 months from the end of the reporting date, such provisions are discounted to reflect its present value using a pre-tax discounting rate that reflects the current market assessments of time value of money and risks specific to the obligation. When discounting is used, increase in the provision amount due to the passage of time is recognized as finance cost.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Contingent liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets:

Contingent assets are not recognized in the financial statement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

(o) Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets or liabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that does not result from a business combination and at the time of such transaction, affects neither the accounting profit or loss nor taxable profit (tax loss) for the period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available against which those temporary differences/losses can be utilized. Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(p) Segment reporting

Operating segments are identified in a manner consistent with the internal reporting presented to the chief operating decision maker (CODM).

The chief operating decision maker (CODM) is a function which regularly reviews the financial results of the operating segments for the purpose of assessing its performance and allocation of funds to such segments. The Company identifies its Managing Committee as the chief operating decision maker. As per Ind AS 108, the Company has identified the following operating segments:

(i) Alcohol, spirit and spirituous beverages

(ii) Marine products

"Unallocated" include revenue and expenses that relate to initiatives / costs attributable to the enterprise as a whole and are not attributable to segments.

(q) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(r) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, the Company has no dilutive potential equity shares.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

3 (a) Property, plant and equipment

	Owned assets						Leased assets	
	Freehold land	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Land**	**Total**
Gross Block (refer note (i) below)								
Balance as at 31 March 2018	829.30	2,368.90	13,553.10	56.36	159.31	148.46	438.29	17,553.72
Additions	245.11	205.07	1,310.31	27.46	39.27	17.12	-	1,844.34
Less: Disposal	-	-	126.05	0.23	2.64	7.51	-	136.43
Balance as at 31 March 2019	1,074.41	2,573.97	14,737.36	83.59	195.94	158.07	438.29	19,261.63
Additions	**6.00**	**51.35**	**485.76**	**16.62**	**43.81**	**18.95**	**61.33**	**683.82**
Less: Disposal	**-**	**48.20**	**159.70**	**0.17**	**7.36**	**22.83**	**-**	**238.26**
Balance as at 31 March 2020	**1,080.41**	**2,577.12**	**15,063.42**	**100.04**	**232.39**	**154.19**	**499.62**	**19,707.19**
Accumulated Depreciation and Impairment (refer note (i) below)								
Balance as at 31 March 2018	-	448.86	3,423.87	22.38	93.06	55.60	11.50	4,055.27
Charge for the year	**-**	198.32	1,570.18	11.51	43.39	32.76	13.24	1,869.40
Less: Disposal/adjustments	**-**	-	55.71	0.17	1.61	4.43	-	61.92
Less: Impairment reversal	**-**	-	53.32	-	-	-	-	53.32
Balance as at 31 March 2019	-	647.18	4,885.02	33.72	134.84	83.93	24.74	5,809.43
Charge for the year	**-**	**240.14**	**1,428.79**	**14.97**	**42.01**	**28.36**	**15.87**	**1,770.14**
Less: Disposal/adjustments	**-**	**1.16**	**69.01**	**0.12**	**6.18**	**16.56**	**-**	**93.03**
Less: Impairment reversal	**-**	**42.83**	**18.02**	**-**	**-**	**-**	**-**	**60.85**
Balance as at 31 March 2020	**-**	**843.33**	**6,226.78**	**48.57**	**170.67**	**95.73**	**40.61**	**7,425.69**
Net Block								
Balance as at 31 March 2019	1,074.41	1,926.79	9,852.34	49.87	61.10	74.14	413.55	13,452.20
Balance as at 31 March 2020	**1,080.41**	**1,733.79**	**8,836.64**	**51.47**	**61.72**	**58.46**	**459.01**	**12,281.50**

Notes:

i) The Company had adopted the carrying cost as on the date of transition to Ind AS as its deemed cost as at 1 April 2016 and accordingly adjusted its gross block and accumulated depreciation and impairment.

ii) The Company's marine product processing plant at Kolkata has been erected on land obtained under long term lease of ninety-nine years, valid upto 9 August 2093 through license from Kolkata Metropolitan Development Authority, for which formal lease deed is yet to be executed.

iii) Plant and equipment includes electrical equipment and installations and laboratory equipment.

iv) The Company, based on technical evaluation, has assessed and concluded that none of the components of property, plant and equipment have an useful life which is different from that of the principal asset.

v) Term loan from banks (External commercial borrowings) is secured by an exclusive charge on all present and future assets (plant and equipment and civil work) at Noorpur unit and on other plant and equipment of the Company.

vi) Leasehold land includes land acquired under long term lease. It represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortized over the period of lease. Net Block as at **31 March 2020: ₹400.29 lakhs** (31 March 2019: ₹413.55 lakhs).

vii) Leasehold land also includes Right of use assets. The details of Right of use assets acquired and corresponding depreciation charge are given as under:

	Leasehold land	
	31 March 2020	31 March 2019
Gross Block as at the beginning of the year	**-**	-
Add: Additions during the year	**61.33**	-
Less: Disposal during the year	**-**	-
Gross Block as at the end of the year	**61.33**	-
Accumulated Depreciation as at the beginning of the year	**-**	-
Add: Charge for the year	**2.61**	-
Less: Disposal/adjustments	**-**	-
Accumulated Depreciation as at the end of the year	**2.61**	-
Net block as at the end of the year	**58.72**	-

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
3	**(b) Capital work-in-progress**		
	Opening balance as at the beginning of the year	**171.13**	640.38
	Additions made during the year	**583.79**	1,231.41
	Transferred to property, plant and equipment	**(373.02)**	(1,700.66)
	Closing balance as at the end of the year	**381.90**	171.13
3	**(c) Intangible assets under development**		
	Opening balance as at the beginning of the year	**-**	-
	Additions made during the year	**63.05**	-
	Transferred to intangible assets	**-**	-
	Closing balance as at the end of the year	**63.05**	-

		As at 31 March 2020		As at 31 March 2019	
		Nos.	**Amount**	Nos.	Amount
4	**Investments**				
(a)	**Non-current**				
	Investments in equity instruments (Subsidiary)				
	Unquoted				
	(Measured at cost)				
	IFB Agro Marine FZE [(Face value AED 1.50 lakhs (31 March 2019: AED 1.50 lakhs) per share, fully paid-up)] (refer note (iii) below)	**18**	**489.45**	18	489.45
			489.45		489.45
	Investments in equity instruments				
	Quoted				
	(Designated at fair value through other comprehensive income (FVTOCI))				
	IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)(FVTOCI))	**172,733**	**458.26**	172,733	1,689.24
			458.26		1,689.24
	Unquoted				
	(Designated at fair value through other comprehensive income)				
	CPL Projects Limited (Face value ₹ 10 per share, fully paid-up)	**90,000**	**2.85**	90,000	2.86
	Zenith Investments Limited (Face value ₹ 10 per share, fully paid-up)	**260,000**	**2.91**	260,000	2.89
	Asansol Bottling and Packaging Company Private Limited (Face value ₹ 100 per share, fully paid-up)	**23,900**	**362.40**	23,900	268.81
	Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	**145,000**	**55.06**	145,000	54.09
	IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	**955,998**	**1,200.64**	955,998	1,159.63
			1,623.86		1,488.28
			2,571.57		3,666.97

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

4 Investments *(cont'd)*

	As at 31 March 2020	As at 31 March 2019
Other disclosures for non-current investments:		
(a) Aggregate amount of quoted investments and market value thereof	**458.26**	1,689.24
(b) Aggregate amount of unquoted investments	**2,113.31**	1,977.73

Notes:

i) As at the balance sheet date, none of the investments in equity instruments have been impaired.

ii) The investments in equity instruments are for long-term strategic purposes and not held for trading. Under Ind AS 109, the Company has chosen to designate these investments as equity instruments at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for non-current investments than reflecting the changes in fair values immediately in the other comprehensive income for such period. Based on the aforesaid designation, changes in fair values are accumulated in other equity under the head "equity instruments through other comprehensive income". The Company transfers the accumulated balance from this account to retained earnings when such equity instruments are derecognised.

iii) The Company has measured its investment in subsidiary at cost in accordance with Ind AS 27 - Separate Financial Statements.

	As at 31 March 2020		As at 31 March 2019	
	Nos.	**Amount**	Nos.	Amount
(b) Current				
Investments in mutual funds				
Unquoted				
(Measured at fair value through profit and loss)				
DSP Overnight Fund - Direct - Growth	**47,169.05**	**504.09**	-	-
Franklin India Overnight Fund -Direct-Growth	**191,756.92**	**2,003.50**	-	-
Franklin India Short Term Income Plan - Regular Growth	**-**	**-**	8,599.05	343.73
Franklin India Ultra Short Bond Fund-Super Institutional Plan - Regular Growth	**-**	**-**	11,247,236.77	2,954.51
HSBC Cash Fund - Direct Growth	**-**	**-**	10,751.37	200.23
HSBC Overnight Fund - Direct - Growth	**67,686.62**	**706.41**	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Growth	**-**	**-**	4,067,071.13	1,026.87
ICICI Prudential Money Market Fund - Regular Growth	**-**	**-**	193,835.35	501.71
ICICI Prudential Overnight Fund-Direct-Growth	**1,434,024**	**1,545.14**	-	-
Invesco India Money Market Fund - Direct Growth	**-**	**-**	81,944.63	1,777.62
Invesco India Overnight Fund - Direct-Growth	**143,281.93**	**1,447.32**	-	-
Kotak Overnight Fund - Direct- Growth	**169,155.80**	**1,802.97**	-	-
Kotak Low Duration Fund - Direct Growth	**-**	**-**	57,143.99	1,358.31
		8,009.43		8,162.98
Other disclosures for current investments:				
(a) Aggregate amount of unquoted investments		**8,009.43**		8,162.98

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
5	**Loans**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Security deposits	**6.06**	8.75
		6.06	8.75
(b)	**Current**		
	(Unsecured, considered good)		
	Security deposit	**13.40**	12.90
	Loan to employees	**18.93**	25.31
		32.33	38.21
6	**Other financial assets**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Bank deposits with remaining maturity more than 12 months (*)	**26.16**	-
		26.16	-
(*)	Bank deposits are under lien with various Government authorities.		
(b)	**Current**		
	(Unsecured, considered good)		
	Derivative instruments	**-**	3.83
	Other receivables	**130.69**	74.63
		130.69	78.46
7	**Income tax balances**		
(a)	Current tax assets (net)	**379.00**	526.21
(b)	Current tax liabilities (net)	**8.05**	-
8	**Other assets**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Capital advances	**379.53**	228.78
	Advances other than capital advances:		
	- Security deposits	**5.60**	8.10
	- Amount deposited with government authorities	**15.10**	34.77
	- Advance to service provider	**0.40**	10.04
	Excess amount paid for defined benefit plans (refer note 33)	**67.14**	207.90
	Excess amount paid for other long-term employee benefit (refer note 33)	**-**	137.78
		467.77	627.37

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
8	**Other assets** *(Contd.)*		
(b)	**Current**		
	(Unsecured, considered good)		
	Advances other than capital advances:		
	- Advance to vendors (#)	**476.60**	872.98
	- Advance to service provider	**-**	100.00
	- Advance to tie-up manufacturing units	**153.14**	114.33
	- Prepaid expenses	**443.52**	446.83
	Balances with government authorities (*)	**1,826.90**	974.66
	Export incentives receivable	**270.10**	343.58
		3,170.26	2,852.38

(#) Advance to vendors include advances to Nurpur Gases Private Limited, a private company in which a director is a member: **As at 31 March 2020 : ₹67.43 lakhs** (As at 31 March 2019: Nil)

(*) Balances with government authorities primarily include amounts realisable from goods and services tax, state excise authorities and transitional credit carried forward under the goods and services tax regime. These are expected to be realised within a period of one-year, by off-setting the same against the output goods and services tax liability on goods supplied by the Company. Accordingly these balances have been classified as current assets.

		As at 31 March 2020	As at 31 March 2019
9	**Inventories**		
	(valued at lower of cost and net realisable value)		
	Raw materials (including packing materials) (##)	**2,944.97**	2,069.12
	Work-in-progress	**184.16**	178.20
	Finished goods (**)	**4,992.35**	3,511.53
	Stock-in-trade	**355.98**	416.43
	Stores and spares	**361.30**	359.70
		8,838.76	6,534.98

(##) includes raw material in transit **₹67.81 lakhs** (31 March 2019: ₹61.85 lakhs)

(**) includes finished goods in transit **₹272.39 lakhs** (31 March 2019: ₹212.04 lakhs).

Note: The cost of inventories recognised as an expense during the year is disclosed under note 22, 23 and 24. The cost of inventories recognised as an expense includes **₹424.61 lakhs** (31 March 2019: Nil) in respect of write-downs of inventory to its net realisable value.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
10	**Trade receivables**		
	Trade receivables considered good, secured	**809.50**	1,004.38
	Trade receivables considered good, unsecured	**7,395.19**	4,368.27
	Trade receivables, credit impaired	**-**	514.80
		8,204.69	5,887.45
	Less: Allowance for doubtful debts	**1,728.35**	514.80
		6,476.34	5,372.65
	Movement in allowance for doubtful debts during the year is as follows:		
	Balance at the beginning of the year	**514.80**	520.76
	Add: Allowance for doubtful debts (net)	**1,213.55**	(5.96)
		1,728.35	514.80

		As at 31 March 2020	As at 31 March 2019
11	**Cash and bank balances**		
(a)	**Cash and cash equivalents**		
	Cash on hand	**46.49**	19.24
	Balances with banks		
	- In current accounts	**871.02**	964.24
	Bank deposits with original maturity less than 3 months	**850.10**	3,484.00
		1,767.61	4,467.48
(b)	**Bank balances other than (a) above**		
	Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months (*)	**92.95**	118.71
	Accrued interest on bank deposits	**0.33**	5.66
		93.28	124.37

(*) Bank deposits are under lien with various Government authorities.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020		As at 31 March 2019	
		Number	**Amount**	Number	Amount
12	**Equity share capital**				
	Authorized share capital				
	Equity shares of ₹ 10 each	**12,000,000**	**1,200.00**	12,000,000	1,200.00
		12,000,000	**1,200.00**	12,000,000	1,200.00
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 10 each	**9,367,111**	**936.71**	9,367,111	936.71
		9,367,111	**936.71**	9,367,111	936.71

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

There has been no change in equity share capital during the year.

(b) The rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Such holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings, however, no such preferential amounts exists currently. During this financial year the Company has not proposed/declared any dividend. However, if any dividend is proposed by the Board of Directors, it will be subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(c) Details of shareholders holding more than 5% of the shares in the Company:

	As at 31 March 2020		As at 31 March 2019	
Name of the shareholders	**Number**	**Percentage**	Number	Percentage
IFB Automotive Private Limited	**3,602,900**	**38.46**	3,602,900	38.46
Nurpur Gases Private Limited	**785,543**	**8.39**	785,543	8.39
SICGIL India Limited (*)	**683,100**	**7.29**	683,100	7.29

(*) SICGIL India Ltd (SICGIL) along with Persons Acting in Concert (PAC) (collectively referred to as SICGIL group) holds 15.76% equity shares in the Company. However, the SICGIL group's voting rights were restricted to 5% of the equity share Capital of the Company vide National Company Law Tribunal ('NCLT') order dated 5 July 2017. In an appeal, the National Company Law Appellate Tribunal ('NCLAT') vide its order dated 6 December 2018 set aside the NCLT's order. The Company has preferred an appeal before the Hon'ble Supreme Court. The Hon'ble Supreme Court has ordered for status quo to be maintained.

(d) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
13	**Other equity**		
(a)	**Other reserves**		
	Securities premium	**3,193.72**	3,193.72
	General reserve	**284.95**	284.95
	Retained earnings	**32,642.59**	30,351.05
(b)	Other comprehensive income	**1,686.56**	2,670.16
		37,807.82	36,499.88

Nature and purpose of reserves:

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Section 52 of the Companies Act, 2013.

General reserve

General reserve has been created out of profits earned by the Company in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Movement in the retained earnings during the year is as given below:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	**30,351.05**	27,094.35
Add: Profit for the year	**2,346.70**	3,320.79
Add: Remeasurement of post-employment benefit obligations and taxes there on	**(55.16)**	(64.09)
Balance at the end of the year	**32,642.59**	30,351.05

Other comprehensive income

The Company has elected to recognize changes in fair value of certain investments in equity instruments in other comprehensive income. The changes are accumulated within "Equity instruments through OCI" under other comprehensive income.

Movement in the other comprehensive income during the year is as given below:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	**2,670.16**	2,923.13
Add: movement in OCI during the year, net	**(983.60)**	(252.97)
Balance at the end of the year	**1,686.56**	2,670.16

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
14	**Borrowings**		
(a)	**Non-current**		
	Secured		
	Term loans		
	Foreign currency loan from bank (in nature of external commercial borrowing)	**-**	1,979.85
	Vehicle loan from others	**-**	28.90
	Less: Current maturities of borrowings (refer note 15(b))	**-**	2,008.75
		-	-

Foreign currency loan from bank (in nature of external commercial borrowing)

The Company took a term loan from bank (originally amounting to USD 75 lakhs equivalent to ₹ 4,908.00 lakhs) was secured by an exclusive charge on all present and future assets (plant and machinery and civil work) at Noorpur refinanced out of this loan and on other plant and equipment of the Company.

Repayable in 14 stipulated periodic instalments commencing from 31 December 2016 and ending on 31 January 2020 and carries an interest rate of 3 months libor plus 2.25%. The loan amount is fully repaid during the year.

Vehicle loan from others

Vehicle loan (originally amounting to ₹39.90 lakhs) is secured by hypothecation of the motor car financed out of this loan.

Repayable in 36 monthly instalments commencing from 3 March 2017. It carries an interest rate of 11.60% p.a. on monthly reducing balance. First 35 EMIs are of ₹0.78 lakhs each. Company has an option either to pay the 36th EMI of ₹23.94 lakhs or to surrender the car to the finance company. The Company has repaid the entire loan during the year.

