



Annual Report
2018–2019

IFB Agro Industries Limited

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■ 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. Nandan Bhattacharya

Mr. Sudip Kumar Mukherji

Mr. Hari Ram Agarwal

Mr. Manoj Kumar Vijay

Dr. Lakshmishri Roy (upto 1st April, 2019)

Dr. Runu Chakraborty (w.e.f. 27th May, 2019)

Non Executive Director

Mr. Amitabha Kumar Nag

■ CHIEF FINANCIAL OFFICER

Mr. Rahul Choudhary

■ COMPANY SECRETARY

Mr. Ritesh Agarwal

■ AUDITORS

Walker Chandio & 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 Seventh Annual General Meeting (AGM) of the members of IFB Agro Industries Limited will be held on 26th day of July, 2019, Friday, at 11.30 A.M. at Club Ecovista, Eco Space (Business Park), Premises No. 2F/11, Action Area II, Rajarhat, New Town, Kolkata – 700 156 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, 2019, 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, 2019 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Amitabha Kumar Nag (DIN 00117546), 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 the provisions of Section 152 of the Companies Act, 2013, Mr. Amitabha Kumar Nag (DIN 00117546), 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.”
3. To appoint auditors of the Company and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) be and are hereby appointed as the Auditors of the Company in place of the retiring auditors Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration No.001076N/N500013), to hold office from the conclusion of this Annual General Meeting (“AGM”) till conclusion of the fourty second Annual General Meeting to be held in the year 2024 and that the Board and its committee be and is hereby authorized to fix remuneration as may be mutually agreed between the Board of Directors and the Auditors from time to time.”

AS SPECIAL BUSINESS

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

“RESOLVED THAT, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, or any amendment or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Runu Chakraborty, (DIN: 08463092), who was appointed as an Independent Woman Director (Additional) by the Board of Directors with effect from May 27, 2019 and who holds office till the date of this AGM in terms of section 161 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27th May, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”
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 Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions, if any, of the Companies Act, 2013, (including any amendment(s), statutory modification(s) or re-enactment(s) in the foregoing, for the time being in force), approval of the members of the Company be and is hereby granted for continuation of holding office of Director by Mr. Bijon Nag (DIN 00756995) Non Executive Chairman, also a permanent Director as per the Article 76 of the Articles of Association of the Company and who is above the age of 75 (Seventy Five) years as on 1st April, 2019.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, or any amendment or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Mr Sudip Kumar Mukherji (DIN: 02764262) be and is hereby reappointed as an Independent Director of the Company for a period of five years from the conclusion of 37th Annual General Meeting, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

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

“RESOLVED THAT , pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, or any amendment or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Hari Ram Agarwal (DIN: 00256614) be and is hereby reappointed as an Independent Director of the Company for a period of five years from the conclusion of 37th Annual General Meeting, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

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

“RESOLVED THAT , pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, or any amendment or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Manoj Kumar Vijay (DIN: 00075792) be and is hereby reappointed as an Independent Director of the Company for a period of five years from the conclusion of 37th Annual General Meeting, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

By Order of the Board

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
Kolkata, May 27, 2019

Ritesh Agarwal
Company Secretary
(ACS 17266)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the meeting.

2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per the Register of Members will be entitled to vote. The voting rights of the member shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days advance notice in writing is given to the Company.
5. **Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company’s Registrar & Share Transfer Agent, CB Management Services (P) Limited enclosing their share certificates for consolidation of all such shareholdings into one folio for better investor service.**

6. **Members who have not registered / updated their e-mail address with CB Management Services (P) Limited, if shares are held in physical mode or with their Depository Participant, if shares are held in electronic mode, are requested to do so to support “Green Initiative” for receiving all future communications from the Company including Annual Reports, Notices, etc. electronically.**
7. Members / proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
8. A Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business under item nos. 3 to 8 of the Notice is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of persons seeking appointment / reappointment of Directors under item nos. 2 and 4 to 8 of the Notice are also annexed.
9. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting only.
10. The Register of Members and Share Transfer Registers of the Company will remain closed **from July 20, 2019 to July 26, 2019 (both days inclusive).**
11. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. **Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN either to the Company or to the Registrar CB Management Services (P) Ltd.**
12. Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, PAN, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company’s Registrars and Transfer Agents, in case the shares are held by them in physical form.
13. SEBI vide circular dated 8 June 2018 has amended that the securities of listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
14. Attendance Slip and Proxy Form are being annexed to this Notice of the 37th Annual General Meeting for the convenience of the members.
15. Non- resident Indian members are requested to inform CB Management Services (P) Ltd., immediately of any change in their residential status on return to India for permanent settlement.
16. The Notice of Annual General Meeting along with Annual Report for 2018-2019 is being sent by electronic mode to all those members whose email ID’s are registered with the Company or Depository Participants for communication purposes unless any member has requested for a hard copy of the same. Physical Copies of the Annual Report for 2018-2019 are being sent as per permitted mode to the members who have not registered their email addresses. **The notice of 37th Annual General Meeting of the Company and the Annual Report for 2018-2019 is also available on the Company’s website: www.ifbagro.in.**
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
18. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
19. Relevant documents referred to in the accompanying notice and the explanatory statement shall remain open for inspection by the members at the registered office of the Company on all working days except Saturdays, during business hours upto the date of Annual General Meeting of the Company.
20. Voting through electronic means:
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through Remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue for the Annual General Meeting (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- ii. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- iv. **The remote e-voting period commences on July 23, 2019 (9:00 am) and ends on July 25, 2019 (5:00 pm).** During this period, members of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date of July 19, 2019**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. 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. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
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.