15	**Other financial liabilities**		
(a)	**Non-current**		
	Security deposits (*)	**240.02**	240.02
		240.02	240.02

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

(b)	**Current**		
	Current maturities of non-current borrowings (refer note 14)	**-**	2,008.75
	Security deposits repayable on demand	**42.87**	56.31
	Creditors for property, plant and equipment (inclusive of retentions) (#)	**89.40**	240.38
	Derivative instruments	**116.17**	-
	Dues to employees	**297.16**	279.84
		545.60	2,585.28

(#) Creditors for property, plant and equipment include **31 March 2020 : Nil** (31 March 2019: ₹0.35 lakhs) dues to micro and small enterprises.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
16	**Deferred taxes assets / liabilities (net)**		
	Deferred tax liabilities (net)	**1,603.69**	2,017.33
	Less: Deferred tax assets (unutilised MAT credit)	**1,122.70**	525.28
		480.99	1,492.05

	As at 31 March 2019	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2020
Deferred tax liabilities:				
On property, plant and equipment	1,697.50	**(203.31)**	**-**	**1,494.19**
On fair valuation of equity instruments through OCI	219.67	**-**	**(111.80)**	**107.87**
On fair valuation of investments in mutual funds	52.01	**(50.38)**	**-**	**1.63**
On excess amount paid for other long-term employee benefit	48.15	**(48.15)**	**-**	**-**
	2,017.33	**(301.84)**	**(111.80)**	**1,603.69**
Deferred tax assets:				
On provision for doubtful debts	179.89	**(424.06)**	**-**	**603.95**
On deferred revenue income	11.99	**0.86**	**-**	**11.13**
On temporary differences	16.93	**-**	**-**	**16.93**
	208.81	**(423.20)**	**-**	**632.01**

	As at 31 March 2019	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2020
Deferred tax assets:				
On unutilised MAT credits	316.47	**(174.22)**	**-**	**490.69**
	316.47	**(174.22)**	**-**	**490.69**

Note:

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
17	**Other liabilities**		
(a)	**Non-current**		
	Deferred revenue income (*)	**31.84**	34.32
		31.84	34.32

(*) Deferred revenue income represents capital subsidy of ₹50 lakhs received by the Company on 30 December 2016 from Ministry of New and Renewable Energy (MNRE), Government of India, in respect of its 2.5 MW co-generative power plant commissioned on 28 March 2014. An amount of **₹2.48 lakhs** (31 March 2019: ₹2.67 lakhs) has been recognized as income for the current year.

(b)	**Current**		
	Advance from customers (#)	**293.24**	134.90
	Statutory dues	**541.83**	359.82
	Other accruals	**276.18**	203.59
		1,111.25	698.31

(#) The advance received from customers in the previous period have been recognised as revenue in the current year. Similarly, the advance from customer as at the balance sheet date will be recognised in the subsequent year.

		As at 31 March 2020	As at 31 March 2019
18	**Trade payables**		
	Total outstanding dues of micro and small enterprises	**368.68**	260.19
	Total outstanding dues of creditors other than micro and small enterprises	**2,908.08**	3,137.86
		3,276.76	3,398.05
	Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.		
	Dues to micro and small enterprises		
	a) Principal amount due to micro and small enterprise (#)	**368.68**	260.54
	b) Interest due on above	**-**	-
	c) Interest paid by the Company in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	**-**	-
	d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Act, 2006.	-	-
	e) Interest accrued and remaining unpaid at the end of each accounting year	-	-
	f) Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note:

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(#) Principal Account due includes capital creditors : **31 March 2020: nil** (31 March 2019: ₹0.35 lakhs) due to micro and small enterprise.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
19	**Provisions**		
	Current		
	Provision for compensated absences	**3.58**	-
	Provision for legal matters (*)	**189.32**	199.52
		192.90	199.52

(*) As the Company is not in a position to ascertain the exact timing of expected future cash outflows required to settle the obligations for legal matters, it has been classified under current liabilities, without considering their time value of money.

	Movement in provision for legal matters during the year is as follows:		
	Balance at the beginning of the year	**199.52**	192.52
	Add: provisions during the year	**-**	7.00
	Less: provisions reversed / paid during the year	**10.20**	-
		189.32	199.52

		Year ended 31 March 2020	Year ended 31 March 2019
20	**Revenue from operations**		
	Sale of products (inclusive of excise duty) (*)	**186,856.92**	171,370.48
	Other operating revenue		
	- Scrap sales	**148.05**	165.73
	- Export incentives	**1,789.55**	1,668.12
	- Others	**47.31**	-
		188,841.83	173,204.33
	Details of sale of products (inclusive of excise duty)		
	Manufactured products		
	Alcohol including Indian made Indian liquor	**140,758.55**	120,477.08
	Marine products	**24,420.90**	22,031.39
	Others	**4,987.75**	4,520.41
	Traded products		
	Marine feed	**16,669.96**	24,341.60
	Others	**19.76**	-
	(*) refer note 39	**186,856.92**	171,370.48
21	**Other income**		
	Interest income:		
	- Financial assets measured at amortised costs	**76.69**	51.86
	Other gains and losses		
	- Net gain arising on sale of financial assets measured at FVTPL	**324.37**	300.62
	- Net gain arising on remeasurement of financial assets measured at FVTPL	**4.17**	159.03
	Others		
	- Rental income	**385.35**	314.73
	- Net gain on foreign currency transactions and translations (net)	**73.95**	**-**
	- Liabilities no longer required written back	**99.18**	145.41
	- Writeback of allowance of doubtful debts	**-**	259.04
	- Other miscellaneous income	**33.43**	46.80
	- Insurance claim received	**124.16**	-
		1,121.30	1,277.49

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
22	**Cost of materials consumed**		
	Raw material consumed (including packing materials)		
	Opening stock as at the beginning of the year	**2,069.12**	1,386.31
	Add: Purchases during the year	**58,019.38**	45,731.63
	Less: Closing stock as at the end of the year	**2,944.97**	2,069.12
		57,143.53	45,048.82
23	**Purchases of stock-in-trade**		
	Marine food and feed supplements	**14,866.22**	21,595.67
	Others	**18.41**	-
		14,884.63	21,595.67
24	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Stock at the beginning of the year (including stock-in-transit)		
	Finished goods	**3,511.53**	4,184.51
	Work-in-progress	**178.20**	156.83
	Stock-in-trade	**416.43**	578.83
		4,106.16	4,920.17
	Stock at the end of the year (including stock-in-transit)		
	Finished goods	**4,992.35**	3,511.53
	Work-in-progress	**184.16**	178.20
	Stock-in-trade	**355.98**	416.43
		5,532.49	4,106.16
	Difference in excise duty on finished goods	**380.98**	(112.18)
		(1,045.35)	701.83
25	**Employee benefits expense**		
	Salaries, wages and bonus	**3,999.18**	3,609.75
	Contribution to provident funds and other funds (Refer note 33)	**425.47**	370.75
	Staff welfare expenses	**390.00**	375.99
		4,814.65	4,356.49
26	**Finance costs**		
	Interest on financial liabilities carried at amortised costs (*)	**173.40**	177.07
	Interest expense on lease liabilities	**5.22**	-
	Foreign exchange loss/ (gain) on foreign currency borrowings	**-**	117.17
		178.62	294.24

(*) Calculated using effective interest rate (EIR) method.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
27	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	**1,770.14**	1,869.40
		1,770.14	1,869.40
28	**Other expenses**		
	Advertisement and sales promotion expenses	**566.89**	490.68
	Consumption of stores and spares	**487.31**	407.54
	Power and fuel	**4,194.06**	4,819.54
	Rent	**887.97**	635.69
	Repair and maintenance:		
	- Buildings	**32.20**	44.82
	- Plant and Machinery	**277.43**	204.35
	- Others	**106.56**	178.60
	Insurance	**373.44**	337.41
	Rates and taxes	**352.98**	928.04
	Legal and professional expenses	**362.43**	388.00
	Office expenses	**1,009.02**	834.97
	Travel and conveyance expenses	**478.39**	574.81
	Auditor's remuneration	**39.53**	29.68
	Freight outward	**2,635.96**	2,134.37
	Contract charges	**3,949.02**	2,876.33
	Corporate Social Responsibility ('CSR') expenditure	**67.32**	87.37
	Loss on sale of property, plant and equipment (net)	**10.77**	1.07
	Write off of property, plant and equipment	**46.37**	-
	Bad debts written off	**74.68**	19.91
	Allowance for doubtful debts (net)	**1,213.55**	253.08
	Loss on foreign currency transactions and translations (net)	**-**	304.08
	Net loss arising on measurement of derivatives at FVTPL	**120.00**	2.26
	Directors sitting fees	**7.43**	10.33
	Miscellaneous expenses	**552.75**	535.91
		17,846.06	16,098.84
(a)	**Auditors' remuneration**		
	Statutory audit (*)	**34.84**	24.52
	Tax audit	**2.00**	1.23
	Other services (*)	**1.32**	1.65
	Out of pocket expenses	**1.37**	2.28
		39.53	29.68
(*)	Auditor fees includes Rs.₹9.76 lakhs (31 March 2019: nil) as payment to erstwhile auditors		
(b)	**Details of Corporate Social Responsibility (CSR) expenditure**		
	Gross amount required to be spent by the Company during the year.	**84.78**	86.22
	Amount spent during the year:		
	Construction / acquisition of any assets	**-**	-
	Purposes other than above	**67.32**	87.37
	Amount accrued but not paid during the year	**-**	-

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
29	**Tax expenses**			
(a)	**Income tax in the statement of profit and loss:**			
	Current tax			
	Income tax charge for the year		**533.71**	855.01
	Income tax charge / (reversal) for earlier years		**(176.40)**	(305.48)
			357.31	549.53
	Deferred tax			
	Deferred tax for the year		**(725.04)**	(2.06)
	Unused tax credit entitlement (MAT credit entitlement) for the year		**(21.11)**	-
	Unused tax credit entitlement (MAT credit entitlement) for earlier years		**(153.11)**	(74.54)
			(899.26)	(76.60)
(b)	**Income tax recognised in other comprehensive income comprises:**			
	Current tax			
	On remeasurement of post-employment benefit obligations		**(29.63)**	(34.42)
		(A)	**(29.63)**	(34.42)
	Deferred tax			
	On fair value gains on investments in equity instruments		**(111.80)**	(369.02)
		(B)	**(111.80)**	(369.02)
		(A) + (B)	**(141.43)**	(403.44)
(c)	**Reconciliation of income tax expense and the accounting profit for the year:**			
	Profit before tax		**1,804.75**	3,793.72
	Enacted tax rates (%)		**34.944%**	34.944%
	Income tax expense calculated at corporate tax rate		**630.65**	1,325.68
	Deductions under chapter VIA of the Income Tax Act, 1961		**(806.79)**	(593.23)
	Impact on account of non-deductible expenses		**33.19**	34.60
	Fair value measurements of investments in mutual funds		**(24.35)**	(12.18)
	Adjustment of tax relating to earlier years		**(329.51)**	(380.02)
	Impact due to change in future tax rate		**(1.05)**	-
	Additional allowances under the Income Tax Act, 1961		**(4.07)**	(22.22)
	Difference in opening written down value of property, plant and equipment as per Income tax		**8.13**	12.56
	On opening leave fund asset		**(48.15)**	103.81
	Other adjustments		**-**	3.93
	Total income tax expense as per the statement of profit and loss		**(541.95)**	472.93
30	**Earnings per equity share (EPS)**			
	Net profit attributable to equity shareholders (₹ in lakhs)		**2,346.70**	3,320.79
	Weighted average number of equity shares outstanding during the year		**9,367,111**	9,367,111
	Face value per share (in ₹)		**10.00**	10.00
	Earnings per share (in ₹):			
	- Basic earnings per equity share		**25.05**	35.45
	- Diluted earnings per equity share		**25.05**	35.45

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

31 Leases

(a) Finance lease

The Company has acquired certain lands on finance lease. Such lease arrangements are for a period ranging from 30-99 years and the entire lease rentals has been paid upfront at the time of initiation of the lease. The Company has recognized these lands acquired on finance lease under property, plant and equipment (separately from other owned assets) at an amount equal to the upfront lease payment plus initial direct costs. Such amount is amortized over the period of the lease on a straight line method.

(b) Short term leases

The Company has entered into lease arrangements in respect of factory lands, office premises, other buildings and manufacturing facilities which are for a period generally ranging from 11 months to 6 years. All such lease arrangements are cancellable by giving a short notice of 3 to 6 months. But these are usually renewable on mutually agreed terms. All these arrangements are considered as short term lease or leases of low-value assets for the purpose of Ind AS 116, Leases and are not recognised as Right of use assets. The expenses incurred for short term lease during **31 March 2020: ₹887.97 lakhs** (31 March 2019: ₹635.69 lakhs) included in rent under Note 28 Other expenses.

(c) Right of use assets

The Company has acquired certain lands on lease for a period of 20 years. The lease payments are to be made on a periodic basis. The Company has recognised such lease as Right of use assets for the purpose of Ind AS 116, Leases under the modified retrospective method.

(d) Leases as lessor

Operating lease

The Company entered into operating leases on its office premises, plant and machinery.

Rental income recognised by the Company during the financial year 2019-20 is **₹385.35 lakhs**.

All the agreement entered into are short term in nature and are cancellable at a notice within three to six months, therefor the maturity analysis of lease payments are not reported here.

32 Contingent liabilities and commitments

(a) Contingent liabilities

	Particulars	As at 31 March 2020	As at 31 March 2019
	Claims against the Company not acknowledged as debts:		
(i)	State Excise demands for various years primarily for excess shortage/wastage of spirit.	**1,191.94**	1,191.94
(ii)	State Sales Tax/Central Sales Tax and Value Added Tax demands in the State of West Bengal.	**2,705.37**	2,665.82
(iii)	Kolkata Port Trust (KoPT) - Dispute relating to valuation of rent for rest house at Noorpur.	**95.00**	95.00

Note:

Pursuant to the search conducted by the Directorate General of Goods and Services Tax Intelligence Unit (DGGI) on 26 June 2020 under section 67(2) of the Central Goods and Services Act, 2017 at the distillery located at Noorpur, South 24 Parganas, West Bengal and at the Registered office at Plot No. IND-5, East Kolkata Township, Kolkata 700 107 in respect of the alleged mis-classification in respect to sale of Distillers Dried Grain Solubles (DDGS), the DGGI has estimated a duty amount of ₹470 lakhs payable by the Company. Pending issuance of any demand notice from the GST department, the Company has paid a sum of ₹200 lakhs under protest and will take necessary legal steps to defend its position.

(b) Commitments

Estimated amount of capital contracts remaining to be executed and not provided for as on the balance sheet date are:

	As at 31 March 2020	As at 31 March 2019
Capital commitments for property, plant and equipment (net of capital advances given)	**171.03**	294.59
Capital commitment for intangible assets	**90.00**	-

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

33 Disclosure in accordance with Ind AS-19 on Employee benefits expense

(a) Post-employment benefits plan:

Retirement benefit plans of the Company comprising of Gratuity, Superannuation and Provident Fund consists of both defined benefit plan and defined contribution plan. Other long term employee benefits includes compensated absences subject to certain limits and rules. Gratuity, Superannuation and compensated absences plans are funded through investments in Life Insurance Corporation of India (LICI). Provident Fund for all employees are managed through government administrated funds. Gratuity and Superannuation Fund is managed by a Board of Trustees who are responsible for overall management of the fund and acts in accordance with the provisions of the respective trust deeds and rules, and in the best interest of the plan participants. The trustees do a periodic review of the solvency of the fund and play a role in long term investments, risk management and funding strategy.

(b) Defined contribution plans

The Provident Fund and Superannuation Fund has been classified as defined contribution plan as the Company has an obligation to pay a fixed amount to the government administered fund and Life Insurance Corporation of India (LICI) respectively and has no further obligation if the assets of such funds are not enough to meet all the employee obligations provided under such plans.

(c) Defined benefit plans

Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the balance sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method. Board of Trustees administers the contributions made to the gratuity fund and such amounts are solely invested with Life Insurance Corporation of India (LICI).

(d) Other long-term employee benefits

The Company provides for encashment of accumulated leaves standing at the credit of its employees at the time of their exit by way of retirement (on superannuation or otherwise), death or disability, subject to certain limits and rules framed by the Company. Liability is provided based on the number of days of unutilized leave at each balance sheet date based on actuarial valuation done by a certified actuary using projected unit credit method. The Company has funded such plan with Life Insurance Corporation of India (LICI).

The following table summarises the components of defined benefit expense and long term benefits recognized in the statement of profit and loss/other comprehensive income ('OCI') and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Defined benefits obligations/compensated absences recognised:

Particulars	**Gratuity (funded)**		**Compensated absences (funded)**	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Present value of obligation	**1,203.48**	995.88	**926.97**	769.10
Fair value of plan assets	**1,270.62**	1,203.78	**923.39**	906.88
Net (assets)/liabilities recognized	**(67.14)**	(207.90)	**3.58**	(137.78)

(ii) Movement in present value of benefits obligations/compensated absences:

Particulars	**Gratuity (funded)**		**Compensated absences (funded)**	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Balance at beginning of the year	**995.88**	819.04	**769.10**	551.35
Current service cost	**63.72**	55.72	**78.80**	61.53
Interest cost	**69.92**	59.33	**52.21**	37.82
Acquisitions (credit)/cost	**9.20**	-	**9.21**	2.74
Actuarial (gain)/loss arising from assumption changes	**50.74**	16.78	**43.51**	15.01
Actuarial (gain)/loss arising from experience adjustments	**36.20**	79.71	**41.53**	181.08
Benefits paid (including benefits directly paid by the Company)	**(22.18)**	(34.70)	**(67.39)**	(80.43)
Balance at end of the year	**1,203.48**	995.88	**926.97**	769.10

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Movement in present value of plan assets:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Balance at beginning of the year	**1,203.78**	1,154.43	**906.88**	848.42
Interest income on plan assets	**84.76**	84.21	**62.79**	62.78
Employer contribution	**2.11**	1.86	**0.02**	-
Return on plan assets lesser than discount rate	**2.15**	(2.02)	**(1.17)**	(4.32)
Benefits paid	**(22.18)**	(34.70)	**(45.13)**	-
Balance at end of the year	**1,270.62**	1,203.78	**923.39**	906.88

(iv) Components of net cost

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Recognised in profit and loss				
- Current service costs	**63.72**	55.72	**78.80**	61.53
- Net interest on net defined benefit liability / (asset)	**(14.84)**	(24.88)	**(10.58)**	(24.96)
- Immediate recognition of (gains) / losses	**-**	-	**86.21**	200.41
	48.88	30.84	**154.43**	236.98
Recognised in other comprehensive income				
- Actuarial (gains) / losses	**84.79**	98.51	-	-
	84.79	98.51	**-**	-

(v) Remeasurement of the net defined benefit plans to be taken to other comprehensive income:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Actuarial (gain)/loss arising from assumption changes	**50.74**	16.78	**-**	-
Actuarial (gain)/loss arising from experience adjustments	**36.20**	79.71	**-**	-
Return on plan assets lesser than discount rate	**(2.15)**	2.02	**-**	-
Net impact on other comprehensive income before tax	**84.79**	98.51	**-**	**-**

(vi) Amounts contributed towards defined contribution plans have been recognized in the statement of profit and loss under "Contribution to provident fund and other funds" in Note 25.

(vii) Major categories of plan assets:

Entire assets of both gratuity and compensated absences plans is maintained with the Life Insurance Corporation of India (LICI).

(viii) Assumptions

With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at balance sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Discount rate (per annum)	**6.40%**	7.10%	**6.40%**	7.10%
Salary escalation rate (per annum)	**8.00%**	8.00%	**8.00%**	8.00%
Mortality table	Indian Assured Lives Mortality [2006-08] Ultimate table		Indian Assured Lives Mortality [2006-08] Ultimate table	
Average past service of employees (years)	**9.18**	8.90	**Not applicable**	Not applicable
Expected rate of return on plan assets	**7.27%**	7.59%	**6.90%**	6.98%

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(ix) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Discount rate - Decrease by 1%	**81.61**	61.32	**70.47**	55.02
Discount rate - Increase by 1%	**(71.06)**	(53.35)	**(60.86)**	(47.68)
Salary escalation rate - Decrease by 1%	**(70.72)**	(53.42)	**(60.58)**	(47.74)
Salary escalation rate - Increase by 1%	**79.57**	60.22	**68.72**	54.04

Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity results above determine their individual impact on the plan's end of the year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

(x) Maturity analysis of the benefit payments:

Weighted average duration of both gratuity plan and compensated absences plan is 7 years. Expected benefits payments for each such plans over the years is given in table below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Year 1	**43.20**	315.65	**202.81**	191.37
Year 2	**356.59**	39.58	**93.93**	47.17
Year 3	**170.94**	97.19	**77.06**	75.87
Year 4	**115.71**	67.49	**104.62**	60.37
Year 5	**110.92**	111.62	**93.14**	83.47
Next 5 years	**537.90**	489.86	**503.55**	370.76

Expected employer contribution in Gratuity plan for the period ending **31 March 2021 is ₹91.05 lakhs** (31 March 2020: Nil).

Expected employer contribution in Compensated absences plan for the period ending **31 March 2021 is ₹98.45 lakhs** (31 March 2020: Nil).

(e) Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

34 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures:

(a) List of related parties

(i) Parties where control exists (subsidiary)

Name of the Company	Country of incorporation	31 March 2020	31 March 2019
IFB Agro Marine (FZE) (Wholly owned subsidiary w.e.f. 20 April 2017)	U.A.E	**100%**	100%

(ii) Key management personnel

Name of the person	Designation
Mr. Bijon Nag	Chairman (Non- Executive director)
Mr. Arup Kumar Banerjee	Vice Chairman and Managing Director (Executive director)
Mr. Bikram Nag	Joint Executive Chairman (Executive director)
Mr. Rahul Choudhary	Chief Financial Officer
Mr. Ritesh Agarwal	Company Secretary

(iii) Other Key management personnel

Name of the person	Designation
Mr. Goutam Bhattacharya	Vice President - Information Technology
Mr. Rana Chatterjee	Chief Financial Officer (Alcohol)
Mr. Kanak Ghose	Assistant Vice President - Human Resource (retired w.e.f. 31 March 2020)
Mr. Debasis Ghosh	Assistant Vice President - Business Head (IMIL)
Mr. Santanu Ghosh	Assistant Vice President- Plant Operations and Safety (Distillery)
Mr. Alok De	Assistant Vice President- HR and Corporate Relations
Mr. Soumitra Chakraborty	Business Head- Marine Division
Mr. Rajat Purkayastha	General Manager Finance - Marine Export (Ongole) (retired w.e.f. 30 June 2020)
Mr. Debojyoti Bandopadhyay	General Manager- CO2 Operations
Mr. S.K. Kundu	Head-Tie Up Units (IMIL)
Mr. Siddhartha Basu	Senior Manager - Accounts (Marine Feed) (joined w.e.f. 1 June 2019)
Mr. Chinmaya Mishra	General Manager- Plant Operations & Project (Distillery)
Mr. Sonjoy Banerjee	Deputy General Manager- Finance & Accounts-Marine Food
Mr. Madan Dutta	Assistant General Manager- Marine Feed (retired w.e.f. 31 March 2020)
Mr. Sanjoy Bhattacharya	Unit Head-Panagarh
Mr. Nilesh Soni	Senior Manager Finance - Marine Export (Kolkata)
Mr. T.K Aich	Plant Manager (Dankuni Unit)

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Enterprises over which KMP or relatives of KMP exercise control/significant influence:

Name of the entity

Travel Systems Limited

Nurpur Gases Private Limited

IFB Industries Limited

(v) Post employment benefit plans

Name of the entity

IFB Agro Industries Limited Employees Gratuity Fund

IFBAIL Employees Super annuation Fund

(b) Transactions with related parties

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rental income:		
Travel Systems Limited	**10.46**	10.46
IFB Industries Limited	**80.80**	79.92
Nurpur Gases Private Limited	**18.88**	-
Travelling and conveyance:		
Travel Systems Limited	**70.99**	234.54
Rental expenses:		
IFB Industries Limited	**7.22**	7.22
Purchase of property, plant and equipment:		
IFB Industries Limited	**10.71**	10.21
Sale of products		
IFB Industries Limited	**132.11**	8.16
Other expenses:		
IFB Industries Limited	**6.10**	5.99
Purchase of Raw Material:		
Nurpur Gases Private Limited	**694.96**	-
Investments made in equity share capital:		
IFB Agro Marine (FZE)	**-**	166.75
Post employment benefit plans:		
Contribution towards Gratuity Fund	**0.14**	1.90
Contribution towards Superannuation Fund	**217.60**	151.30
Reimbursement of expenses:		
- Gratuity Fund	**0.10**	0.10
- Superannuation Fund	**0.10**	0.10

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration to key management personnel and other key management personnel		
Short-term employee benefits		
Mr. Arup Kumar Banerjee	**199.36**	191.51
Mr. Bikram Nag	**112.70**	110.70
Others	**694.72**	805.63
Post-employment benefits (*)		
Mr. Arup Kumar Banerjee	**2.70**	2.70
Mr. Bikram Nag	**1.68**	1.68
Others	**40.08**	47.60
Sitting fees to non-executive directors		
Mr. Bijon Nag	**0.30**	0.30
Mr. Hari Ram Agarwal	**1.55**	1.85
Mr. Nandan Bhattacharya (expired on 9 June 2019)	**-**	2.03
Mr. Manoj Kumar Vijay	**1.03**	1.55
Mr. Amitabha Kumar Nag	**1.38**	1.90
Mr. Sudip Kumar Mukherji	**1.39**	1.65
Dr. Lakshmishri Roy (retired w.e.f. 1 April 2019)	**-**	1.05
Dr. Runu Chakraborty (appointed w.e.f 27 May 2019)	**0.75**	-
Sale of property, plant and equipment to Other key management personnel	**2.48**	-

(c) Balances of related parties:

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables:		
Travel Systems Limited	**2.24**	-
IFB Industries Limited	**59.32**	52.40
Nurpur Gases Private Limited	**76.24**	-
Security deposit outstanding:		
IFB Industries Limited	**8.12**	8.12
Advance given:		
Nurpur Gases Private Limited	**67.43**	**-**

(d) Terms and conditions of transactions with related parties

Purchase and sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors.

(*) This does not include amounts in respect of gratuity and compensated absences as the same are determined on acturial basis for the Company

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

35 Segment reporting

(a) Basis of segmentation:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

(b) Reportable segment	**Product**
Spirit, liquor, spirituous beverages	Extra Neutral Alcohol and Indian Made Indian Liquor
Marine	Marine product processing for sale in export and domestic markets and marine feed trading.

		Year ended 31 March 2020				Year ended 31 March 2019			
	Particulars	**Spirit, liquor, spirituous beverages**	**Marine**	**Unallocated**	**Total**	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
i)	**Segment revenues:**								
a)	External sales	**145,838.51**	**43,003.32**	**-**	**188,841.83**	125,087.78	48,116.55	-	173,204.33
	Inter-segment sale	**4.43**	**-**	**-**	**4.43**	3.63	-	-	3.63
	Less: Eliminations	**(4.43)**	**-**	**-**	**(4.43)**	(3.63)	-	-	(3.63)
					188,841.83				173,204.33
b)	Other income includes interest income	**130.25**	**198.85**	**792.20**	**1,121.30**	293.05	156.84	827.60	1,277.49
ii)	**Segment results**								
	Profit before interest, tax and depreciation	**7,164.59**	**(2,139.17)**	**(1,271.91)**	**3,753.51**	5,833.19	1,698.84	(1,574.67)	5,957.36
	Depreciation	**1,444.55**	**220.48**	**105.11**	**1,770.14**	1,609.81	169.96	89.63	1,869.40
	Finance cost includes interest expense	**130.64**	**42.45**	**5.53**	**178.62**	251.12	37.22	5.90	294.24
	Profit before tax	**5,589.40**	**(2,402.10)**	**(1,382.55)**	**1,804.75**	3,972.26	1,491.66	(1,670.20)	3,793.72
	Tax expense			**(541.95)**	**(541.95)**			472.93	472.93
	Profit after tax				**2,346.70**				3,320.79
iii)	**Revenue from external customers**								
	India	**145,782.28**	**20,983.99**	**-**	**166,766.27**	125,013.22	30,147.88	-	155,161.10
	Outside India	**56.23**	**22,019.33**	**-**	**22,075.56**	74.56	17,968.67	-	18,043.23
		145,838.51	**43,003.32**	**-**	**188,841.83**	125,087.78	48,116.55	-	173,204.33
iv)	**Capital expenditure**	**431.76**	**422.51**	**103.37**	**957.64**	455.25	564.41	355.43	1,375.09

Note:

After introduction of West Bengal State Beverages Corporation Limited (BEVCO) w.e.f 9 August 2017, entire sale of IMIL products is through BEVCO. Hence more than 10% of the total sale is to a single customer.

v) **Other information**

	Year ended 31 March 2020				Year ended 31 March 2019			
Particulars	**Spirit, liquor, spirituous beverages**	**Marine**	**Unallocated**	**Total**	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
Segment assets	**20,745.02**	**10,613.29**	**13,337.40**	**44,695.71**	19,075.49	9,767.85	17,240.80	46,084.14
Segment liabilities	**3,251.05**	**1,555.99**	**1,144.14**	**5,951.18**	5,183.87	1,326.21	2,137.47	8,647.55

vi) **Geographical information**

Particulars	**As at 31 March 2020**			As at 31 March 2019		
	within India	**outside India**	**Total**	within India	outside India	Total
Non current assets other than financial assets and tax assets.	**13,127.08**	**-**	**13,127.08**	13,905.02	-	13,905.02

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

36 Fair value measurement

(a) Category wise classification of financial instruments

	Particulars	Note	As at 31 March 2020	As at 31 March 2019
A	**Financial assets:**			
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	4 (b)	**8,009.43**	8,162.98
	Derivative instruments	6 (b)	**-**	3.83
(ii)	**Designated at fair value through Other Comprehensive Income (FVTOCI)**			
	Investments in quoted equity instruments (refer note (i) below)	4 (a)	**458.26**	1,689.24
	Investments in unquoted equity instruments (refer note (i) below)	4 (a)	**1,623.86**	1,488.28
(iii)	**Carried at amortised cost** (refer note (ii) below)			
	Cash and cash equivalents	11 (a)	**1,767.61**	4,467.48
	Other bank balance	11 (b)	**93.28**	124.37
	Bank deposits (with original maturity of more than 12 months)	6 (a)	**26.16**	-
	Loans to employees	5 (b)	**18.93**	25.31
	Security deposits	5 (a) & (b)	**19.46**	21.65
	Trade receivables	10	**6,476.34**	5,372.65
	Other receivables	6 (b)	**130.69**	74.63
(iv)	**Measured at cost**			
	Investment in equity shares of subsidiary company	4 (a)	**489.45**	489.45
	Total financial assets		**19,113.47**	21,919.87
B	**Financial liabilities**			
(i)	**Measured at amortized cost**			
	Borrowings (including current maturities)	14 (a) & 15 (b)	**-**	2,008.75
	Lease Liabilities		**63.77**	-
	Trade payables	18	**3,276.76**	3,398.05
	Securities deposits	15 (a) & (b)	**282.89**	296.33
	Creditors for property, plant and equipment	15 (b)	**89.40**	240.38
	Dues to employees	15 (b)	**297.16**	279.84
(ii)	**Measured at fair value through profit or loss (FVTPL)**			
	Derivative instruments	15 (b)	**116.17**	**-**
	Total financial liabilities		**4,126.15**	6,223.35

Notes:

(i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Company has chosen to measure these investments in quoted/unquoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the statement of profit and loss may not be indicative of the performance of the Company.

(ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, security deposits, trade receivables, other receivables, lease liabilities, trade payables and other financial liabilities including security deposits repayable on demand, capital creditors and dues to employees approximate the carrying amount largely due to short-term maturity of these instruments.

(b) Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

- Level 1: quoted prices (unadjusted) in active markets for financial instruments.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

As at 31 March 2020:

	Particulars	**Level 1**	**Level 2**	**Level 3**
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	**8,009.43**	**-**	**-**
	Derivative instruments	**-**	**-**	**-**
(ii)	**Designated at fair value through other comprehensive income (FVTOCI)**			
	Investments in quoted equity instruments	**458.26**	**-**	**-**
	Investments in unquoted equity instruments	**-**	**-**	**1,623.86**

As at 31 March 2019:

	Particulars	Level 1	Level 2	Level 3
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	8,162.98	-	-
	Derivative instruments	-	3.83	-
(ii)	**Designated at fair value through other comprehensive income (FVTOCI)**			
	Investments in quoted equity instruments	1,689.24	-	-
	Investments in unquoted equity instruments	-	-	1,488.28

(c) Computation of fair values

Investments in mutual funds are short-term investments made in debt or liquid funds whose fair value are considered as the net asset value (NAV) declared by their respective fund houses on a daily basis. Thus the declared NAV is similar to fair market value for these mutual fund investments since transactions between the investor and fund houses will be carried out at such prices.

Investments in equity instruments represent long term strategic investments made in certain listed or unlisted companies. For listed companies, fair value is based on quoted market prices of such instruments as on the balance sheet date on the recognized stock exchange (where traded volume is more during last six months). For investments in unlisted Companies, the management has ascertained the fair value by using discounted cash flow ('DCF') method (income approach) and net asset value method as appropriate.

There was no transfer of financial assets or liabilities measured at fair value between level 1 and level 2 or transfer into or out of level 3 during the year ended 31 March 2020 and 31 March 2019.

(d) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values and significant unobservable inputs used in Level 3 fair value measurements.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Discounted cash flows	(a) Risk adjusted discount rate (b) Growth rate	The estimated fair value would increase (decrease) if: - the estimated growth were higher (lower); - the risk-adjusted discount rates were lower (higher).

(e) Fair value of assets and liabilities measured at cost/amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, advance to manufacturing units, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments. For non-current borrowings at fixed/floating rates, management evaluates that their fair value will not be significantly different from the carrying amount.

37 Financial risk management

Company's business activities are exposed to a variety of financial risks like credit risk, market risk and liquidity risk. Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of it's Board of Directors.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

(i) Trade receivables

Customer credit risks are managed by each business unit in accordance with the credit policy, procedures and controls relating to credit risk management. Credit quality of each individual customer is assessed based on financial positions, past trends, market reputation, prevailing market and economic conditions, expected business and anticipated regulatory changes. Based on this evaluation, credit limit and credit terms are decided for each individual customer. Exposure to customer credit risk is regularly monitored through credit locks and release. The Company has a low concentration of risk in respect of trade receivables since its customers are widely spread and operates in diversified industries and varying market conditions. Export customers are secured through letter of credit and generally not subject to credit risks.

Impairment of trade receivables is based on expected credit loss model (simplistic approach) depending upon the historical data, present financial conditions of customers and anticipated regulatory changes. Maximum exposure to credit risks at the reporting date is disclosed in Note 10. Company does not hold any collateral in respect of such receivables.

(ii) Other financial instruments

Credit risks from other financial instruments include mainly cash and cash equivalents and deposits with banks. Such risks is managed by the central treasury department of the Company with accordance with Company's overall investment policy approved by its Board of Directors. Investments of surplus funds are made in short term debt/liquid mutual funds of rated fund houses having the highest credit rating and in short term time deposits of reputed banks with a very strong financial position. Investment limits are set for each mutual fund and bank deposits. Risk concentration is minimized by investing in a wide range of mutual funds/bank deposits. These investments are reviewed by the Board of Directors on a quarterly basis.

The Company has no exposure to credit risk relating to its cash and cash equivalents. Credit risk for other financial instruments are monitored by the Central treasury department in accordance with its overall risk management policies. Impairment of such assets is computed per expected credit loss model (general approach) assessed on the basis of financial position, detailed analysis and expected business of the counterparty to such financial assets.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises of three types - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes long term borrowings, investments in mutual funds or equity instruments and derivative instruments.

(i) Foreign currency risk management

Foreign currency is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in foreign currency rates. Company is exposed to foreign currency risks on trade receivables and long term external commercial borrowing, both denominated in USD. Foreign exchange exposures are managed by the central treasury department in accordance with the overall policy parameters approved by the Board of Directors. Trade receivables are hedged by entering into forward contracts (to sell USD) with authorized banks that matches the timings of the forecasted receipts.

Carrying amount of Company's financial assets and liabilities denominated in foreign currency (USD) as at the Balance Sheet date is as under:

	As at 31 March 2020		As at 31 March 2019	
	USD (lakhs)	**₹**	USD (lakhs)	₹
Financial assets				
Trade receivables	**21.21**	**1,598.54**	18.30	1,265.81
Financial liabilities				
Trade payable	**0.86**	**64.60**	0.50	34.59
External Commercial Borrowing	**-**	**-**	28.62	1,979.85
Forward Contracts (derivative used to hedge trade receivables)	**32.69**	**2,463.76**	10.99	760.18

Foreign currency sensitivity analysis

The Company is exposed to US Dollars. Following table provides the sensitivity impact to a 5% strengthening/weakening of INR in respect to US Dollars. Sensitivity analysis is done on net exposure after adjusting the forward contracts. A positive number below indicates an increase in profit/equity when INR appreciates against US Dollars and when the net exposure is a liability.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2020 Gain / (Loss)	As at 31 March 2019 Gain / (Loss)
INR appreciates by 5%	-	75.43
INR depreciates by 5%	-	(75.43)

Note:

Company's foreign currency risk exposure has reduced over the years due to decrease in outstanding amount of external commercial borrowing, resulting from scheduled repayments.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in market interest rates. Company had long term borrowings both at fixed and variable interest rates. Such borrowings are measured at amortized costs. The Company was exposed to interest rate risk arising from its external commercial borrowing taken at floating rate of interest (libor plus 225 basis points), while it does not have any interest rate risks arising from other borrowings at fixed interest rates. Company's central treasury department manages such interest rate risk in accordance with its overall risk policy approved by the Board of Directors.