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.
7. After entering your password, tick 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.
- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.
 - vii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - viii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of July 19, 2019.
 - ix. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice convening the AGM and holding shares upto the cut-off date i.e. July 19, 2019, may obtain his login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.

- x. Mr. S. K. Patnaik, Practicing Company Secretary (Membership No. FCS 5699), partner of M/s. Patnaik and 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 voting and remote e-voting process in a fair and transparent manner.
- xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send 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 e-mail (patnaikandpatnaik@yahoo.com) to with a copy marked to evoting@nsdl.co.in.
- xii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five 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 www.evoting.nsdl.com to reset the password.
- xiii. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the Companies in which you are the shareholder.
- xiv. In case of joint holders, only one of the joint holders may cast his/her vote.
- xv. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.
- xvi. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “ballot paper” for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- xvii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- xviii. The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.ifbagro.in and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately communicated to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

21. A route map of the Annual General Meeting venue is given in the last page of this Annual Report.

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
Kolkata, May 27, 2019

By Order of the Board

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 8 of the accompanying Notice dated May 27, 2019.

Item No 3.

Walker Chandiok & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 001076N/N500013) were appointed as the Auditors of the Company at the Thirty Fifth Annual General Meeting (AGM) of the Company held on 28th July, 2017 to hold office till the conclusion of this AGM.

In view of the above, Walker Chandiok & Co. LLP, Chartered Accountants can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term. The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on May 27, 2019, proposed the appointment of M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W - 100022) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the Forty Second AGM to be held in the year 2024. B S R & Co. LLP, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Brief details of B S R & Co. LLP, Chartered Accountants is as under :

B S R & Co. ('the firm ') was constituted on 27 March 1 990 having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on 14 October 2013 thereby having a new firm registration no. 1 0 I 248W I W-1 00022. The registered office of the firm is at 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra - 400 011 .

B S R & Co. LLP is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Associates include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S R & Co and B B S R & Co.

B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

The proposed remuneration to be paid to Messars B S R & Co LLP, Chartered Accountants for the financial year 2019-20 is Rs. 28 lacs (Rupees Twenty Eight Lacs). The fees excludes other certification fees, reimbursement of out of pocket expenses and applicable taxes.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Dr. Runu Chakraborty as Additional Director of the Company and also Independent Woman Director, not liable to retire by rotation, for a term of 5 years from May 27, 2019 to May 26, 2024 subject to approval of the Members at this Annual General Meeting.

Pursuant to the provisions of Section 161(1) of the Act, Dr. Chakraborty, shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director. The Company have, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing her candidature for the office of Director.

The Company have received declaration from Dr. Chakraborty to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge the duties.

Dr. Chakraborty, is a graduate in chemical engineering from Jadavpur University, Kolkata. She completed her masters in the year 1987. She obtained her doctorate in the chemical engineering from Jadavpur University in the year 1996.

Dr. Chakraborty has over 31 years of research experience in the field of Bio-Chemical Engineering and Food Technology (Processing and preservation). Dr. Chakraborty is a professor in Jadavpur University.

The details of her other Directorship and memberships in other companies/committees are provided in the “Annexure” to the Notice.

In the opinion of the Board, Dr. Chakraborty fulfils the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Dr. Chakraborty does not hold any share in the Company in her individual capacity or on a beneficial basis for any other person.

No director, Key managerial personnel or their relatives, except Dr. Runu Chakraborty to whom resolution relates are concerned or interested in the proposed resolution.

The board recommends the Ordinary Resolution set forth in item no 4. for the approval of the Company.

Item No. 5

Securities and Exchange Board of India (“SEBI”) has vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018 issued the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“the Amendment Regulations”) which brought amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) effective from 1st April, 2019, save as otherwise specifically provided for in the Amendment Regulations. Regulation 17(1A) of the Listing Regulations, which has been inserted by the Amendment Regulations and has become effective from 1st April, 2019, requiring the listed entities to obtain approval of shareholders by way of special resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of 75 years. Accordingly, a special resolution is being proposed to be passed by the members for continuation of holding of office of Director by Mr. Bijon Nag, who is above the age of 75 (Seventy Five) years as on 1st April, 2019, and is a permanent Director as per Article 76 of the Articles of Association of the Company, not liable to retire by rotation.

Mr. Bijon Nag is one of the Promoter Director of the Company and is on the Board since the incorporation of the Company in 1982. Mr. Bijon Nag is a well-known leading industrialist having more than four decades of vast experience in the fields of agro chemical industry, automobile and engineering industries. Mr. Bijon Nag is also the Chairman of IFB Industries Ltd. It is his strong belief in Corporate Governance and leadership that set strong foundation of the Company's competitive position to face the intense competition in the industry and maintained its position of quality supplier of products. The Company is a net debt free Company. His participative leadership and foresight has immensely contributed in the success of the Company. Considering the rich experience, leadership quality and his valuable contribution to the Company, the Nomination and Remuneration Committee and the Board of Directors recommends to the Members for continuation of directorship of Mr. Bijon Nag as a Non-Executive Director, notwithstanding that he has attained the age of seventy five years.

Additional information in respect of Mr. Bijon Nag, pursuant to the Listing Regulations, 2015 and the Secretarial Standard on General Meetings are provided in the “Annexure” to the Notice.

Mr. Bijon Nag holds 2,37,509 shares in the Company in his individual capacity.

Mr. Bijon Nag is related to Mr Bikram Nag, Director. Mr Bijon Nag, Mr Bikram Nag, and their relatives, are interested in the Special Resolution relating to the continuation of office of the Director.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in the Special Resolution.

The Board recommends the Special Resolution No. 5 for your approval.

Item No. 6, 7 & 8

The Members of the Company on 30th July, 2014 approved the appointment of Mr. Sudip Kumar Mukherji, Mr. Hari Ram Agarwal and Mr. Manoj Kumar Vijay as Independent Directors of the Company for a period of five years. Mr. Mukherji, Mr. Agarwal and Mr. Vijay will complete their respective terms on the conclusion of this Annual General Meeting (AGM).

The Board of Directors of the Company ('the Board') at the meeting held on 27th May, 2019, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Mr. Mukherji, Mr. Agarwal and Mr. Vijay as Independent Directors of the Company for a period of 5 years from the Conclusion of this AGM, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective re-appointment. The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr. Mukherji, Mr. Agarwal and Mr. Vijay, and contribution to Board processes by them, their continued association would benefit the Company. Declarations have been received from Mr. Mukherji, Mr. Agarwal and Mr. Vijay that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Mukherji, Mr. Agarwal and Mr. Vijay fulfil the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and they are independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Mukherji, Mr. Agarwal and Mr. Vijay, in terms of Section 149 of the Act.

Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr. Mukherji, Mr. Agarwal and Mr. Vijay have been received by the Company, and consents have been filed by Mr. Mukherji, Mr. Agarwal and Mr. Vijay pursuant to Section 152 of the Act.

Additional information in respect of Mr. Mukherji, Mr. Agarwal and Mr. Vijay, pursuant to the Listing Regulations 2015 and the Secretarial Standard on General Meetings are provided in the "Annexure" to the Notice.

Mr. Mukherji, Mr. Agarwal and Mr. Vijay do not hold any share in the Company, either in their individual capacity or on a beneficial basis for any other person.

Mr. Mukherji, Mr. Agarwal and Mr. Vijay, and their relatives, are interested in the Special Resolutions relating to their respective re-appointment.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Special Resolutions.

The Board recommends the Special Resolution Nos. 6, 7 & 8 for your approval.

By Order of the Board

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
Kolkata, May 27, 2019

Ritesh Agarwal
Company Secretary
(ACS 17266)

Annexure to the Notice

Details of Directors 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. Bijon Nag	Mr. Amitabha Kumar Nag	Dr. Runu Chakraborty	Mr. Sudip Kumar Mukherji	Mr. Hari Ram Agarwal	Mr. Manoj Kumar Vijay
Date of birth	16.08.1942	23.06.1956	07.05.1963	03.11.1949	10.10.1963	20.06.1966
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of first appointment on the board	19.02.1982	26.07.2003	27.05.2019	29.10.2009	02.06.2008	02.06.2008
Qualification	Mechanical Engineer	B.Com (H), M.Com, FCA	BE, ME and Ph.D. in Bio-Chemical Engineering and Food Technology.	B.COM (H), FCA	B.COM (H), FCA, FCS, LLB.	B.Com (H)
Experience in functional area	A prominent Industrialist having more than four decades of experience in the field of automation, machine tool, engineering and agro chemical industries.	More than 38 years of experience in Finance, Accounts, and Taxation.	More than 31 years of experience in Bio-Chemical Engineering and Food Technology.	More than 48 years of experience in Accounts, Taxation, Risk Management and Costing.	More than 30 years' experience in Accounts, Taxation, Legal and Secretarial Matters.	More than 28 years of experience in Accounts, IT and Administration.
Relationship with other Directors	He is related to Mr. Bikram Nag, Director and not related to any other Director.	Not related to any Directors.	Not related to any Directors.	Not related to any Directors.	Not related to any Directors.	Not related to any Directors.
Shareholding in the Company	2,37,509	NIL	NIL	NIL	NIL	NIL
List of directorship held in other listed companies	IFB Industries Limited	NIL	NIL	NIL	NIL	Usha Martin Education & Solutions
Committee membership in other listed companies	NIL	NIL	NIL	NIL	NIL	Usha Martin Education & Solutions

Report of the Directors' & Management Discussion and Analysis Report

To the Members,

The Directors have pleasure in presenting before you the thirty seventh Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

Financial Results & Performance Review

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

(Rs in Lacs)

Particulars	Standalone		Consolidated	
	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018
Revenue from Operations (Gross)	173,204	1,49,967	1,75,244	1,50,346
Less: Excise Duty	80,723	61,058	80,723	61,058
Revenue from Operations (Net)	92,481	88,909	94,521	89,288
Other Income	1,277	977	1281	983
Total Revenue	93,758	89,886	95,802	90,271
Profits prior to finance charges and depreciation (EBITDA)	5,957	6,785	5,777	6,492
Less: Finance Charges	294	258	297	258
Depreciation & Amortisation	1,869	2,143	1871	2,145
Profit Before Tax	3,794	4,384	3609	4,089
Less: Tax Expenses	473	1,227	473	1,226
Profit After Tax	3,321	3,157	3136	2,863
Other Comprehensive Income	(317)	940	(312)	933
Total Comprehensive Income	3,004	4,097	2,824	3,796

Consolidated figure includes standalone figure and figure of IFB Agro Marine FZE, the Wholly Owned Subsidiary which was incorporated in the year 2017-18.