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowing at variable interest rate		
- Non-current	-	-
- Current	-	1,979.85
Borrowing at fixed interest rate		
- Non-current	-	-
- Current	-	28.90
Total borrowings	-	2,008.75
Percentage of borrowing at variable interest rate	-	98.56%

Sensitivity analysis of interest rate change on borrowing availed at variable interest rate

Particulars	Impact on Profit/(Loss) after Tax Year ended 31 March 2020	Year ended 31 March 2019
Interest rate (increase by 0.5%)	-	(9.36)
Interest rate (decrease by 0.5%)	-	9.36

(iii) Price risk

Price risk is the risk that the fair value or future cash flows will fluctuate due to change in market prices. The Company is exposed to price risk arising from its short term investments in debt or liquid mutual funds. Company's central treasury department manages such risk in accordance with its overall risk management policy approved by the Board of Directors. The Company mitigates the risk by investing in a large number of rated funds. Investment limit in each fund is specified. All purchase or sale of mutual funds are reviewed by the Board of Directors on a quarterly basis. Company assesses that as returns from short term debt or liquid mutual funds are steady and depends on interest rates or market yield, there is very remote chance of any significant fluctuation in their fair values which can materially impact Company's future cash flows.

Price sensitivity analysis

Following table provides the sensitivity impact to a 1% appreciation/decline in NAV of mutual fund investments as at the Balance Sheet date.

Particulars	As at 31 March 2020 Gain / (Loss)	As at 31 March 2019 Gain / (Loss)
NAV of mutual funds appreciates by 1%	**80.09**	81.63
NAV of mutual funds declines by 1%	**(80.09)**	(81.63)

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Liquidity risk:

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations associated with its financial liabilities. The central treasury department of the Company manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensures that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The Company plans to meet the contractual obligations from its internal accruals and also maintains sufficient fund based and non-fund based credit limits with banks. Additionally, surplus funds generated from operations are parked in short term debt or liquid mutual funds and bank deposits which can be readily liquidated when required.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

Contractual maturity of financial liabilities	Upto 1 year	1 year to 5 year	More than 5 year	Total
As at 31 March 2020				
Borrowings (including current maturities)	-	-	-	-
Trade payables	3,276.76	-	-	3,276.76
Lease liability	6.73	33.64	107.07	147.44
Other financial liabilities	545.60	240.02	-	785.62
As at 31 March 2019				
Borrowings (including current maturities)	2,071.82	-	-	2,071.82
Trade payables	3,398.05	-	-	3,398.05
Lease liability	-	-	-	-
Other financial liabilities	576.53	240.02	-	816.55

(d) Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves and long term borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value. Company has fund based and non fund based credit facilities with banks from which it borrows during peak seasons to meet its working capital requirements. Company has funded all of its expansion projects from its internal accruals except for the distillery expansion project undertaken in financial year 2015-16 for which the external commercial borrowing was availed.

Following table summarizes the capital structure of the Company.

Particulars		As at 31 March 2020	As at 31 March 2019
Borrowings (including current maturities of long-term debts)	**(A)**	**-**	2,008.75
Less: Cash and cash equivalents		**1,767.61**	4,467.48
Net borrowings		**(1,767.61)**	(2,458.73)
Total equity	**(B)**	**38,744.53**	37,436.59
Debt equity ratio	**(A)/(B)**	**-**	0.05

38 Managerial Remuneration to the Vice Chairman and Managing Director of the Company paid for the current year ended March 31, 2020 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹26.03 lakhs. The Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid.

Notes to standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

39 Revenue from sale of products is net of variable consideration components amounting to **₹2,594.08 lakhs** (31 March 2019: ₹2,602.68 lakhs)

40 Impact of Covid-19 pandemic

Covid -19 pandemic has been spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdown and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time, including after the year end. As a result of the lockdown, the revenue for the month of March 2020 has been impacted. The Company is monitoring the situation closely taking into account directives from the Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID -19 pandemic and the resultant lockdown in the preparation of the financial statements including but not limited to its assessment on liquidity and going concern, recoverable values of its properties, plant and equipment and the net realizable value of other assets. However, given the effect of these lockdown on the overall economic activity, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impact in future may be different from those estimates as at the date of approval of these financial statements. During this period, the Company has taken various initiatives to bring down fixed costs and improve liquidity position. This will help the Company in the coming year. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these standalone financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

41 The standalone financial statements of the previous year were audited by a firm of chartered accountants other than B S R & Co. LLP.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman	**Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director	**Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer	**Rahul Choudhary**
Company Secretary	**Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of IFB Agro Industries Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Litigations and claims

See note 19 and 32(a) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Holding Company has exposure to various tax and legal related litigation which are disclosed in Note 32(a) of the consolidated financial statements. The recognition and measurement of provisions and measurement and disclosure of contingent liabilities in respect of litigations and claims require significant judgement. Due to the range of possible outcomes and considerable uncertainty around the various litigations and claims, the same has been considered a Key Audit Matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain audit evidence: 1. Obtained an understanding of the process for identification of litigations and claims. 2. Tested the design, implementation and the operating effectiveness of key controls associated with the process for identification and accounting of litigations and claims. 3. Read the latest correspondence between the Company and the various tax/legal authorities. 4. Involved our tax specialists to analyze the tax positions with respect to taxation related litigations. 5. We have considered the assessment of the Company's legal counsels internal and external, where relevant. 6. We have evaluated the Group's disclosures relating to provisions and contingent liabilities in Note 19 and 32(a) to the consolidated financial statements adequately reflected the uncertainties associated with the litigations and also compliance with relevant account standards.

Impairment of trade receivables

See note 10 and 37 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As at 31 March 2020, loss allowance for trade receivables of marine segment is 39% of total gross receivables of the segment. The Holding Company provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Company's historical default rates determined through a provision matrix and is adjusted for forward-looking information specific to the debtors and economic environment. This assessment involves significant judgement and hence, is considered to be a Key Audit Matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain audit evidence: 1. Obtained an understanding of the Holding Company's processes and controls relating to the determination of expected credit losses of trade receivables. 2. Tested the design, implementation and operating effectiveness of key controls associated with determination of expected credit losses of trade receivables. 3. Verified the inputs used in the provision matrix and evaluated the estimates for forward looking adjustments to the matrix. 4. Assessed the adequacy of the Company's disclosures on the trade receivables and the related risks under credit risk, in Note 10 and Note 37 to the consolidated financial statements and also compliance with relevant accounting standards.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

(a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹153.11 lakhs as at 31 March 2020, total revenue of ₹ 2,304.36 lakhs and net cash inflows of ₹ 162.66 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3)of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the audit report of the other auditor.

The subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion, in so far as it relates to the balances and affairs of such subsidiary located outside India, is based on the report of other auditor and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

(b) The comparative financial information of the Group for the year ended 31 March 2019, included in these consolidated financial statements have been audited by the predecessor auditor who had audited the consolidated financial statements for the relevant year. The report of the predecessor auditor, on the comparative financial information dated 27 May 2019, expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as were audited by other auditor, as noted in the sub-paragraph (a) of 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiary, as noted in the sub-paragraph (a) of 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 32 (a) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

We draw attention to Note 38 to the consolidated financial statements according to which the managerial remuneration paid to Vice Chairman and Managing Director of the Holding Company (amounting to ₹ 195.09 lakhs) exceed the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 26.03 lakhs. As per the provisions of the Companies Act, 2013, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN: 20055757AAAACH2589

Place: Kolkata
Date: 10 July 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of IFB Agro Industries Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of IFB Agro Industries Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN: 20055757AAAACH2589

Place: Kolkata
Date: 10 July 2020

Consolidated balance sheet as at 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	**12,291.18**	13,461.89
Capital work-in-progress	3 (b)	**381.90**	171.13
Intangible assets under development	3 (c)	**63.05**	-
Financial assets			
(i) Investments	4 (a)	**2,082.12**	3,177.51
(ii) Loans	5 (a)	**6.06**	8.75
(iii) Other financial assets	6 (a)	**26.16**	-
Current tax assets (net)	7 (a)	**379.00**	526.21
Other non-current assets	8 (a)	**467.77**	631.82
Total non-current assets		**15,697.24**	17,977.31
Current assets			
Inventories	9	**8,838.76**	6,534.98
Financial assets			
(i) Investments	4 (b)	**8,009.43**	8,162.98
(ii) Trade receivables	10	**6,588.11**	5,850.66
(iii) Cash and cash equivalents	11 (a)	**1,772.37**	4,483.71
(iv) Bank balances other than (iii) above	11 (b)	**93.28**	124.37
(v) Loans	5 (b)	**37.68**	38.21
(vi) Other financial assets	6 (b)	**140.95**	87.90
Other current assets	8 (b)	**3,180.08**	2,856.50
Total current assets		**28,660.66**	28,139.31
Total assets		**44,357.90**	46,116.62
Equity and liabilities			
Equity			
Equity share capital	12	**936.71**	936.71
Other equity	13	**37,193.77**	36,019.70
Total equity		**38,130.48**	36,956.41
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14 (a)	**-**	-
(ii) Lease liabilities		**57.04**	-
(iii) Other financial liabilities	15 (a)	**240.02**	240.02
Deferred tax liabilities (net)	16	**480.99**	1,492.05
Other non-current liabilities	17 (a)	**31.84**	34.32
Total non-current liabilities		**809.89**	1,766.39
Current liabilities			
Financial liabilities			
(i) Borrowings	14 (b)	**42.74**	210.09
(ii) Trade payables	18		
– total outstanding dues of micro enterprises and small enterprises		**368.68**	260.19
– total outstanding dues of creditors other than micro enterprises and small enterprises		**3,104.56**	3,425.35
(iii) Lease liabilities		**6.73**	-
(iv) Other financial liabilities	15 (b)	**562.02**	2,600.36
Current tax liabilities (net)	7 (b)	**8.05**	-
Other current liabilities	17 (b)	**1,131.85**	698.31
Provisions	19	**192.90**	199.52
Total current liabilities		**5,417.53**	7,393.82
Total liabilities		**6,227.42**	9,160.21
Total equity and liabilities		**44,357.90**	46,116.62

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman — **Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director — **Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer — **Rahul Choudhary**
Company Secretary — **Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Consolidated statement of profit and loss for the year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	20	**191,146.19**	175,244.32
Other income	21	**1,148.64**	1,281.46
Total income		**192,294.83**	176,525.78
Expenses			
Cost of materials consumed	22	**57,143.53**	45,048.82
Purchases of stock-in-trade	23	**17,062.29**	23,502.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	**(1,045.35)**	701.83
Excise duty		**92,566.10**	80,722.81
Employee benefits expense	25	**4,948.23**	4,547.87
Finance costs	26	**187.70**	296.54
Depreciation and amortisation expenses	27	**1,771.93**	1,871.24
Other expenses	28	**17,981.79**	16,224.68
Total expenses		**190,616.22**	172,916.55
Profit before tax		**1,678.61**	3,609.23
Tax expenses	29		
Current tax		**357.31**	549.53
Deferred tax		**(899.26)**	(76.60)
		(541.95)	472.93
Profit after tax		**2,220.56**	3,136.30
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Changes in fair value of equity instruments		**(1,095.40)**	(621.99)
(ii) Remeasurement of post-employment benefit obligations		**(84.79)**	(98.51)
(iii) Tax relating to these items		**141.43**	403.44
(b) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange difference in translating the finanial statement of foreign operations		**(7.73)**	5.33
Total other comprehensive income for the year, net of tax		**(1,046.49)**	(311.73)
Total comprehensive income for the year		**1,174.07**	2,824.57
Earnings per equity share			
Basic and diluted earnings per share (₹)	30	**23.71**	33.48

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman	**Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director	**Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer	**Rahul Choudhary**
Company Secretary	**Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Consolidated statement of cash flows for the Year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities:**		
	Profit before tax	**1,678.61**	3,609.23
	Adjustment for:		
	Depreciation and amortisation expenses	**1,771.93**	1,871.24
	Bad debts written-off	**74.68**	19.91
	Allowance for doubtful debts	**1,213.55**	253.08
	Writeback of allowance of doubtful debts	**-**	(259.04)
	Net gain arising on sale of financial assets measured at FVTPL	**(324.37)**	(300.62)
	Net gain on remeasurement of financial assets measured at FVTPL	**(4.17)**	(159.03)
	Net loss arising on remeasurement of derivatives at FVTPL	**120.00**	2.26
	Amortisation of capital subsidy	**(2.48)**	(2.67)
	Loss on sale of property, plant and equipment, net	**10.77**	1.07
	Liability no longer required, written back	**(99.18)**	(145.41)
	Unrealised forex (gain)/loss	**(62.52)**	152.93
	Interest income	**(76.69)**	(51.86)
	Write off of property, plant and equipment	**46.37**	-
	Finance costs	**187.70**	296.54
	Operating profit before working capital changes:	**4,534.20**	5,287.63
	Adjustment for:		
	Increase in inventories	**(2,303.78)**	(17.05)
	(Increase)/ decrease in trade receivables	**(1,962.85)**	407.18
	Decrease in loans	**3.22**	20.87
	(Increase)/decrease in other financial assets	**(83.04)**	76.35
	Increase in other non-financial assets	**(93.57)**	(143.81)
	Decrease in trade payables	**(213.56)**	(197.39)
	Increase/ (decrease) in provisions	**(6.62)**	7.00
	Increase/(decrease) in other financial liabilities	**5.22**	(114.97)
	Increase/(decrease) in other non-financial liabilities	**532.72**	(152.62)
	Cash generated from operations	**411.94**	5,173.19
	Income taxes paid (net of refund)	**(172.42)**	(1,010.87)
	Net cash generated from operating activities (A)	**239.52**	4,162.32
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work in progress and intangible assets under development)	**(1,199.83)**	(1,481.52)
	Proceeds from sale of property, plant and equipment	**27.24**	20.12
	Purchase of investments measured at FVTPL	**(75,775.00)**	(62,881.36)
	Sale of investments measured at FVTPL	**76,257.09**	64,511.53
	(Increase)/decrease in other bank balance	**25.76**	(118.71)
	Interest received	**82.02**	79.79
	Net cash generated from / (used in) investing activities (B)	**(582.72)**	129.85

Consolidated statement of cash flows for the Year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
C.	**Cash flow from financing activities**			
	Repayment of non-current borrowings		**(1,996.99)**	(1,235.57)
	Finance costs		**(194.24)**	(305.56)
	Payments for lease liability including interest		**(2.78)**	-
	Net cash used in financing activities	**(C)**	**(2,194.01)**	(1,541.13)
	Net increase in cash and cash equivalents	**(A+B+C)**	**(2,537.21)**	2,751.03
	Cash and cash equivalents as at the beginning of the year		**4,273.62**	1,522.58
	Effect of exchange rate fluctuation		**(6.78)**	-
	Cash and cash equivalents as at the end of the year		**1,729.63**	4,273.61
	Cash and cash equivalents comprise:			
	Cash and cash equivalents (Note 11(a))		**1,772.37**	4,483.71
	Bank overdraft (Note 14(b))		**(42.74)**	(210.09)
			1,729.63	4,273.62

Notes:

i) The above consolidated statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7, " Statement of cash flow".

ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financial activities are as under:

	Year ended 31 March 2020	Year ended 31 March 2019
Term loans		
Opening balance of borrowings	**2,008.75**	3,125.75
Repayment during the year	**(1,996.99)**	(1,254.13)
Changes on account of foreign currency fluctuations	**(11.76)**	102.69
Changes on account of fair value measurement	**-**	34.44
	-	2,008.75

This is the consolidated statement of cash flow referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman	**Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director	**Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer	**Rahul Choudhary**
Company Secretary	**Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Consolidated statement of changes in equity for the year ended 31 March 2020

(All amounts in ₹ lakhs, unless otherwise stated)

(A) Equity

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	**936.71**	936.71
Changes in equity share capital during the year	**-**	-
Balance at the end of the year	**936.71**	936.71

(B) Other equity

	Reserves and surplus			Other Comprehensive Income		
	Securities premium	General reserves	Retained earnings	Equity Instruments through OCI	Foreign currency translation reserve	Total
Balance as at 31 March 2018	3,193.72	284.95	26,799.99	2,923.13	(6.66)	33,195.13
Profit after tax	-	-	3,136.30	-	-	3,136.30
Items of other comprehensive income, net of tax:						
- Remeasurements of post-employment benefit obligations	-	-	(64.09)	-	-	(64.09)
- Changes in fair value of equity instruments	-	-	-	(252.97)	-	(252.97)
Exchange differnce on translation of foreign operations	-	-	-	-	5.33	5.33
Balance as at 31 March 2019	3,193.72	284.95	29,872.20	2,670.16	(1.33)	36,019.70
Profit after tax	**-**	**-**	**2,220.56**	**-**	**-**	**2,220.56**
Items of other comprehensive income, net of tax:						
- Remeasurements of post-employment benefit obligations	**-**	**-**	**(55.16)**	**-**	**-**	**(55.16)**
- Changes in fair value of equity instruments	**-**	**-**	**-**	**(983.60)**	**-**	**(983.60)**
Exchange differnce on translation of foreign operations	**-**	**-**	**-**	**-**	**(7.73)**	**(7.73)**
Balance as at 31 March 2020	**3,193.72**	**284.95**	**32,037.60**	**1,686.56**	**(9.06)**	**37,193.77**

Refer to Note No. 13 for nature and purpose of reserve.

This is the consolidated statement of change in equity referred Note 13 to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman **Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director **Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer **Rahul Choudhary**
Company Secretary **Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Summary of significant accounting policies and other explanatory informations:

1A Group's background

The consolidated financial statements comprise the financial statements of IFB Agro Industries Limited ('the Parent Company') and its subsidiary (collectively, the Group) for the year ended 31 March 2020.

The Parent is a Company limited by shares, incorporated and domiciled in India. The registered office of the Parent Company is located at Plot No. IND-5, Sector-I, East Kolkata Township, Kolkata 700 107, India.The corporate indentification number (CIN) of the holding company is L01409WB1982PLC034590.

The details of the subsidiary company is as follows:

Name of subsidiary	Country of incorporation	% holding as at 31 March 2020	% holding as at 31 March 2019
IFB Agro Marine FZE	Sharjah, UAE	**100%**	100%

The Group is primarily engaged in the business of manufacturing alcohol, bottling of branded alcoholic beverages as well as processed marine foods both for domestic and export markets.

These consolidated financial statements are approved by the Parent Company's Board of Directors on 10 July 2020.