During the year under review your Company has recorded net operational revenue of Rs. 92,481 lacs as against Rs. 88,909 lacs in 2017-18 recording a growth of 4%.

Operational profit (EBITDA) decreased from Rs. 6,785 lacs in 2017-18 to Rs. 5,957 lacs in 2018-19, a decrease of 12.2% as compared to the previous year.

Your Company has achieved a profit before tax of Rs. 3,794 lacs as against Rs. 4,384 lacs in 2017-18 and net profit of Rs. 3,321 lacs as against Rs. 3,157 lacs in 2017-18.

Net Revenue from Operations on consolidated basis grew by 5.86% to Rs 94,521 lacs during the year as against Rs. 89,288 in 2017-18. Profit before depreciation, finance cost and tax on consolidated basis as compared to last year reduced by 11.02% to Rs. 5,777 lacs.

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 (CO₂) and DDGS plants operated at optimum capacity during the year under review. 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. Profits for the year got effected as company settled some of its old tax liabilities under the settlement scheme launched by the State Government.

The Company has invested in capacity expansion in CO₂ plant during the previous year. The increased capacity was fully utilized during the financial year 2018-19. The Company has also spent on various research and development activities which will help to make distillery cost effective and more efficient.

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 2018-19, registered a net revenue growth of 11%. However due to increase in input cost, logistics and higher retailer scheme margins were adversely impacted during the year under review. To increase its distribution and geographical reach, the company is exploring more tie-up operations in the State.

Marine Products:

Marine exports registered a volume growth of 15% but due to lower global prices during the year there was a marginal de-growth in revenue. The Company is trying to improve its margins by adding more markets, more value added products including organic shrimps.

Marine aqua feed business could not register any growth during the year under review due to restrictive credit allowed in the market. 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" (retail venture of feed division).

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 second year of operation for the company. Efforts are being made to strengthen the trading operation in international market. The revenue increased from Rs. 378 lacs in 2017-18 to Rs. 2040 lacs in 2018-19. Increase in revenue has decreased the loss to Rs. 185 lacs during the year (Rs. 294 lacs in 2017-18). 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. The company has entered into tie-up arrangement with a third party processing facility from April, 2019 for marine products in Kolkata. This will increase the export sales and will reduce the credit risk of feed sales, as company will be able to procure more materials to adjust the dues. The decline in the shrimp prices in the international market is expected to impact the profitability of the export business.

Growth in the Aqua feed business will be effected due to the competition and restrictive credit being allowed by the Company in the market. The current financial year will also witness a restrictive growth in the feed sales as stocking by the farmers was delayed due to un-favorable climatic condition in West Bengal during the period of March – April 2019. However, the addition of more aqua shops in West Bengal to provide one stop solution to the shrimp farmers will help the company to strengthen its position in the Feed business.

Your Company will focus on margin improvement plans across the verticals through better procurement of its key raw materials like broken rice, shrimps etc. Consolidation in the IMIL space has started and it may create an opportunity for the company.

During the year 2019-20, 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 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, 2019, six 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 2018-19 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 - I.

DIRECTORS

Dr. Runu Chakraborty was appointed as additional and Independent Woman Director with effect from 27th May, 2019. A resolution seeking Shareholder's approval for her appointment forms part of the Notice.

Mr. Bijon Nag, Chairman (Non-Executive) is one of the Promoter Director of the Company and is on the Board since the incorporation of the Company in 1982 as a permanent Director in terms of Article 76 of the Articles of Association of the Company. Since he has attained the age of 75 years as on 1st April, 2019, his continuation to the office of Director is proposed at the ensuing AGM for approval of the Members by way of special resolution.

Mr. Amitabha Kumar Nag, Non - Executive Director retires by rotation and being eligible, offers himself for re-appointment.

Mr. Sudip Kumar Mukherji was appointed as an independent director at the 32nd Annual General Meeting (AGM) held on 30th July, 2014 for a period of five years. Based on the recommendations of the Nomination and Remuneration Committee, and Board, his re-appointment for a second term of five years is proposed at the ensuing AGM for approval of the Members by way of special resolution.

Mr. Hari Ram Agarwal was appointed as an independent director at the 32nd Annual General Meeting (AGM) held on 30th July, 2014 for a period of five years. Based on the recommendations of the Nomination and Remuneration Committee, and Board, his re-appointment for a second term of five years is proposed at the ensuing AGM for approval of the Members by way of special resolution.

Mr. Manoj Kumar Vijay was appointed as an independent director at the 32nd Annual General Meeting (AGM) held on 30th July, 2014 for a period of five years. Based on the recommendations of the Nomination and Remuneration Committee, and Board, his re-appointment for a second term of five years is proposed at the ensuing AGM for approval of the Members by way of special resolution.

Appropriate resolutions seeking the appointment/reappointment of director is appearing in the Notice convening the ensuing Annual General Meeting of the Company. The details about their qualification, other directorships etc. as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 are provided in the explanatory statement under Section 102 of the Companies Act, 2013 separately and annexed to the notice.

Dr. Lakshmishri Roy, Independent Woman Director was inducted on the board of IFB Agro Industries Ltd on April 01, 2016 for a second term of 3 years. The term of her appointment completed on April 01, 2019. The Board places on record its appreciation for her invaluable contribution and guidance.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and have complied with the Code for Independent Directors prescribed in schedule IV to the Companies Act, 2013. The declaration was placed and noted by the Board at its meeting held on 27th May, 2019.