1B Basis of Preparation

(a) General information and statement of compliance with Indian Accounting Standards

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

(b) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

(c) Accounting estimates and judgements

Preparation of financial statements requires the use of judgements, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgements are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

Details of critical estimates and judgements used which have a significant effect on the carrying amounts of assets and liabilities, are provided in the following notes:

Income tax:

The Parent's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Refer note 7, 16 and 29.

Useful life of property, plant and equipment:

Refer note 2 (b) for details.

Measurement of defined benefit obligations:

The costs of providing pensions and other post-employment benefits are charged to the consolidated statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same are disclosed in notes 25 and 33.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Impairment of assets:

Refer note 2 (b), (c) and (d) for details.

Classification of leases:

Refer note 2 (l) for details.

Estimation of provisions and contingencies:

Refer note 2 (m), 19 and 32(a) for details.

Recognition of deferred tax assets:

Refer note 2 (n) for details.

Fair value measurements:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Refer note 36 (c) for details.

The Group presents all its assets and liabilities in the consolidated balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary. Control is achieved when the Parent Company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee.
- Has the ability to use it's power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Parent Company's voting rights and potential voting rights, and
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31 March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the Parent Company's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 Significant accounting policies

(a) Revenue recognition

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS - 115, Revenue from contracts with customers:

i) Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

iii) Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

v) Recognise revenue when (or as) the Group satisfies a performance obligation at a point in time or over time.

Sale of goods:

The Group has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on despatch or delivery of the goods, as per the terms of the contract.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effect of significant financing components. The Group receives short-term advance from its customers. As the period between the transfer of promised goods or services and when the customer pays for those goods or services is expected to be less than one year, the Group has used the practical expedient in Ind AS - 115 and not adjusted the consideration for significant financing component.

Revenue is measured based on the transaction price i.e. the consideration to which the group expects to be entitled from a customer, net of returns and allowances, trade discounts and volume rebates. Revenue includes both fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and estimated rebates.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties and transaction costs. The consideration promised in a contract with a customer is fixed.

For each performance obligation identified, the Group determines at contract inception that it satisfies the performance obligation over time or satisfies performance obligation at a point in time. When either party to a contract has performed, an entity shall present the contract in the Balance Sheet as a contract asset or a contract liability depending upon the relationship of the Group's performance and customer payment. A receivable is recognised when goods are delivered as this is the case of point in time recognition where consideration is unconditional because only passage of time is required.

Tie-up manufacturing arrangements:

The Group has entered into tie-up manufacturing arrangements with the tie-up manufacturers (TMU), where-in TMU's would manufacture and sell branded alcoholic products on behalf of the Group. Accordingly, the transactions of the tie-up units under such arrangements have been recorded as gross revenue, excise duty and expenses as they were transactions of the Group.

(b) Property, plant and equipment

Recognition and initial measurement:

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of such item can be measured reliably. All repairs and maintenance expenses are charged to the consolidated statement of profit and loss in the period in which they are incurred. Upon first-time adoption of Ind AS, the Group has elected to measure all its property, plant and equipment recognised as at 1 April 2016, as per the previous GAAP, and used the carrying amount as its deemed cost on the date of transition to Ind AS.

Capital work-in-progress:

Property, plant and equipment which are not ready for intended use as on the balance sheet date are disclosed as "Capital work-in-progress".

Subsequent measurement (depreciation and useful lives):

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013 with the exception of plant and equipment of bottling plants that are being depreciated considering a useful life of 20 years based on technical evaluation. Depreciation of land acquired under right of use is provided over their respective lease period or estimated useful life whichever is shorter. Residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each balance sheet date and any change in them is adjusted prospectively.

Category of asset	Useful life
Buildings	5 - 60 years
Plant and equipment	10 - 40 years
Furniture and fixtures	10 years
Office equipment	3 - 6 years
Vehicles	8 - 10 years

Freehold land is carried at historical cost.

De-recognition:

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit and loss, when the asset is de-recognized.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Intangible assets

(i) Recognition and measurement

Acquired Intangible assets: Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets: Expenditure pertaining to research is expensed out as an when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to statement of profit and loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is the systematic allocation of the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

(c) Impairment of non-financial assets

Assessment for impairment is done at each balance sheet date when there is an indication that a non-financial asset may be impaired. For the purpose of assessing impairment, smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets/groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the consolidated statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the consolidated statement of profit and loss.

(d) Financial instruments

(A) Financial assets

Classification:

The Group classifies its financial assets in the following measurement categories depending on the Group's business model for managing such financial assets and the contractual cash flow terms of the asset.

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the consolidated statement of profit and loss or other comprehensive income. Investments in debt instruments are classified depending on the business model managing such investments. The Group re-classifies the debt investments when and only when there is a change in business model managing those assets. For investments in equity instruments which are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for such equity investments at fair value through other comprehensive income.

Measurement:

At initial recognition, the Group measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit and loss as and when they are incurred.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model managing such debt instruments and the contractual cash flow characteristics of the instrument. There are three measurement categories into which the debt instruments are classified:

(i) Amortized cost: Business model managing such asset has the objective to realize the contractual cash flows arising from the asset by holding such asset and the contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at amortized cost. A gain or loss on a financial asset subsequently measured at amortized cost is recognized in the consolidated statement of profit or loss when the asset is de-recognised or impaired.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Fair value through other comprehensive income (FVOCI): Business model managing such asset has the objective to collect the contractual cash flows arising from such asset and to sale the asset, where such contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at fair value through other comprehensive income (FVOCI). Changes in fair value of such instruments are recognized through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the consolidated statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to consolidated statement of profit and loss and recognized in other income.

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in consolidated statement of profit and loss in the period in which it arises.

Equity instruments:

The Group classifies all its equity investments at fair value. In case of equity instruments not held for trading, Group's management has made an irrevocable election to present fair value gains and losses on such equity instruments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit and loss.

Interest income:

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income:

Dividend income is recognized when the right to receive dividend is established

Investments in mutual funds:

Investments in mutual funds are measured at fair value through profit and loss.

Impairment:

The Group assesses the expected credit losses for its financial assets at amortized cost and FVTOCI debt instruments. Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 which requires loss allowance to be recognized at an amount equivalent to the lifetime expected credit losses from the initial recognition of such receivables irrespective of whether there has been a significant increase in credit risk.

De-recognition:

A financial asset is de-recognized when:

(i) Contractual right to receive cash flows from such financial asset expires;

(ii) Group transfers the contractual right to receive cash flows from the financial asset; or

(iii) Group retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the Group has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group does not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in such financial asset.

Financial liabilities

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit and loss as other gains or (losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derivatives

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign exchange risks.

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the consolidated statement of profit and loss.

(e) Government grants and subsidies

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

Income from export incentives:

Income from export incentives such as Merchandise Export from India Scheme (MEIS) and duty drawback are recognized on accrual basis.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

(g) Inventories

Raw materials, packing materials, work-in-progress, stores and spares, finished goods and stock-in-trade are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost of inventories comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from the tax authorities), cost of conversion and all other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In determining the cost of manufactured finished goods and work-in-progress an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow moving items.

(h) Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and demand deposits with banks. The Group considers it's highly liquid, short-term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents. Accordingly time deposits with banks, having original maturity less than three months, is considered as cash equivalent.

For the purpose of the consolidated statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the group's cash management.

(i) Assets held for sale

Assets are classified as held for sale under current assets if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and is expected to be sold within one year from the balance sheet date. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(j) Foreign currency transactions

Functional currency and presentation currency:

The financial statements are presented in Indian Rupees (i.e., INR), the functional currency of the Group. Functional currency is the currency of the primary economic environment in which the Group operates.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the consolidated statement of profit and loss.

(k) Employee benefits expense

Defined contribution plans:

The Group provides defined contribution plans for post-employment benefits in the form of provident fund and superannuation fund administered by Regional Provident Fund Commissioner and Life Insurance Corporation of India respectively. The Group's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when incurred. Provident and superannuation funds are classified as defined contribution plans as the Group has no further obligation beyond making the contributions, even if the assets of the fund is not enough to pay all the employee benefits.

Defined benefit plans and other long term benefits:

Liability for compensated absence and gratuity is provided on the basis of actuarial valuation as at the balance sheet date carried out by an independent actuary using Projected Unit Credit (PUC) method. It is used to measure the plan liabilities, including death-in-service and incapacity benefits. Plan liability is the actuarial present value of the 'defined benefit obligations' as on the balance sheet dates for all active members.

Gratuity plan is classified as post retirement employee benefit and hence the current service cost including net interest cost / (income) is recognized in the consolidated statement of profit and loss under "employee benefit expenses" during the period in which it is incurred. Remeasurement of defined benefit obligation due to change in actuarial assumptions or experience adjustments or expected return on plan assets (to the extent not covered under net interest on net defined benefit obligation) is recognized under other comprehensive income and not subsequently reclassified to the consolidated statement of profit and loss.

Liability for compensated absence has been classified as long-term employee benefit and the entire cost incurred on such plan is recognized in the consolidated statement of profit and loss under "employee benefit expenses" during the period in which it is incurred.

Termination benefits

Termination benefits are recognized as an expense as and when incurred. The Group recognizes termination benefits at the earlier of the following dates:

(i) when the Group can no longer withdraw the offer of those benefits; or

(ii) when the Group recognizes a restructuring cost within the scope of Ind AS 37.

Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(l) Leases

As a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The Right of Use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Effective 1 April 2019, the Group has adopted Ind AS -116 'Leases' using the modified retrospective approach. This has resulted in recognition of 'right-of-use' asset and lease liability as on 1 April 2019. The adoption of the standard did not have any material impact on consolidated financial statements.

(m) Provisions, contingent liabilities and contingent assets

Provisions:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect of time value of money is material i.e., the obligation is to be settled after a period of 12 months from the end of the reporting date, such provisions are discounted to reflect its present value using a pre-tax discounting rate that reflects the current market assessments of time value of money and risks specific to the obligation. When discounting is used, increase in the provision amount due to the passage of time is recognized as finance cost.

Contingent liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets:

Contingent assets are not recognized in the financial statement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lacs, unless otherwise stated)

(n) Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets or liabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that does not result from a business combination and at the time of such transaction, affects neither the accounting profit or loss nor taxable profit (tax loss) for the period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available against which those temporary differences/losses can be utilized. Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(o) Segment reporting

Operating segments are identified in a manner consistent with the internal reporting presented to the chief operating decision maker (CODM).

The chief operating decision maker (CODM) is a function which regularly reviews the financial results of the operating segments for the purpose of assessing its performance and allocation of funds to such segments. The Group identifies its Managing Committee as the chief operating decision maker. As per Ind AS 108, the Group has identified the following operating segments:

(i) Alcohol, spirit and spirituous beverages

(ii) Marine products

"Unallocated" include revenue and expenses that relate to initiatives / costs attributable to the enterprise as a whole and are not attributable to segments.

(p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(q) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, the Group has no dilutive potential equity shares.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

3 (a) Property, plant and equipment

	Owned assets						Leased assets	
	Freehold land	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Land**	**Total**
Gross Block (refer note (i) below)								
Balance as at 31 March 2018	829.30	2,368.90	13,565.90	56.36	159.31	148.46	438.29	17,566.52
Additions	245.11	205.07	1,310.31	27.46	39.27	17.12	-	1,844.34
Less: Disposal	-	-	126.05	0.23	2.64	7.51	-	136.43
Balance as at 31 March 2019	1,074.41	2,573.97	14,750.16	83.59	195.94	158.07	438.29	19,274.43
Additions	**6.00**	**51.35**	**487.54**	**16.62**	**43.81**	**18.95**	**61.33**	**685.60**
Less: Disposal	**-**	**48.20**	**159.70**	**0.17**	**7.36**	**22.83**	**-**	**238.26**
Balance as at 31 March 2020	**1,080.41**	**2,577.12**	**15,078.00**	**100.04**	**232.39**	**154.19**	**499.62**	**19,721.77**
Accumulated Depreciation and Impairment (refer note (i) below)								
Balance as at 31 March 2018	-	448.86	3,425.15	22.38	93.06	55.60	11.50	4,056.55
Charge for the year		198.32	1,572.01	11.51	43.39	32.76	13.24	1,871.23
Less: Disposal/adjustments	**-**	-	55.71	0.17	1.61	4.43	-	61.92
Less: Impairment reversal	**-**	-	53.32	-	-	-	-	53.32
Balance as at 31 March 2019	-	647.18	4,888.13	33.72	134.84	83.93	24.74	5,812.54
Charge for the year	**-**	**240.14**	**1,430.58**	**14.97**	**42.01**	**28.36**	**15.87**	**1,771.93**
Less: Disposal/adjustments	**-**	**1.16**	**69.01**	**0.12**	**6.18**	**16.56**	**-**	**93.03**
Less: Impairment reversal	**-**	**42.83**	**18.02**	**-**	**-**	**-**	**-**	**60.85**
Balance as at 31 March 2020	**-**	**843.33**	**6,231.68**	**48.57**	**170.67**	**95.73**	**40.61**	**7,430.59**
Net Block								
Balance as at 31 March 2019	1,074.41	1,926.79	9,862.03	49.87	61.10	74.14	413.55	13,461.89
Balance as at 31 March 2020	**1,080.41**	**1,733.79**	**8,846.32**	**51.47**	**61.72**	**58.46**	**459.01**	**12,291.18**

Notes:

i) The Group had adopted the carrying cost as on the date of transition to Ind AS as its deemed cost as at 1 April 2016 and accordingly adjusted its gross block and accumulated depreciation and impairment.

ii) The Parent Company's marine product processing plant at Kolkata has been erected on land obtained under long term lease of ninety-nine years, valid upto 9 August 2093 through license from Kolkata Metropolitan Development Authority, for which formal lease deed is yet to be executed.

iii) Plant and equipment includes electrical equipment and installations and laboratory equipment.

iv) The Group, based on technical evaluation, has assessed and concluded that none of the components of property, plant and equipment have an useful life which is different from that of the principal asset.

v) Term loan from banks (External commercial borrowings) is secured by an exclusive charge on all present and future assets (plant and equipments and civil work) at Noorpur unit and on other plant and equipment of the Parent Company.

vi) Leasehold land includes land acquired under long term lease. It represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortized over the period of lease. Net Block as at **31 March 2020: Rs.400.29 lakhs** (31 March 2019: Rs.413.55 lakhs).

vii) Leasehold land also includes Right of use assets. The details of Right of use assets acquired and corresponding depreciation charge are given as under:

	Leasehold land	
	31 March 2020	31 March 2019
Gross Block as at the beginning of the year	**-**	-
Add: Additions during the year	**61.33**	-
Less: Disposal during the year	-	-
Gross Block as at the end of the year	**61.33**	-
Accumulated Depreciation as at the beginning of the year	-	-
Add: Charge for the year	**2.61**	-
Less: Disposal/adjustments	-	-
Accumulated Depreciation as at the end of the year	**2.61**	**-**
Net block as at the end of the year	**58.72**	-

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
3	**(b) Capital work-in-progress**		
	Opening balance as at the beginning of the year	**171.13**	640.38
	Additions made during the year	**583.79**	1,231.41
	Transferred to property, plant and equipment	**(373.02)**	(1,700.66)
	Closing balance as at the end of the year	**381.90**	171.13
3	**(c) Intangible assets under development**		
	Opening balance as at the beginning of the year	**-**	-
	Additions made during the year	**63.05**	-
	Transferred to intangible assets	**-**	-
	Closing balance as at the end of the year	**63.05**	-

		As at 31 March 2020		As at 31 March 2019	
		Nos.	**Amount**	Nos.	Amount
4	**Investments**				
(a)	**Non-current**				
	Investments in equity instruments				
	Quoted				
	(Designated at fair value through other comprehensive income (FVTOCI))				
	IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)	**172,733**	**458.26**	172,733	1,689.23
			458.26		1,689.23
	Unquoted				
	(Designated at fair value through other comprehensive income)(FVTOCI))				
	CPL Projects Limited (Face value ₹ 10 per share, fully paid-up)	**90,000**	**2.85**	90,000	2.86
	Zenith Investments Limited (Face value ₹ 10 per share, fully paid-up)	**260,000**	**2.91**	260,000	2.89
	Asansol Bottling and Packaging Company Private Limited (Face value ₹ 100 per share, fully paid-up)	**23,900**	**362.40**	23,900	268.81
	Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	**145,000**	**55.06**	145,000	54.09
	IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	**955,998**	**1,200.64**	955,998	1,159.63
			1,623.86		1,488.28
			2,082.12		3,177.51

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

4 Investments *(cont'd)*

	As at 31 March 2020	As at 31 March 2019
Other disclosures for non-current investments:		
(a) Aggregate amount of quoted investments and market value thereof	**458.26**	1,689.23
(b) Aggregate amount of unquoted investments	**1,623.86**	1,488.28

Notes:

i) As at the balance sheet date, none of the investments in equity instruments have been impaired.

ii) The investments in equity instruments are for long-term strategic purposes and not held for trading. Under Ind AS 109, the Group has chosen to designate these investments as equity instruments at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for non-current investments than reflecting the changes in fair values immediately in 'other comprehensive income' for such period. Based on the aforesaid designation, changes in fair values are accumulated in other equity under the head "equity instruments through other comprehensive income". The Group transfers the accumulated balance from this account to retained earnings when such equity instruments are derecognised.

	As at 31 March 2020		As at 31 March 2019	
	Nos.	**Amount**	Nos.	Amount
(b) Current				
Investments in mutual funds				
Unquoted				
(Measured at fair value through profit and loss)				
DSP Overnight Fund - Direct - Growth	**47,169.05**	**504.09**	-	-
Franklin India Overnight Fund -Direct-Growth	**191,756.92**	**2,003.50**	-	-
Franklin India Short Term Income Plan - Regular Growth	**-**	**-**	8,599.05	343.73
Franklin India Ultra Short Bond Fund-Super Institutional Plan - Regular Growth	**-**	**-**	11,247,236.77	2,954.51
HSBC Cash Fund - Direct Growth	**-**	**-**	10,751.37	200.23
HSBC Overnight Fund - Direct - Growth	**67,686.62**	**706.41**	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Growth	**-**	**-**	4,067,071.13	1,026.87
ICICI Prudential Money Market Fund - Regular Growth	**-**	**-**	193,835.35	501.71
ICICI Prudential Overnight Fund-Direct-Growth	**1,434,024.43**	**1,545.14**	-	-
Invesco India Money Market Fund - Direct Growth	**-**	**-**	81,944.63	1,777.62
Invesco India Overnight Fund - Direct-Growth	**143,281.93**	**1,447.32**	-	-
Kotak Overnight Fund - Direct- Growth	**169,155.80**	**1,802.97**	-	-
Kotak Low Duration Fund - Direct Growth	**-**	**-**	57,143.99	1,358.31
		8,009.43		8,162.98
Other disclosures for current investments:				
(a) Aggregate amount of unquoted investments		**8,009.43**		8,162.98

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
5	**Loans**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Security deposits	**6.06**	8.75
		6.06	8.75
(b)	**Current**		
	(Unsecured, considered good)		
	Security deposit	**18.75**	12.90
	Loan to employees	**18.93**	25.31
		37.68	38.21
6	**Other financial assets**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Bank deposits with remaining maturity more than 12 months (*)	**26.16**	-
		26.16	-
(*)	Bank deposits are under lien with various Government authorities.		
(b)	**Current**		
	(Unsecured, considered good)		
	Derivative instruments	**-**	3.83
	Other receivables	**140.95**	84.07
		140.95	87.90
7	**Income taxes balances**		
(a)	Current tax assets (net)	**379.00**	526.21
(b)	Current tax liabilities (net)	**8.05**	-
8	**Other assets**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Capital advances	**379.53**	228.78
	Advances other than capital advances:		
	- Security deposits	**5.60**	12.55
	- Amount deposited with government authorities	**15.10**	34.77
	- Advance to service provider	**0.40**	10.04
	Excess amount paid for defined benefit plans (refer note 33)	**67.14**	207.90
	Excess amount paid for other long-term employee benefit (refer note 33)	**-**	137.78
		467.77	631.82

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
8	**Other assets (contd)**		
(b)	**Current**		
	(Unsecured, considered good)		
	Advances other than capital advances:		
	- Advance to vendors (#)	**476.60**	872.98
	- Advance to service provider	**-**	100.00
	- Advance to tie-up manufacturing units	**153.14**	114.33
	- Prepaid expenses	**449.64**	449.18
	Balances with government authorities (*)	**1,830.60**	976.43
	Export incentives receivable	**270.10**	343.58
		3,180.08	2,856.50

(#) Advance to vendors include advances to Nurpur Gases Private Limited, a private company in which a director is a member:

As at 31 March 2020: ₹67.43 lakhs (As at 31 March 2019: Nil)

(*) Balances with government authorities primarily include amounts realisable from goods and services tax, state excise authorities and transitional credit carried forward under the goods and services tax regime. These are expected to be realised within a period of one-year, by off-setting the same against the output goods and services tax liability on goods supplied by the Parent Company. Accordingly these balances have been classified as current assets.

		As at 31 March 2020	As at 31 March 2019
9	**Inventories**		
	(valued at lower of cost and net realisable value)		
	Raw materials (including packing materials) (##)	**2,944.97**	2,069.12
	Work-in-progress	**184.16**	178.20
	Finished goods (**)	**4,992.35**	3,511.53
	Stock-in-trade	**355.98**	416.43
	Stores and spares	**361.30**	359.70
		8,838.76	6,534.98

(##) includes stock in transit **₹67.81 lakhs** (31 March 2019: ₹61.85 lakhs)

(**) includes finished goods in transit **₹272.39 lakhs** (31 March 2019: ₹ 212.04 lakhs)

The cost of inventories recognised as an expense includes **₹424.61 lakhs** (31 March 2019: Nil) in respect of write-downs of inventory to its net realisable value.

Note: The cost of inventories recognised as an expense during the year is disclosed under note 22,23 and 24

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
10	**Trade receivables**		
	Trade receivables considered good, secured	**809.50**	1,004.38
	Trade receivables considered good, unsecured	**7,506.96**	4,846.28
	Trade receivables, credit impaired	**-**	514.80
		8,316.46	6,365.46
	Less: Allowance for doubtful debts	**1,728.35**	514.80
		6,588.11	5,850.66
	Movement in allowance for doubtful debts during the year is as follows:		
	Balance at the beginning of the year	**514.80**	520.76
	Add: Allowance for doubtful debts (net)	**1,213.55**	(5.96)
		1,728.35	514.80

		As at 31 March 2020	As at 31 March 2019
11	**Cash and bank balances**		
(a)	**Cash and cash equivalents**		
	Cash on hand	**47.42**	19.97
	Balances with banks		
	- In current accounts	**874.85**	979.74
	Bank deposits with original maturity less than 3 months	**850.10**	3,484.00
		1,772.37	4,483.71
(b)	**Bank balances other than (a) above**		
	Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months (*)	**92.95**	118.71
	Accrued interest on bank deposits	**0.33**	5.66
		93.28	124.37

(*) Bank deposits are under lien with various Government authorities.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020		As at 31 March 2019	
		Number	**Amount**	Number	Amount
12	**Equity share capital**				
	Authorized share capital				
	Equity shares of ₹ 10 each	**12,000,000**	**1,200.00**	12,000,000	1,200.00
		12,000,000	**1,200.00**	12,000,000	1,200.00
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 10 each	**9,367,111**	**936.71**	9,367,111	936.71
		9,367,111	**936.71**	9,367,111	936.71

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

There has been no change in equity share capital during the year.

(b) The rights, preferences and restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Such holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholdings, however, no such preferential amounts exists currently. During this financial year the Parent Company has not proposed/declared any dividend. However, if any dividend is proposed by the Board of Directors, it will be subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(c) Details of shareholders holding more than 5% of the shares in the Company:

	As at 31 March 2020		As at 31 March 2019	
Name of the shareholders	**Number**	**Percentage**	Number	Percentage
IFB Automotive Private Limited	**3,602,900**	**38.46**	3,602,900	38.46
Nurpur Gases Private Limited	**785,543**	**8.39**	785,543	8.39
SICGIL India Limited (*)	**683,100**	**7.29**	683,100	7.29

(*) SICGIL India Ltd (SICGIL) along with Persons Acting in Concert (PAC) (collectively referred to as SICGIL group) holds 15.76% equity shares in IFB Agro Industries Limited. However, the SICGIL group's voting rights were restricted to 5% of the equity share Capital of IFB Agro Industries Limited vide National Company Law Tribunal ('NCLT') order dated 5 July 2017. In an appeal, the National Company Law Appellate Tribunal ('NCLAT') vide its order dated 6 December 2018 set aside the NCLT's order. IFB Agro Industries Limited has preferred an appeal before the Hon'ble Supreme Court. The Hon'ble Supreme Court has ordered for status quo to be maintained.

(d) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Parent Company during the last five years.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
13	**Other equity**		
(a)	**Other reserves**		
	Securities premium	**3,193.72**	3,193.72
	General reserve	**284.95**	284.95
	Retained earnings	**32,037.60**	29,872.20
(b)	Other comprehensive income	**1,686.56**	2,670.16
(c)	Foreign currency translation reserve	**(9.06)**	(1.33)
		37,193.77	36,019.70

Nature and purpose of reserves:

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Section 52 of the Companies Act, 2013.

General reserve

General reserve has been created out of profits earned by the Group in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Movement in the retained earnings during the year is as given below:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	**29,872.20**	26,799.99
Add: Profit for the year	**2,220.56**	3,136.30
Add: Remeasurement of post-employment benefit obligations and taxes there on	**(55.16)**	(64.09)
Balance at the end of the year	**32,037.60**	29,872.20

Other comprehensive income

The Group has elected to recognize changes in fair value of certain investments in equity instruments in other comprehensive income. The changes are accumulated within "Equity instruments through OCI" under other comprehensive income.

Movement in the other comprehensive income during the year is as given below:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	**2,668.83**	2,916.47
Add: movement in OCI during the year, net	**(991.33)**	(247.64)
Balance at the end of the year	**1,677.50**	2,668.83

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
14	**Borrowings**		
(a)	**Non-current**		
	Secured		
	Term loans		
	Foreign currency loan from bank (in nature of external commercial borrowing)	**-**	1,979.85
	Vehicle loan from others	**-**	28.90
	Less: Current maturities of borrowings (refer note 15(b))	**-**	2,008.75
		-	-

Foreign currency loan from bank (in nature of external commercial borrowing)

Term loan from bank (originally amounting to USD 75 lakhs equivalent to ₹4,908.00 lakhs) is secured by an exclusive charge on all present and future assets (plant and machinery and civil work) at Noorpur refinanced out of this loan and on other plant and equipment of the Parent Company.

Repayable in 14 stipulated periodic instalments commencing from 31 December 2016 and ending on 31 January 2020 and carries an interest rate of 3 months libor plus 2.25%. The loan amount is fully repaid during the year.

Vehicle loan from others

Vehicle loan (originally amounting to ₹39.90 lakhs) is secured by hypothecation of the motor car financed out of this loan.

Repayable in 36 monthly instalments commencing from 3 March 2017. It carries an interest rate of 11.60% p.a. on monthly reducing balance. First 35 EMIs are of ₹0.78 lakhs each. Parent Company has an option either to pay the 36th EMI of ₹23.94 lakhs or to surrender the car to the finance company. The Parent Company has repaid the entire loan during the year.

(b)	**Current**		
	Secured		
	Overdraft from bank	**42.74**	210.09
		42.74	210.09

Bank facilities are secured by way of :
- Stand by letter of credit from HDFC Bank- India of amount of 105% of the requested credit facility and
- Promissory note

15	**Other financial liabilities**		
(a)	**Non-current**		
	Security deposits (*)	**240.02**	240.02
		240.02	240.02

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

(b)	**Current**		
	Current maturities of non-current borrowings (refer note 14)	**-**	2,008.75
	Security deposits repayable on demand	**42.87**	56.31
	Creditors for property, plant and equipment (inclusive of retentions) (#)	**89.40**	240.38
	Derivative instruments	**116.17**	-
	Dues to employees	**313.58**	294.92
		562.02	2,600.36

(#) Creditors for property, plant and equipment include **31 March 2020 :Nil** (31 March 2019: ₹0.35 lakhs) dues to micro and small enterprises.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
16	**Deferred taxes assets / liabilities (net)**		
	Deferred tax liabilities (net)	**1,603.69**	2,017.33
	Less: Deferred tax assets (unutilised MAT credit)	**1,122.70**	525.28
		480.99	1,492.05

	As at 31 March 2019	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2020
Deferred tax liabilities:				
On property, plant and equipment	1,697.50	**(203.31)**	**-**	**1,494.19**
On fair valuation of equity instruments through OCI	219.67	**-**	**(111.80)**	**107.87**
On fair valuation of investments in mutual funds	52.01	**(50.38)**	**-**	**1.63**
On excess amount paid for other long-term employee benefit	48.15	**(48.15)**	**-**	**-**
	2,017.33	**(301.84)**	**(111.80)**	**1,603.69**
Deferred tax assets:				
On allowance for doubtful debts	179.89	**(424.06)**	**-**	**603.95**
On deferred revenue income	11.99	**0.86**	**-**	**11.13**
On temporary differences	16.93	**-**	**-**	**16.93**
	208.81	**(423.20)**	**-**	**632.01**

	As at 31 March 2019	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2020
Deferred tax assets:				
On unutilised MAT credits	316.47	**(174.22)**	**-**	**490.69**
	316.47	**(174.22)**	**-**	**490.69**

Note:

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
17	**Other liabilities**		
(a)	**Non-current**		
	Deferred revenue income (*)	**31.84**	34.32
		31.84	34.32

(*) Deferred revenue income represents capital subsidy of ₹50 lakhs received by the Parent Company on 30 December 2016 from Ministry of New and Renewable Energy (MNRE), Government of India, in respect of its 2.5 MW co-generative power plant commissioned on 28 March 2014. An amount of **₹2.48 lakhs** (31 March 2019: ₹2.67 lakhs) has been recognized as income for the current year.

(b)	**Current**		
	Advance from customers (#)	**313.84**	134.90
	Statutory dues	**541.83**	359.82
	Other accruals	**276.18**	203.59
		1,131.85	698.31

(#) The advance received from customers in the previous period have been recognised as revenue in the current year. Similarly, the advance from customer as at the balance sheet date will be recognised in the subsequent year.

		As at 31 March 2020	As at 31 March 2019
18	**Trade payables**		
	Total outstanding dues of micro and small enterprises	**368.68**	260.19
	Total outstanding dues of creditors other than micro and small enterprises	**3,104.56**	3,425.35
		3,473.24	3,685.54

		As at 31 March 2020	As at 31 March 2019
19	**Provisions**		
	Current		
	Provision for compensated absences	**3.58**	-
	Provision for legal matters (*)	**189.32**	199.52
		192.90	199.52

(*) As the Group is not in a position to ascertain the exact timing of expected future cash outflows required to settle the obligations for legal matters, it has been classified under current liabilities, without considering their time value of money.

Movement in provision for legal matters during the year is as follows:

Balance at the beginning of the year	**199.52**	192.52
Add: provisions during the year	**-**	7.00
Less: provisions reversed / paid during the year	**10.20**	-
	189.32	199.52

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
20	**Revenue from operations**		
	Sale of products (inclusive of excise duty) (*)	**189,161.28**	173,410.47
	Other operating revenue		
	- Scrap sales	**148.05**	165.73
	- Export incentives	**1,789.55**	1,668.12
	- Others	**47.31**	-
		191,146.19	175,244.32
	Details of sale of products (inclusive of excise duty)		
	Manufactured products		
	Alcohol including Indian made Indian liquor	**140,758.55**	120,477.08
	Marine products	**26,725.26**	24,071.38
	Others	**4,987.75**	4,520.41
	Traded products		
	Marine feed	**16,669.96**	24,341.60
	Others	**19.76**	-
	(*) refer note 39	**189,161.28**	173,410.47
21	**Other income**		
	Interest income:		
	- Financial assets measured at amortised costs	**76.69**	51.86
	Other gains and losses		
	- Net gain arising on sale of financial assets measured at FVTPL	**324.37**	300.62
	- Net gain arising on remeasurement of financial assets measured at FVTPL	**4.17**	159.03
	Others		
	- Rental income	**385.35**	314.73
	- Net gain on foreign currency transactions and translations (net)	**75.75**	**-**
	- Liabilities no longer required written back	**99.18**	145.41
	- Writeback of allowance of doubtful debts	**-**	259.04
	- Other miscellaneous income	**58.97**	50.77
	- Insurance claim received	**124.16**	-
		1,148.64	1,281.46
22	**Cost of materials consumed**		
	Raw material consumed (including packing materials)		
	Opening stock as at the beginning of the year	**2,069.12**	1,386.31
	Add: Purchases during the year	**58,019.38**	45,731.63
	Less: Closing stock as at the end of the year	**2,944.97**	2,069.12
		57,143.53	45,048.82
23	**Purchases of stock-in-trade**		
	Marine food and feed supplements	**17,043.88**	23,502.76
	Others	**18.41**	-
		17,062.29	23,502.76

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
24	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Stock at the beginning of the year (including stock-in-transit)		
	Finished goods	**3,511.53**	4,184.51
	Work-in-progress	**178.20**	156.83
	Stock-in-trade	**416.43**	578.83
		4,106.16	4,920.17
	Stock at the end of the year (including stock-in-transit)		
	Finished goods	**4,992.35**	3,511.53
	Work-in-progress	**184.16**	178.20
	Stock-in-trade	**355.98**	416.43
		5,532.49	4,106.16
	Difference in excise duty on finished goods	**380.98**	(112.18)
		(1,045.35)	701.83
25	**Employee benefits expense**		
	Salaries, wages and bonus	**4,127.87**	3,793.52
	Contribution to provident funds and other funds (Refer note 33)	**425.47**	370.75
	Staff welfare expenses	**394.89**	383.60
		4,948.23	4,547.87
26	**Finance costs**		
	Interest on financial liabilities carried at amortised costs (*)	**182.48**	179.37
	Interest expense on lease liabilities	**5.22**	-
	Foreign exchange loss/ (gain) on foreign currency borrowings	**-**	117.17
		187.70	296.54
(*)	Calculated using effective interest rate (EIR) method.		
27	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	**1,771.93**	1,871.24
		1,771.93	1,871.24

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
28	**Other expenses**		
	Advertisement and sales promotion expenses	**566.89**	490.68
	Consumption of stores and spares	**487.31**	407.54
	Power and fuel	**4,194.06**	4,819.54
	Rent	**902.31**	649.83
	Repair and maintenance:		
	- Buildings	**32.20**	44.82
	- Plant and Machinery	**277.43**	204.35
	- Others	**106.56**	178.60
	Insurance	**373.44**	337.41
	Rates and taxes	**352.98**	928.04
	Legal and professional expenses	**370.23**	405.70
	Office expenses	**1,009.02**	834.97
	Travel and conveyance expenses	**510.23**	600.38
	Auditor's remuneration	**39.53**	29.68
	Freight outward	**2,635.96**	2,134.37
	Contract charges	**3,949.02**	2,876.33
	Corporate Social Responsibility ('CSR') expenditure	**67.32**	87.37
	Loss on sale of property, plant and equipment (net)	**10.77**	1.07
	Write off of property, plant and equipment	**46.37**	-
	Bad debts written off	**74.68**	19.91
	Allowance for doubtful debts (net)	**1,213.55**	253.08
	Loss on foreign currency transactions and translations (net)	**-**	304.08
	Net loss arising on measurement of derivatives at FVTPL	**120.00**	2.26
	Directors sitting fees	**7.43**	10.33
	Miscellaneous expenses	**634.50**	604.34
		17,981.79	16,224.68
(a)	**Auditors' remuneration**		
	Statutory audit (*)	**34.84**	24.52
	Tax audit	**2.00**	1.23
	Other services (*)	**1.32**	1.65
	Out of pocket expenses	**1.37**	2.28
		39.53	29.68
(*)	Auditor fees includes **₹9.76 lakhs** (31 March 2019: nil) as payment to erstwhile auditors		
(b)	**Details of Corporate Social Responsibility (CSR) expenditure**		
	Gross amount required to be spent by the Company during the year.	**84.78**	86.22
	Amount spent during the year:		
	Construction / acquisition of any assets	**-**	-
	Purposes other than above	**67.32**	87.37
	Amount accrued but not paid during the year	**-**	-

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
29	**Tax expenses**			
(a)	**Income tax in the statement of profit and loss:**			
	Income tax charge for the year		**533.71**	855.01
	Income tax charge / (reversal) for earlier years		**(176.40)**	(305.48)
			357.31	549.53
	Deferred tax			
	Deferred tax for the year		**(725.04)**	(2.06)
	Unused tax credit entitlement (MAT credit entitlement) for the year		**(21.11)**	-
	Unused tax credit entitlement (MAT credit entitlement) for earlier years		**(153.11)**	(74.54)
			(899.26)	(76.60)
(b)	**Income tax recognised in other comprehensive income comprises:**			
	Current tax			
	On remeasurement of post-employment benefit obligations		**(29.63)**	(34.42)
		(A)	**(29.63)**	(34.42)
	Deferred tax			
	On fair value gains on investments in equity instruments		**(111.80)**	(369.02)
		(B)	**(111.80)**	(369.02)
		(A) + (B)	**(141.43)**	(403.44)
(c)	**Reconciliation of income tax expense and the accounting profit for the year:**			
	Profit before tax		**1,678.61**	3,609.23
	Enacted tax rates (%)		**34.944%**	34.944%
	Income tax expense calculated at corporate tax rate		**586.57**	1,261.21
	Impact due to consolidation of losses of the subsidiary entity		**44.08**	64.47
	Deductions under chapter VIA of the Income Tax Act, 1961		**(806.79)**	(593.23)
	Impact on account of non-deductible expenses		**33.19**	34.60
	Fair value measurements of investments in mutual funds		**(24.35)**	(12.18)
	Adjustment of tax relating to earlier years		**(329.51)**	(380.02)
	Impact due to change in future tax rate		**(1.05)**	-
	Additional allowances under the Income Tax Act, 1961		**(4.07)**	(22.22)
	Difference in opening written down value of property, plant and equipment as per Income tax		**8.13**	12.56
	On opening leave fund asset		**(48.15)**	103.81
	Other adjustments		**-**	3.93
	Total income tax expense as per the statement of profit and loss		**(541.95)**	472.93

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Earnings per equity share (EPS)**		
	Net profit attributable to equity shareholders (₹ in lakhs)	**2,220.56**	3,136.30
	Weighted average number of equity shares outstanding during the year	**9,367,111**	9,367,111
	Face value per share (in ₹)	**10.00**	10.00
	Earnings per share (in ₹):		
	- Basic earnings per equity share	**23.71**	33.48
	- Diluted earnings per equity share	**23.71**	33.48

31 Leases

(a) Finance lease

The Parent Company has acquired certain lands on finance lease. Such lease arrangements are for a period ranging from 30-99 years and the entire lease rentals has been paid upfront at the time of initiation of the lease. The Parent Company has recognized these lands acquired on finance lease under property, plant and equipment (separately from other owned assets) at an amount equal to the upfront lease payment plus initial direct costs. Such amount is amortized over the period of the lease on a straight line method.