KEY MANAGERIAL PERSONNEL

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

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 30th March 2019 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 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 407 as on 31st March 2019.

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 complaint.

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 2019-20 to each of the said Exchanges. The Annual Custody/ issuer fee for the year 2019-20 has been paid by the Company to NSDL and CDSL.

DEMATERIALISATION OF SHARES:

95.30% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 4.70% 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. 87.37 lacs against the stipulated amount of Rs. 86.22 lacs.

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 Mr S. K. Patnaik Partner (FCS No 5699) partner of Patnaik & Patnaik (C.P. No. 7117), Company Secretaries in practice 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.

AUDITOR'S REPORT

The Statutory Auditor's Report and the Secretarial Audit Report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

STATUTORY AUDITORS

M/s. Walker, Chandiok & Co LLP, Chartered Accountants (Firm Registration No 001076N/N500013) the statutory auditors of the Company, hold office till the conclusion of the 37th Annual General Meeting of the Company. The Board has recommended the appointment of M/s B S R & Co LLP, Chartered Accountants as the statutory auditors of the Company, in their place, for a term of five consecutive years, from the conclusion of the 37th Annual General Meeting of the Company till the conclusion of the 42nd Annual General Meeting of the Company for approval of the shareholders of the Company, based on the recommendation of the Audit Committee.

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. 7117) as the Secretarial Auditor for a term of two years i.e. 2018-19 & 2019-20.

The Secretarial Auditors' Report for the financial year ending 31st March 2019 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.

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

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
Kolkata, May 27, 2019

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

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

Annexure I to Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[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	72%
2	Marine Products	1020	28%

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 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% 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	0.1	-	9000	9000	0.1	-
(b)	Bank/Financial Institutions	682	95850	96532	1.03	1122	95850	96972	1.03	-
(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	-
(j)	Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	15682	104850	120532	1.29	16122	104850	120972	1.29	-

		No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% 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	782575	5496	788071	8.42	765412	5042	770454	8.23	-0.19
ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	855517	334892	1190409	12.71	903813	303121	1206934	12.89	0.18
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1101808	-	1101808	11.76	1108244	-	1108244	11.83	0.07
(c)	Other (specify)									
1	NRI	40880	28659	69539	0.74	41723	26781	68504	0.73	-0.01
2	Clearing Member	7418	-	7418	0.08	2669	-	2669	0.03	-0.05
3	OCB	-	-	-	-	-	-	-	-	-
4	Trust	154	-	154	0.00	154	-	154	0.00	0.00
5	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
	Office of the Custodian Special Court	-	500	500	0	0.00	500	500	0.00	0.00
	Sub-Total (B)(2)	2788352	369547	3157899	33.71	2822015	335444	3157459	33.71	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2804034	474397	3278431	35.00	2838137	440294	3278431	35.00	0.00
	TOTAL (A)+(B)	8892714	474397	9367111	100	8926817	440294	9367111	100.00	0
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	8892714	474397	9367111	100	8926817	440294	9367111	100.00	0

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		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	
1	Bijon Nag	237509	2.54	0	237509	2.54	0	0
2	Bikram Nag	1000	0.01	0	1000	0.01	0	0
3	Priyambada 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	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	NIL	NIL
	At the end of the year	6088680	65.00	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 (01.04.2018)		Cumulative Shareholding at the end of the year (31.03.2019)	
	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	01.04.2018	674400	7.20	674400	7.20	
	b) Changes during the year		-	-	-	-	
	c) At the end of the year	31.03.2019			674400	7.20	
2	F L DADABHOY						
	a) At the beginning of the year	01.04.2018	246000	2.63	246000	2.63	
	b) Changes during the year		-	-	-	-	
	c) At the end of the year	31.03.2019			246000	2.63	
3	P F DADABHOY						
	a) At the beginning of the year	01.04.2018	174000	1.86	174000	1.86	
	b) Changes during the year		-	-	-	-	
	c) At the end of the year	31.03.2019			174000	1.86	
4	N F DADABHOY						
	a) At the beginning of the year	01.04.2018	150900	1.61	150900	1.61	
	b) Changes during the year		-	-	-	-	
	c) At the end of the year	31.03.2019			150900	1.61	
5	DOLLY KHANNA						
	a) At the beginning of the year	01.04.2018	120882	1.29	120882	1.29	
	b) Changes during the year						
		10.04.2018	Sale	2000	0.02	118882	1.27
		13.04.2018	Sale	2000	0.02	116882	1.25
		20.07.2018	Sale	2500	0.03	114382	1.22
		27.07.2018	Sale	1000	0.01	113382	1.21
		03.08.2018	buy	5000	0.05	118382	1.26
		10.08.2018	buy	1520	0.02	119902	1.28
		24.08.2018	buy	1000	0.01	120902	1.29
		31.08.2018	buy	1000	0.01	121902	1.30
		07.09.2018	buy	2000	0.02	123902	1.32
		28.09.2018	buy	3000	0.03	126902	1.35
		21.12.2018	buy	2000	0.02	128902	1.38
		28.12.2018	buy	15000	0.16	143902	1.54
		04.01.2019	buy	4500	0.05	148402	1.58
		18.01.2019	buy	4000	0.04	152402	1.63

Sl. No.	For each of the Top ten Shareholders		Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding at the end of the year (31.03.2019)	
	Date	Reason	No of Shares Company	% of total shares of the	No of Shares Company	% of total shares of the
	01.02.2019	buy	2000	0.02	154402	1.65
	08.02.2019	Sale	4000	0.04	150402	1.61
	15.02.2019	Sale	4000	0.04	146402	1.56
	22.02.2019	Sale	15500	0.17	130902	1.40
	01.03.2019	Sale	6000	0.06	124902	1.33
	22.03.2019	Sale	1000	0.01	123902	1.32
	29.03.2019	Sale	2000	0.02	121902	1.30
	c) At the end of the year	31.03.2019			121902	1.30
6	R F DADABHOY					
	a) At the beginning of the year	01.04.2018	129000	1.38	129000	1.38
	b) Changes during the year		-	-	-	-
	c) At the end of the year	31.03.2019			129000	1.38
7	SHIRIN WATWANI					
	a) At the beginning of the year	01.04.2018	102300	1.09	102300	1.09
	b) Changes during the year		-	-	-	-
	c) At the end of the year	31.03.2019			102300	1.09
8	ABN-AMRO BANK N V CALCUTTA BRANCH A/C TRANSCOM INTERNATIONAL INC.					
	a) At the beginning of the year	01.04.2018	72500	0.77	72500	0.77
	b) Changes during the year		-	-	-	-
	c) At the end of the year	31.03.2019			72500	0.77
9	YOGESH SHASHIKUMAR SAVADEKAR					
	a) At the beginning of the year	01.04.2018	31000	0.33	31000	0.33
	b) Changes during the year		-	-	-	-
	c) At the end of the year	31.03.2019			31000	0.33
10	T T RAGHUNATHAN					
	a) At the beginning of the year	01.04.2018	25000	0.27	25000	0.27
	b) Changes during the year					
	17.08.2018	Buy	1036	0.01	26036	0.28
	24.08.2018	Buy	518	0.01	26554	0.28
	31.08.2018	Buy	7624	0.08	34178	0.36
	07.09.2018	Buy	3822	0.04	38000	0.41
	14.09.2018	Buy	2000	0.02	40000	0.43
	05.10.2018	Buy	1456	0.02	41456	0.44
	c) At the end of the year	31.03.2019			41456	0.44

(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	01/04/2018	237509	2.5356	237509	2.5356
Changes during the year	-	-	-	-	-
At the end of the year	31/03/2019	-	-	237509	2.5356
Bikram Nag, Joint Executive Chairman					
At the beginning of the year	01/04/2018	1000	0.01	1000	0.01
Changes during the year (Buy)	-	-	-	-	-
At the end of the year	31/03/2019	-	-	1000	0.01
Rahul Choudhury, Chief Financial Officer					
At the beginning of the year	01/04/2018	510	0.001	510	0.001
Changes during the year	-	-	-	-	-
At the end of the year	31/03/2019	-	-	510	0.001

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Figure in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,83,45,490	-	-	30,83,45,490
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20,77,882	-	-	20,77,882
Total (i+ii+iii)	31,04,23,372	-	-	31,04,23,372
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	10,95,48,080	-	-	10,95,48,080
Net Change	10,95,48,080	-	-	10,95,48,080
Indebtedness at the end 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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Directors and Whole time Director :

(Figure in Rs.)

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	77,04,961	1,67,12,692	2,44,17,653
	(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	38,00,000	25,00,000	63,00,000
	- Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	1,15,04,961	1,92,12,692	3,07,17,653
	Ceiling as per the Act	1,96,09,482	1,96,09,482	3,92,18,964

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

B. Remuneration to other Directors:

(Figure in Rs.)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. Bijon Nag	Mr. Amitabha Kumar Nag	Mr. Nandan Bhattacharya	Mr. Sudip Kumar Mukherji	Mr. Hari Ram Agarwal	Mr. Manoj Kumar Vijay	Dr. Lakshmeshri Roy	
Independent Directors								
Fee for attending Board & Committee meetings	-	-	2,03,000	1,65,000	1,85,000	1,55,000	1,05,000	8,13,000
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (1)	-	-	2,03,000	1,65,000	1,85,000	1,55,000	1,05,000	8,13,000
Other Non-Executive Directors								
Fee for attending Board / Committee meetings	30,000	1,90,000	-	-	-	-	-	2,20,000
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (2)	30,000	1,90,000	-	-	-	-	-	2,20,000
Total (B)=(1+2)	30,000	1,90,000	2,03,000	1,65,000	1,85,000	1,55,000	1,05,000	10,33,000
Total Managerial Remuneration (A) + (B)								3,17,50,653
Overall Ceiling as per the Act*								4,31,40,861

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

C. Remuneration to Key Managerial Personnel other than MD/WTB

(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	60,35,807	35,18,632	95,54,439
	(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	60,35,807	35,18,632	95,54,439

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: There is no penalty, punishment or compounding of offences during the year ended 31st March, 2019.

On behalf of the Board

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
Kolkata, 27 May 2019

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

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

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 2018-19**

Director's Name	Ratio to median remuneration
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	34.22
Mr. Bikram Nag, Joint Executive Chairman	20.49

Note: Non Executive Directors are paid sitting fee 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 2018-19.**

Director's/CFO/CS	% increase / (decrease) in remuneration in the Financial Year
Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director	1.01%
Mr. Bikram Nag, Joint Executive Chairman	1.02%
Mr. Rahul Choudhary, Chief Financial Officer	NA#
Mr. Ritesh Agarwal, Company Secretary	0.10%

Not comparable being for the part of the previous year.