(b) Short term leases

The Parent Company has entered into lease arrangements in respect of factory lands, office premises, other buildings and manufacturing facilities which are for a period generally ranging from 11 months to 6 years. All such lease arrangements are cancellable by giving a short notice of 3 to 6 months. But these are usually renewable on mutually agreed terms. All these arrangements are considered as short term lease or leases of low-value assets for the purpose of Ind AS 116, Leases and are not recognised as Right of use assets. The expenses incurred for short term lease during **31 March 2020: ₹887.97 lakhs** (31 March 2019: ₹635.69 lakhs) included in rent under Note 28 Other expenses.

(c) Right of use assets

The Parent Company has acquired certain lands on lease for a period of 20 years. The lease payments are to be made on a periodic basis. The Company has recognised such lease as Right of use assets for the purpose of Ind AS 116, Leases under the modified retrospective method.

(d) Leases as lessor

Operating lease

The Group entered into operating leases on its office premises, plant and machinery.

Rental income recognised by the Group during the financial year 2019-20 is **₹385.35 lakhs.**

All the agreement entered into are short term in nature and are cancellable at a notice within three to six months, therefor the maturity analysis of lease payments are not reported here.

32 Contingent liabilities and commitments

(a) Contingent liabilities

	Particulars	As at 31 March 2020	As at 31 March 2019
	Claims against the Group not acknowledged as debts:		
(i)	State Excise demands for various years primarily for excess shortage/wastage of spirit.	**1,191.94**	1,191.94
(ii)	State Sales Tax/Central Sales Tax and Value Added Tax demands in the State of West Bengal.	**2,705.37**	2,665.82
(iii)	Kolkata Port Trust (KoPT) - Dispute relating to valuation of rent for rest house at Noorpur.	**95.00**	95.00
(iv)	Banker's letter of guarantee	-	9.43

Note:

Pursuant to the search conducted by the Directorate General of Goods and Services Tax Intelligence Unit (DGGI) on 26 June 2020 under section 67(2) of the Central Goods and Services Act, 2017 at the distillery located at Noorpur, South 24 Parganas, West Bengal and at the Registered office at Plot No. IND-5, East Kolkata Township, Kolkata 700 107 in respect of the alleged mis-classification in respect to sale of Distillers Dried Grain Solubles (DDGS), the DGGI has estimated a duty amount of Rs.470 lakhs payable by the Parent Company. Pending issuance of any demand notice from the GST department, the Parent Company has paid a sum of Rs.200 lakhs under protest and will take necessary legal steps to defend its position.

(b) Commitments

Estimated amount of capital contracts remaining to be executed and not provided for as on the balance sheet date are:

	As at 31 March 2020	As at 31 March 2019
Capital commitments for property, plant and equipment (net of capital advances given)	**171.03**	294.59
Capital commitment for intangible assets	**90.00**	-

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

33 Disclosure in accordance with Ind AS-19 on Employee benefits expense

(a) Post-employment benefits plan:

Retirement benefit plans of the Holding Company comprising of Gratuity, Superannuation and Provident Fund consists of both defined benefit plan and defined contribution plan. Other long term employee benefits includes compensated absences subject to certain limits and rules. Gratuity, Superannuation and compensated absences plans are funded through investments in Life Insurance Corporation of India (LICI). Provident Fund for all employees are managed through government administrated funds. Gratuity and Superannuation Fund is managed by a Board of Trustees who are responsible for overall management of the fund and acts in accordance with the provisions of the respective trust deeds and rules, and in the best interest of the plan participants. The trustees do a periodic review of the solvency of the fund and play a role in long term investments, risk management and funding strategy.

(b) Defined contribution plans

The Provident Fund and Superannuation Fund has been classified as defined contribution plan as the Group has an obligation to pay a fixed amount to the government administered fund and Life Insurance Corporation of India (LICI) respectively and has no further obligation if the assets of such funds are not enough to meet all the employee obligations provided under such plans.

(c) Defined benefit plans

Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the balance sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method. Board of Trustees administers the contributions made to the gratuity fund and such amounts are solely invested with Life Insurance Corporation of India (LICI).

(d) Other long-term employee benefits

The Group provides for encashment of accumulated leaves standing at the credit of its employees at the time of their exit by way of retirement (on superannuation or otherwise), death or disability, subject to certain limits and rules framed by the Group. Liability is provided based on the number of days of unutilized leave at each balance sheet date based on actuarial valuation done by a certified actuary using projected unit credit method. The Company has funded such plan with Life Insurance Corporation of India (LICI).

The following table summarises the components of defined benefit and long term benefits expense recognized in the statement of profit and loss/other comprehensive income ('OCI') and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Defined benefits obligations/ compensated absences recognised:

Particulars	**Gratuity (funded)**		**Compensated absences (funded)**	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Present value of obligation	**1,203.48**	995.88	**926.97**	769.10
Fair value of plan assets	**1,270.62**	1,203.78	**923.39**	906.88
Net (assets)/liabilities recognized	**(67.14)**	(207.90)	**3.58**	(137.78)

(ii) Movement in present value of benefits obligation/compensated absences:

Particulars	**Gratuity (funded)**		**Compensated absences (funded)**	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Balance at beginning of the year	**995.88**	819.04	**769.10**	551.35
Current service cost	**63.72**	55.72	**78.80**	61.53
Interest cost	**69.92**	59.33	**52.21**	37.82
Acquisitions (credit)/cost	**9.20**	-	**9.21**	2.74
Actuarial (gain)/loss arising from assumption changes	**50.74**	16.78	**43.51**	15.01
Actuarial (gain)/loss arising from experience adjustments	**36.20**	79.71	**41.53**	181.08
Benefits paid (including benefits directly paid by the Company)	**(22.18)**	(34.70)	**(67.39)**	(80.43)
Balance at end of the year	**1,203.48**	995.88	**926.97**	769.10

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Movement in present value of plan assets:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Balance at beginning of the year	**1,203.78**	1,154.43	**906.88**	848.42
Interest income on plan assets	**84.76**	84.21	**62.79**	62.78
Employer contribution	**2.11**	1.86	**0.02**	-
Return on plan assets lesser than discount rate	**2.15**	(2.02)	**(1.17)**	(4.32)
Benefits paid	**(22.18)**	(34.70)	**(45.13)**	-
Balance at end of the year	**1,270.62**	1,203.78	**923.39**	906.88

(iv) Components of net cost

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Recognised in profit and loss				
- Current service costs	**63.72**	55.72	**78.80**	61.53
- Net interest on net defined benefit liability / (asset)	**(14.84)**	(24.88)	**(10.58)**	(24.96)
- Immediate recognition of (gains) / losses	**-**	-	**86.21**	200.41
	48.88	30.84	**154.43**	236.98
Recognised in other comprehensive income				
- Actuarial (gains) / losses	**84.79**	98.51	-	-
	84.79	98.51	**-**	-

(v) Remeasurement of the net defined benefit plans to be taken to other comprehensive income:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Actuarial (gain)/loss arising from assumption changes	**50.74**	16.78	**-**	-
Actuarial (gain)/loss arising from experience adjustments	**36.20**	79.71	**-**	-
Return on plan assets lesser than discount rate	**(2.15)**	2.02	**-**	-
Net impact on other comprehensive income before tax	**84.79**	98.51	**-**	**-**

(vi) Amounts contributed towards defined contribution plans have been recognized in the statement of profit and loss under "Contribution to provident fund and other funds" in Note 25.

(vii) Major categories of plan assets:

Entire assets of both gratuity and compensated absences plans is maintained with the Life Insurance Corporation of India (LICI).

(viii) Assumptions

With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at balance sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Discount rate (per annum)	**6.40%**	7.10%	**6.40%**	7.10%
Salary escalation rate (per annum)	**8.00%**	8.00%	**8.00%**	8.00%
Mortality table	Indian Assured Lives Mortality [2006-08] Ultimate table		Indian Assured Lives Mortality [2006-08] Ultimate table	
Average past service of employees (years)	**9.18**	8.90	**Not applicable**	Not applicable
Expected rate of return on plan assets	**7.27%**	7.59%	**6.90%**	6.98%

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(ix) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Discount rate - Decrease by 1%	**81.61**	61.32	**70.47**	55.02
Discount rate - Increase by 1%	**(71.06)**	(53.35)	**(60.86)**	(47.68)
Salary escalation rate - Decrease by 1%	**(70.72)**	(53.42)	**(60.58)**	(47.74)
Salary escalation rate - Increase by 1%	**79.57**	60.22	**68.72**	54.04

Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity results above determine their individual impact on the plan's end of the year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

(x) Maturity analysis of the benefit payments:

Weighted average duration of both gratuity plan and compensated absences plan is 7 years. Expected benefits payments for each such plans over the years is given in table below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Year 1	**43.20**	315.65	**202.81**	191.37
Year 2	**356.59**	39.58	**93.93**	47.17
Year 3	**170.94**	97.19	**77.06**	75.87
Year 4	**115.71**	67.49	**104.62**	60.37
Year 5	**110.92**	111.62	**93.14**	83.47
Next 5 years	**537.90**	489.86	**503.55**	370.76

Expected employer contribution in Gratuity plan for the period ending 31 March 2021 is Rs.91.05 lakhs (31 March 2020: Nil).

Expected employer contribution in Compensated absences plan for the period ending 31 March 2021 is Rs.98.45 lakhs (31 March 2020: Nil).

(e) Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Notes to consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

34 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures:

(a) List of related parties

(i) Key management personnel

Name of the person	Designation
Mr. Bijon Nag	Chairman (Non-Executive director)
Mr. Arup Kumar Banerjee	Vice Chairman and Managing Director (Executive director)
Mr. Bikram Nag	Joint Executive Chairman (Executive director)
Mr. Rahul Choudhary	Chief Financial Officer
Mr. Ritesh Agarwal	Company Secretary

(ii) Other key management personnel

Name	Designation
Mr. Goutam Bhattacharya	Vice President - Information Technology
Mr. Rana Chatterjee	Chief Financial Officer (Alcohol)
Mr. Kanak Ghose	Assistant Vice President - Human Resource (retired w.e.f. 31 March 2020)
Mr. Debasis Ghosh	Assistant Vice President - Business Head (IMIL)
Mr. Santanu Ghosh	Assistant Vice President - Plant Operations and Safety (Distillery)
Mr. Alok De	Assistant Vice President - HR and Corporate Relations
Mr. Soumitra Chakraborty	Business Head - Marine Division
Mr. Rajat Purkayastha	General Manager Finance - Marine Export (Ongole) (retired w.e.f. 30 June 2020)
Mr. Debojyoti Bandopadhyay	General Manager - CO2 Operations
Mr. S.K. Kundu	Head - Tie Up Units (IMIL)
Mr. Siddhartha Basu	Senior Manager - Accounts (Marine Feed) (joined w.e.f. 1 June 2019)
Mr. Chinmaya Mishra	General Manager - Plant Operations & Project (Distillery)
Mr. Sonjoy Banerjee	Deputy General Manager - Finance & Accounts-Marine Food
Mr. Madan Dutta	Assistant General Manager - Marine Feed (retired w.e.f. 31 March 2020)
Mr. Sanjoy Bhattacharya	Unit Head - Panagarh
Mr. Nilesh Soni	Senior Manager Finance - Marine Export (Kolkata)
Mr. T.K Aich	Plant Manager (Dankuni Unit)

Notes to consolidated standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Enterprises over which KMP or relatives of KMP exercise control/significant influence:

Name of the entity

Travel Systems Limited
Nurpur Gases Private Limited
IFB Industries Limited

(iv) Post employment benefit plans

Name of the entity

IFB Agro Industries Limited Employees Gratuity Fund
IFBAIL Employees Super annuation Fund

(b) Transactions with related parties

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rental income:		
Travel Systems Limited	**10.46**	10.46
IFB Industries Limited	**80.80**	79.92
Nurpur Gases Private Limited	**18.88**	-
Travelling and conveyance:		
Travel Systems Limited	**70.99**	245.45
Rental expenses:		
IFB Industries Limited	**7.22**	7.22
Purchase of property, plant and equipment:		
IFB Industries Limited	**10.71**	10.21
Sale of products		
IFB Industries Limited	**132.11**	8.16
Other expenses:		
IFB Industries Limited	**6.10**	5.99
Purchase of Raw Material:		
Nurpur Gases Private Limited	**694.96**	-
Post employment benefit plans:		
Contribution towards Gratuity Fund	**0.14**	1.90
Contribution towards Superannuation Fund	**217.60**	201.47
Reimbursement of expenses:		
- Gratuity Fund	**0.10**	0.10
- Superannuation Fund	**0.10**	0.10

Notes to consolidated standalone financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration to key management personnel and other key management personnel		
Short-term employee benefits		
Mr. Arup Kumar Banerjee	**199.36**	191.51
Mr. Bikram Nag	**112.70**	110.70
Others	**694.72**	805.63
Post-employment benefits (*)		
Mr. Arup Kumar Banerjee	**2.70**	2.70
Mr. Bikram Nag	**1.68**	1.68
Others	**40.08**	47.60
Sitting fees to non-executive directors		
Mr. Bijon Nag	**0.30**	0.30
Mr. Hari Ram Agarwal	**1.55**	1.85
Mr. Nandan Bhattacharya (expired on 9 June 2019)	**-**	2.03
Mr. Manoj Kumar Vijay	**1.03**	1.55
Mr. Amitabha Kumar Nag	**1.38**	1.90
Mr. Sudip Kumar Mukherji	**1.39**	1.65
Dr. Lakshmishri Roy (retired w.e.f. 1 April 2019)	**-**	1.05
Dr. Runu Chakraborty (appointed w.e.f 27 May 2019)	**0.75**	-
Sale of property, plant and equipment to Other key management personnel	**2.48**	-

(c) Balances of related parties:

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables:		
Travel Systems Limited	**2.24**	-
IFB Industries Limited	**59.32**	52.40
Nurpur Gases Private Limited	**76.24**	-
Security deposit outstanding:		
IFB Industries Limited	**8.12**	8.12
Advance given:		
Nurpur Gases Private Limited	**67.43**	-

(*) This does not include amounts in respect of gratuity and compensated absences as the same are determined on acturial basis for the group as a whole

(d) Terms and conditions of transactions with related parties

Purchase and sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

35 Segment reporting

(a) Basis of segmentation:

The Group has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

(b) Reportable segment	**Product**
Spirit, liquor, spirituous beverages	Extra Neutral Alcohol and Indian Made Indian Liquor
Marine	Marine product processing for sale in export and domestic markets and marine feed trading.

		Year ended 31 March 2020				Year ended 31 March 2019			
	Particulars	**Spirit, liquor, spirituous beverages**	**Marine**	**Unallocated**	**Total**	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
i)	**Segment revenues:**								
a)	External sales	**145,838.51**	**45,307.68**	**-**	**191,146.19**	125,087.78	50,156.54	-	175,244.32
	Inter-segment sale	**4.43**	**-**	**-**	**4.43**	3.63	-	-	3.63
	Less: Eliminations	**(4.43)**	**-**	**-**	**(4.43)**	(3.63)	-	-	(3.63)
					191,146.19				175,244.32
b)	Other income (including interest income)	**130.25**	**226.19**	**792.20**	**1,148.64**	293.05	160.81	827.60	1,281.46
ii)	**Segment results**								
	Profit before interest, tax and depreciation	**7,164.59**	**(2,254.44)**	**(1,271.91)**	**3,638.24**	5,833.19	1,518.49	(1,574.67)	5,777.01
	Depreciation	**1,444.55**	**222.27**	**105.11**	**1,771.93**	1,609.81	171.79	89.64	1,871.24
	Finance cost (including interest expense)	**130.64**	**51.53**	**5.53**	**187.70**	251.12	39.52	5.90	296.54
	Profit before tax	**5,589.40**	**(2,528.24)**	**(1,382.55)**	**1,678.61**	3,972.26	1,307.18	(1,670.21)	3,609.23
	Tax expense			**(541.95)**	**(541.95)**			472.93	472.93
	Profit after tax				**2,220.56**				3,136.30
iii)	**Revenue from external customers**								
	India	**145,782.28**	**20,983.99**	**-**	**166,766.27**	125,013.22	30,147.88	-	155,161.10
	Outside India	**56.23**	**24,323.69**	**-**	**24,379.92**	74.56	20,008.66	-	20,083.22
		145,838.51	**45,307.68**	**-**	**191,146.19**	125,087.78	50,156.54	-	175,244.32
iv)	**Capital expenditure**	**431.76**	**424.29**	**103.37**	**959.42**	455.25	564.41	355.43	1,375.09

Note:

After introduction of West Bengal State Beverages Corporation Limited (BEVCO) w.e.f 9 August 2017, entire sale of IMIL products is through BEVCO. Hence more than 10% of the total sale is to a single customer.

v) **Other information**

	Year ended 31 March 2020				Year ended 31 March 2019			
Particulars	**Spirit, liquor, spirituous beverages**	**Marine**	**Unallocated**	**Total**	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
Segment assets	**20,745.02**	**10,764.94**	**12,847.94**	**44,357.90**	19,075.49	10,289.82	16,751.31	46,116.62
Segment liabilities	**3,251.05**	**1,832.23**	**1,144.14**	**6,227.42**	5,183.87	1,838.87	2,137.47	9,160.21

vi) **Geographical information**

Particulars	**As at 31 March 2020**			As at 31 March 2019		
	within India	**outside India**	**Total**	within India	outside India	Total
Non current assets other than financial assets and tax assets.	**13,127.08**	**9.68**	**13,136.76**	13,905.02	14.14	13,919.16

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

36 Fair value measurement

(a) Category wise classification of financial instruments

	Particulars	Note	As at 31 March 2020	As at 31 March 2019
A	**Financial assets:**			
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	4 (b)	**8,009.43**	8,162.98
	Derivative instruments	6 (b)	**-**	3.83
(ii)	**Designated at fair value through Other Comprehensive Income (FVTOCI)**			
	Investments in quoted equity instruments (refer note (i) below)	4 (a)	**458.26**	1,689.23
	Investments in unquoted equity instruments (refer note (i) below)	4 (a)	**1,623.86**	1,488.28
(iii)	**Carried at amortised cost** (refer note (ii) below)			
	Cash and cash equivalents	11 (a)	**1,772.37**	4,483.71
	Other bank balance	11 (b)	**93.28**	124.37
	Bank deposits (with original maturity of more than 12 months)	6 (a)	**26.16**	-
	Loans to employees	5 (b)	**18.93**	25.31
	Security deposits	5 (a) & (b)	**24.81**	21.65
	Trade receivables	10	**6,588.11**	5,850.66
	Other receivables	6 (b)	**140.95**	84.07
	Total financial assets		**18,756.16**	21,934.09
B	**Financial liabilities**			
(i)	**Measured at amortized cost**			
	Borrowings (including current maturities)	14 (a)(b) & 15 (b)	**42.74**	2,218.84
	Lease Liabilities		**63.77**	-
	Trade payables	18	**3,473.24**	3,685.54
	Securities deposits	15 (a) & (b)	**282.89**	296.33
	Creditors for property, plant and equipment	15 (b)	**89.40**	240.38
	Dues to employees	15 (b)	**313.58**	294.92
(ii)	**Measured at fair value through profit or loss (FVTPL)**			
	Derivative instruments	15 (b)	**116.17**	-
	Total financial liabilities		**4,381.79**	**6,736.01**

Notes:

(i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Group has chosen to measure these investments in quoted/unquoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the statement of profit and loss may not be indicative of the performance of the Group.

(ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, security deposits, trade receivables, other receivables, lease liabilities, trade payables and other financial liabilities including security deposits repayable on demand, capital creditors and dues to employees approximate the carrying amount largely due to short-term maturity of these instruments.

(b) Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for financial instruments.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

As at 31 March 2020:

	Particulars	Level 1	Level 2	Level 3
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	**8,009.43**	**-**	**-**
	Derivative instruments	**-**	**-**	**-**
(ii)	**Designated at fair value through other comprehensive income (FVTOCI)**			
	Investments in quoted equity instruments	**458.26**	**-**	**-**
	Investments in unquoted equity instruments	**-**	**-**	**1,623.86**

As at 31 March 2019:

	Particulars	Level 1	Level 2	Level 3
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	8,162.98	-	-
	Derivative instruments	-	3.83	-
(ii)	**Designated at fair value through other comprehensive income (FVTOCI)**			
	Investments in quoted equity instruments	1,689.23	-	-
	Investments in unquoted equity instruments	-	-	1,488.28

(c) Computation of fair values

Investments in mutual funds are short-term investments made in debt or liquid funds whose fair value are considered as the net asset value (NAV) declared by their respective fund houses on a daily basis. Thus the declared NAV is similar to fair market value for these mutual fund investments since transactions between the investor and fund houses will be carried out at such prices.

Investments in equity instruments represent long term strategic investments made in certain listed or unlisted companies. For listed companies, fair value is based on quoted market prices of such instruments as on the balance sheet date on the recognized stock exchange (where traded volume is more during last six months). For investments in unlisted Companies, the management has ascertained the fair value by using discounted cash flow ('DCF') method (income approach) and net asset value method as appropriate.

There was no transfer of financial assets or liabilities measured at fair value between level 1 and level 2 or transfer into or out of level 3 during the year ended 31 March 2020 and 31 March 2019.

(d) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values and significant unobservable inputs used in Level 3 fair value measurements.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows	(a) Risk adjusted discount rate (b) Growth rate	The estimated fair value would increase (decrease) if: - the estimated growth were higher (lower); - the risk-adjusted discount rates were lower (higher).

(e) Fair value of assets and liabilities measured at cost/amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, advance to manufacturing units, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments. For non-current borrowings at fixed/floating rates, management evaluates that their fair value will not be significantly different from the carrying amount.

37 Financial risk management

Group's business activities are exposed to a variety of financial risks like credit risk, market risk and liquidity risk. Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group's risk management objectives and policies need approval of it's Board of Directors.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

(i) Trade receivables

Customer credit risks are managed by each business unit in accordance with the credit policy, procedures and controls relating to credit risk management. Credit quality of each individual customer is assessed based on financial positions, past trends, market reputation, prevailing market and economic conditions, expected business and anticipated regulatory changes. Based on this evaluation, credit limit and credit terms are decided for each individual customer. Exposure to customer credit risk is regularly monitored through credit locks and release. The Group has a low concentration of risk in respect of trade receivables since its customers are widely spread and operates in diversified industries and varying market conditions. Export customers are secured through letter of credit and generally not subject to credit risks.

Impairment of trade receivables is based on expected credit loss model (simplistic approach) depending upon the historical data, present financial conditions of customers and anticipated regulatory changes. Maximum exposure to credit risks at the reporting date is disclosed in Note 10. Group does not hold any collateral in respect of such receivables.

(ii) Other financial instruments

Credit risks from other financial instruments include mainly cash and cash equivalents and deposits with banks. Such risks is managed by the central treasury department of the Group with accordance with Group's overall investment policy approved by its Board of Directors. Investments of surplus funds are made in short term debt/liquid mutual funds of rated fund houses having the highest credit rating and in short term time deposits of reputed banks with a very strong financial position. Investment limits are set for each mutual fund and bank deposits. Risk concentration is minimized by investing in a wide range of mutual funds/bank deposits. These investments are reviewed by the Board of Directors on a quarterly basis.

The Group has no exposure to credit risk relating to its cash and cash equivalents. Credit risk for other financial instruments are monitored by the Central treasury department in accordance with its overall risk management policies. Impairment of such assets is computed per expected credit loss model (general approach) assessed on the basis of financial position, detailed analysis and expected business of the counterparty to such financial assets.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises of three types - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes long term borrowings, investments in mutual funds or equity instruments and derivative instruments.

(i) Foreign currency risk management

Foreign currency is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in foreign currency rates. Group is exposed to foreign currency risks on trade receivables and long term external commercial borrowing, both denominated in USD. Foreign exchange exposures are managed by the central treasury department in accordance with the overall policy parameters approved by the Board of Directors. Trade receivables are hedged by entering into forward contracts (to sell USD) with authorized banks that matches the timings of the forecasted receipts.

Carrying amount of Group's financial assets and liabilities denominated in foreign currency (USD) as at the Balance Sheet date is as under:

	As at 31 March 2020		As at 31 March 2019	
	USD (lakhs)	**₹**	USD (lakhs)	₹
Financial assets				
Trade Receivables	**21.21**	**1,598.54**	25.14	1,738.93
Financial liabilities				
Trade payable	**0.86**	**64.60**	0.50	34.59
External Commercial Borrowing	**-**	**-**	28.62	1,979.85
Forward Contracts (derivative used to hedge trade receivables)	**32.69**	**2,463.76**	10.99	760.18

Foreign currency sensitivity analysis

The Group is exposed to US Dollars. Following table provides the sensitivity impact to a 5% strengthening/weakening of INR in respect to US Dollars. Sensitivity analysis is done on net exposure after adjusting the forward contracts. A positive number below indicates an increase in profit/equity when INR appreciates against US Dollars and when the net exposure is a liability.

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2020 Gain / (Loss)	As at 31 March 2019 Gain / (Loss)
INR appreciates by 5%	-	51.77
INR depreciates by 5%	-	(51.77)

Note:

Group's foreign currency risk exposure has reduced over the years due to decrease in outstanding amount of external commercial borrowing, resulting from scheduled repayments.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in market interest rates. Group had long term borrowings both at fixed and variable interest rates. Such borrowings are measured at amortized costs. The Group was exposed to interest rate risk arising from its external commercial borrowing taken at floating rate of interest (libor plus 225 basis points), while it does not have any interest rate risks arising from other borrowings at fixed interest rates. Group's central treasury department manages such interest rate risk in accordance with its overall risk policy approved by the Board of Directors.

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowing at variable interest rate		
- Non-current	-	-
- Current	**42.74**	2,189.94
Borrowing at fixed interest rate		
- Non-current	-	-
- Current	-	28.90
Total borrowings	**42.74**	2,218.84
Percentage of borrowing at variable interest rate	100.00%	98.70%

Sensitivity analysis of interest rate change on borrowing availed at variable interest rate

Particulars	Impact on Profit after Tax Year ended 31 March 2020	Year ended 31 March 2019
Interest rate (increase by 0.5%)	**(0.21)**	(22.44)
Interest rate (decrease by 0.5%)	**0.21**	22.44

(iii) Price risk

Price risk is the risk that the fair value or future cash flows will fluctuate due to change in market prices. The Group is exposed to price risk arising from its short term investments in debt or liquid mutual funds. Group's central treasury department manages such risk in accordance with its overall risk management policy approved by the Board of Directors. The Group mitigates the risk by investing in a large number of rated funds. Investment limit in each fund is specified. All purchase or sale of mutual funds are reviewed by the Board of Directors on a quarterly basis. Company assesses that as returns from short term debt or liquid mutual funds are steady and depends on interest rates or market yield, there is very remote chance of any significant fluctuation in their fair values which can materially impact Group's future cash flows.

Price sensitivity analysis

Following table provides the sensitivity impact to a 1% appreciation/decline in NAV of mutual fund investments as at the Balance Sheet date.

Particulars	As at 31 March 2020 Gain / (Loss)	As at 31 March 2019 Gain / (Loss)
NAV of mutual funds appreciates by 1%	**80.09**	81.63
NAV of mutual funds declines by 1%	**(80.09)**	(81.63)

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Liquidity risk:

Liquidity risk is the risk that the Group may not be able to meet its contractual obligations associated with its financial liabilities. The central treasury department of the Group manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensures that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The Group plans to meet the contractual obligations from its internal accruals and also maintains sufficient fund based and non-fund based credit limits with banks. Additionally, surplus funds generated from operations are parked in short term debt or liquid mutual funds and bank deposits which can be readily liquidated when required.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

Contractual maturity of financial liabilities	**Upto 1 year**	**1 year to 5 year**	**More than 5 year**	**Total**
As at 31 March 2020				
Borrowings (including current maturities)	**42.74**	**-**	**-**	**42.74**
Trade payables	**3,473.24**	**-**	**-**	**3,473.24**
Lease liability	**6.73**	**33.64**	**107.07**	**147.44**
Other financial liabilities	**562.02**	**240.02**	**-**	**802.04**
As at 31 March 2019				
Borrowings (including current maturities)	2,281.91	-	-	2,281.91
Trade payables	3,685.54	-	-	3,685.54
Lease liability	-	-	-	-
Other financial liabilities	591.61	240.02	-	831.63

(d) Capital management

For the purpose of Group's capital management, capital includes issued equity share capital, other equity reserves and long term borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value. Group has fund based and non fund based credit facilities with banks from which it borrows during peak seasons to meet its working capital requirements. Group has funded all of its expansion projects from its internal accruals except for the distillery expansion project undertaken in financial year 2015-16 for which the external commercial borrowing was availed.

Following table summarizes the capital structure of the Group.

Particulars		**As at 31 March 2020**	As at 31 March 2019
Borrowings (including current maturities of long-term debts)	**(A)**	**42.74**	2,218.84
Less: Cash and cash equivalents		**1,772.37**	4,483.71
Net borrowings		**(1,729.63)**	(2,264.87)
Total equity	**(B)**	**38,130.48**	36,956.41
Debt equity ratio	**(A)/(B)**	**-**	0.06

38 Managerial Remuneration to the Vice Chairman and Managing Director of the Parent Company paid for the current year ended March 31, 2020 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹26.03 lakhs. The Parent Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid.

39 Revenue from sale of products is net of variable consideration components amounting to **₹2,594.08 lakhs** (31 March 2019: ₹2,602.68 lakhs).

Notes to Consolidated financial statements for the year ended 31 March 2020 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

40 Impact of Covid-19 pandemic

Covid -19 pandemic has been spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdown and restrictions in activities. Consequently, Group's manufacturing plants and offices had to be closed down for a considerable period of time, including after the year end. As a result of the lockdown, the revenue for the month of March 2020 has been impacted. The Group is monitoring the situation closely taking into account directives from the Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID -19 pandemic and the resultant lockdown in the preparation of the financial statements including but not limited to its assessment on liquidity and going concern, recoverable values of its properties, plant and equipment and the net realizable value of other assets. However, given the effect of these lockdown on the overall economic activity, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impact in future may be different from those estimates as at the date of approval of these financial statements. During this period, the Group has taken various initiatives to bring down fixed costs and improve liquidity position. This will help the Group in the coming year. On the basis of its present assessment and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any material impact on these consolidated financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

41 Disclosure of additional information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

Name of the entity in the Group	**Net Assets i.e., total assets minus total liabilities**		**Share in profit or loss**		**Share in other comprehensive income**		**Share in total comprehensive income**	
	As % of Consolidated net assets	**Amount**	**As % of Consolidated profit or loss**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**	**As % of total comprehensive income**	**Amount**
For the year ended 31 March 2020								
Parent Company:								
- IFB Agro Industries Limited	**101.61%**	**38,744.53**	**105.68%**	**2,346.70**	**99.26%**	**(1,038.76)**	**111.40%**	**1,307.94**
Foreign subsidiary Company:								
- IFB Agro Marine FZE	**-1.61%**	**(614.05)**	**-5.68%**	**(126.14)**	**0.74%**	(7.73)	**-11.40%**	**(133.87)**
Total	**100.00%**	**38,130.48**	**100.00%**	**2,220.56**	**100.00%**	**(1,046.49)**	**100.00%**	**1,174.07**
For the year ended 31 March 2019								
Parent Company:								
- IFB Agro Industries Limited	101.30%	37,436.59	105.88%	3,320.79	101.71%	(317.06)	106.34%	3,003.73
Foreign subsidiary Company:								
- IFB Agro Marine FZE	-1.30%	(480.18)	-5.88%	(184.49)	-1.71%	5.33	-6.34%	(179.16)
Total	100.00%	36,956.41	100.00%	3,136.30	100.00%	(311.73)	100.00%	2,824.57

Note:

The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2020 and 31 March 2019.

42 The consolidated financial statements of the previous year were audited by a firm of chartered accountants other than B S R & Co. LLP.

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W -100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Kolkata, 10 July 2020

For and on behalf of the Board of Directors of **IFB Agro Industries Ltd**

Joint Executive Chairman — **Bikram Nag** (DIN: 00827155)
Vice Chairman and Managing Director — **Arup Kumar Banerjee** (DIN: 00336225)
Chief Financial Officer — **Rahul Choudhary**
Company Secretary — **Ritesh Agarwal** (ACS : 17266)

Kolkata/Bengaluru, 10 July 2020

Ten Years' Standalone Financial Summary

₹ in Lakhs

	IGAAP						Ind AS			
	2010-11	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019- 20**
Revenue from Operations (net)	44,998.26	58,462.93	46,232.08	50,688.55	59,505.35	62,131.41	116,760.20	149,967.33	173,204.33	**188,841.83**
PBDIT	3,627.58	5,116.58	5,071.69	6,988.42	4,470.22	5,918.44	6,301.59	6,785.28	5,957.36	**3,753.51**
PBIT	2,807.01	3,852.73	3,948.31	6,058.80	2,607.95	3,748.21	4,269.01	4,641.74	4,087.96	**1,983.37**
PBT	2,622.90	3,816.61	3,910.17	6,021.96	2,590.81	3,611.98	4,115.08	4,383.65	3,793.72	**1,804.75**
PAT	1,782.41	2,654.70	2,620.02	4,167.54	1,557.45	2,932.54	3,268.16	3,157.18	3,320.79	**2,346.70**
Net Fixed Assets	7,069.31	7,759.16	7,185.46	9,694.20	11,803.12	14,463.98	14,055.63	13,498.45	13,452.20	**12,281.50**
Net Working Capital	2,253.62	4,202.95	8,693.95	9,676.90	11,428.58	15,406.71	17,361.46	18,838.50	20,750.35	**23,377.41**
Net Debt	-	-	-	-		4,342.75	3,081.99	1,900.56	-	**-**
Earnings per Share	22.26	33.15	29.09	44.49	16.63	31.31	34.89	33.70	35.45	**25.05**
Book Value per Share	108.23	141.38	174.98	219.97	236.60	267.91	323.85	367.59	399.66	**413.62**
Free Cash Flow	2,304.69	772.89	1,383.62	(670.98)	1,341.20	(9,267.47)	275.53	1,959.35	4,528.57	**(514.94)**
PBDIT %	8.06%	8.75%	10.97%	13.79%	7.51%	9.53%	5.40%	4.52%	3.44%	**1.99%**
Return on Capital Employed	29.66%	32.35%	24.66%	31.23%	10.93%	12.08%	12.03%	12.35%	10.55%	**5.11%**
Return on Net Worth	20.57%	23.45%	16.63%	20.23%	7.03%	11.69%	10.77%	9.17%	8.87%	**6.06%**
Asset Turnover Ratio	6.37	7.53	6.43	5.23	5.04	4.30	8.31	11.11	12.88	**15.38**
Working Capital Cycle (days)	5.91	11.89	21.25	14.46	30.12	29.38	9.45	10.06	6.58	**13.02**

Note : Revenue from operations (net) for the Financial Year 2016-17, 2017-18, 2018-19 and 2019-20 include excise duty amounting to ₹32,766.20 Lakhs, ₹61,057.56 Lakhs , ₹80,722.81 Lakhs and ₹92,566.10 Lakhs respectively.

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