- (iii) **Percentage increase in the median remuneration of employees in the financial year 2018-19 : 15.66%**
- (iv) **Number of permanent employees on the rolls of the Company as on 31.03.2019 : 407**
- (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 2018-19 was around 15.66%
- The average increase in staff salary for the year 2018-19 was 15.15%.
- The average increase in Managerial Remuneration for the year 2018-19 was 15.92%
- (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 in a separate annexure forming part of this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board

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
Kolkata, May 27, 2019

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

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

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 being 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. Tied 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 12.03 lacs.
 - 5.3 Total : Rs 12.03 lacs.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO

	31.03.2019	(Rs. in Lacs) 31.03.2018
a) Foreign Exchange Earnings (FOB value)	17635.90	18057.50
b) CIF Value of Capital Imports	215.34	-
c) Expenditure in Foreign Currency	564.09	632.48

On behalf of the Board

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
 Kolkata, May 27, 2019

Bikram Nag
Joint Executive Chairman
 (DIN: 00827155)

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

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 Rs. 4,310.89 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	Rs. 86.22 lacs
5.	Details of CSR spent during the financial year 2018-19	
	(a) Total amount to be spent for the financial year 2018-19	Rs. 86.22 lacs
	(b) Amount unspent, if any	NIL

5(c) Manner in which the amount spent during the financial year is detailed below: (Rs. in Lacs)

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	1.17	1.17	Direct
2	Promoting Healthcare and Safe Drinking Water	Promoting Healthcare and Safe Drinking Water	District: 24 Parganas(S), State-West Bengal	6.00	6.22	6.22	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	35.00	35.28	35.28	Direct
4	Rural Development and Livelihood	Rural Development and Livelihood	District: 24 Parganas(S), Burdwan, Midnapore, State-West Bengal and Kerala	45.00	44.70	44.70	Direct and through donation to Chief Ministers Relief Fund
	TOTAL			87.00	87.37	87.37	

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

Sd/-

Arup Kumar Banerjee
Vice Chairman and Managing Director &
Chairman of CSR Committee

Kolkata, 27 May, 2019

Annexure V to Directors' Report**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019***[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
Plot No IND 5, Sector -1,
East Calcutta Township
Kolkata - 700107

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IFB Agro Industries Limited** (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 **IFB Agro Industries Limited** and also based on the information provided by the Company, its officers, agents and authorized 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, 2019 ("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 hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IFB Agro Industries Limited** ("the Company") for the financial year ended on 31st March, 2019 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, Overseas Direct Investment and External Commercial Borrowings;
- (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 period under review);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the period under review);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the period under review);
 - 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 period under review); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the period under review).

(vi) Other applicable laws generally applicable to the Industry/Company:

- a) Factories Act, 1948;
- b) The Payment of Wages Act, 1936;
- c) The Minimum Wages Act, 1948;
- d) The Payment of Gratuity Act, 1972;
- e) The Child Labour (Prohibition & Regulations) Act, 1986;
- f) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
- g) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;
- h) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

(vii) Other applicable laws specifically applicable to the Industry/Company:

- a) The Food Safety and Standards Act, 2006;

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

- (i) Secretarial Standard-I and II issued by the Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

In respect of other laws specifically applicable to the Company, we have relied in information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

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. Majority decisions are carried through while dissenting members' views, if any, are captured and recorded as part of the minutes.

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, the Company has not entered into any specific event/actions that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Patnaik & Patnaik
Company Secretaries

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

Place : Kolkata
Date : 27 May 2019

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.	INR18.87
Share capital	2,700,000
Reserves and surplus	(2,647,319)
Total assets	27,69,513
Total Liabilities	27,69,513
Investments	-
Turnover	1,07,15,338
Profit / Loss before taxation	(969,154)
Provision for taxation	-
Profit / Loss after taxation	(969,154)
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, 2019, the information required in Part B has not been furnished.

On behalf of the Board

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
Kolkata, 27 May, 2019

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

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

Report on Corporate Governance

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 2019 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 9 (nine) Directors that includes 1 (one) Woman Director.

Category	No. of Directors	%
Executive Directors	2	22.22
Independent Directors	5	55.56
Non Executive, Non Independent Director	2	22.22
Total	9	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 2018-19	Whether attended in AGM held on 27 th July 2018	No. of Directorships in other Indian Public Limited Companies as on 31st March 2019.		No. of Committee position held in other Indian Public Limited Companies as on 31st March 2019*		Directorship in other Listed Entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Bijon Nag (Chairman)	Non-Executive Director / Promoter Director	2	NO	1	NIL	NIL	NIL	IFB Industries Limited Executive Chairman, Non Independent
Mr. Bikram Nag (Joint Executive Chairman)	Executive Director/ Promoter Director	5	NO	1	1	NIL	NIL	IFB Industries Limited Joint Executive Chairman, Non Independent
Mr. Arup Kumar Banerjee, (Vice Chairman and Managing Director)	Executive Director	6	Yes	NIL	NIL	NIL	NIL	-
Mr. Nandan Bhattacharya	Independent Non-Executive Director	6	Yes	NIL	5	1	4	CIMMCO Ltd Non Executive, Independent
Mr. Amitabha Kumar Nag	Non-Executive Director	6	Yes	NIL	NIL	NIL	NIL	-
Mr. Sudip Kumar Mukherji	Independent Non-Executive Director	6	Yes	NIL	NIL	NIL	NIL	-
Mr. Hari Ram Agarwal	Independent Non-Executive Director	6	Yes	NIL	1	NIL	NIL	-
Mr. Manoj Kumar Vijay	Independent Non-Executive Director	6	Yes	NIL	2	1	NIL	Usha Martin Education & Solutions Limited Non Executive, Independent
Dr. Lakshmishri Roy	Independent Non-Executive Director and Woman Director	6	Yes	NIL	NIL	NIL	NIL	-

*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.

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 Capital of the Company.

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

C) Board Meetings held in the financial year 2018-2019

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 6 (six) meetings were held on following dates:

30 May 2018, 25 July 2018, 27 October 2018, 30 January 2019, 22 February, 2019 and 30 March 2019.

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. Behavioral 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 31.03.2019.

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 2018-19:

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

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

30th May 2018, 25th July 2018, 27th October 2018 and 30th January 2019.

The Chairman of the audit committee is an Independent Director.

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

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 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 2018-19:

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

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

30th May 2018 and 27th October 2018.

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 2018-19:

(Figures in Rupees)

Name of Director	Sitting Fees	Salary, Perquisites & Commission	Total
Mr. Bijon Nag	30,000	-	30,000
Mr. Bikram Nag	-	1,15,04,961	1,15,04,961
Mr. Arup Kumar Banerjee	-	1,92,12,692	1,92,12,692
Mr. Nandan Bhattacharya	2,03,000	-	2,03,000
Mr. Amitabha Kumar Nag	1,90,000	-	1,90,000
Mr. Hari Ram Agarwal	1,85,000	-	1,85,000
Mr. Manoj Kumar Vijay	1,55,000	-	1,55,000
Mr. Sudip Kumar Mukherji	1,65,000	-	1,65,000
Dr. Lakshmishri Roy	1,05,000	-	1,05,000

- Mr. Bikram Nag was 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.

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 2018-19:

Name of Members	Member/Chairman	No of Meetings held	No. of Meetings attended
Mr. Nandan Bhattacharya	Chairman	15	14
Mr. Amitabha Kumar Nag	Member	15	15
Mr. Manoj Kumar Vijay	Member	15	15

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 15 meetings were held on the following dates:

3rd May, 2018, 22nd May, 2018, 30th May, 2018, 4th June, 2018, 25th July, 2018, 8th August, 2018, 24th August, 2018, 6th September, 2018, 28th September, 2018, 27th October, 2018, 17th November, 2018, 11th December, 2018, 21st January, 2019, 30th January, 2019 and 30th March, 2019.

Investor Grievance Redressal

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

No. of shareholders complaints received so far	3
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
36 th	2017-2018	27.08.2018	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town Kolkata - 700 156.	12.00 Noon
35 th	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
34 th	2015-2016	22.07.2016	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 2018-19 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 2018-2019.
- 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 2018-19 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 30th March, 2019.

- 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_dtd_05-6-15.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 familiarises 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_2018_2019.pdf.

k. Training Programme for Independent Director

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

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

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

n. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year 2018-19.

o. 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.

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

q. Total fees for all services paid by the Company on a consolidated basis a sum of Rs 29.68 lacs for the financial year 2018-19 to M/s. Walker Chandio & Co LLP, Statutory Auditors.

r. 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 2018-2019 as on 31st March, 2019 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:

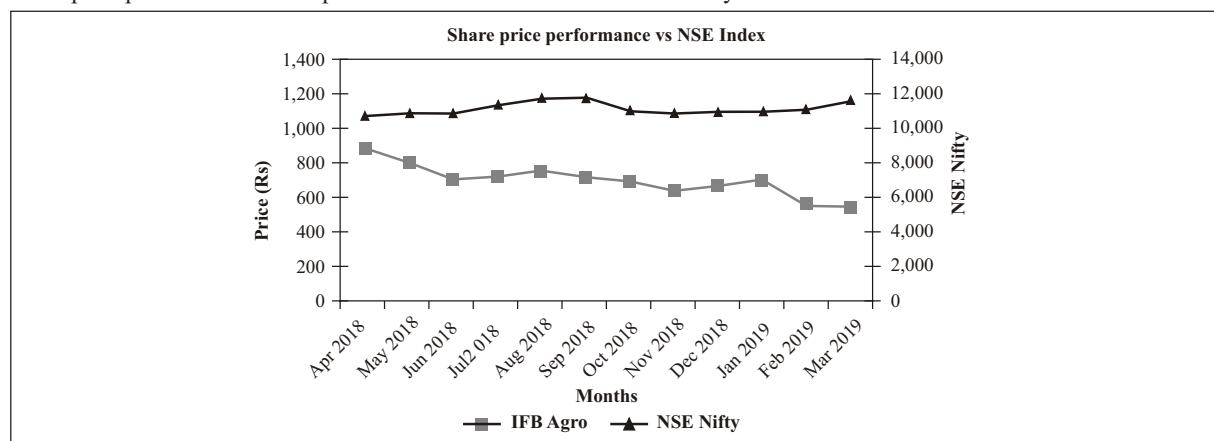
- i) 37th AGM date, time and venue : 26 day of July 2019, At 11.30 AM
Club Ecovista, Ecospace Business Park,
Premises No. 2F/11, Action Area II,
Rajarhat, New Town, Kolkata 700156.
- ii) Financial year : 1st April, 2018 to 31st March, 2019.
- iii) Book closure date : 20 July, 2019 to 26 July, 2019 (both 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 2018-19.

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr, 2018	885.60	557.10	884.40	551.10
May, 2018	795.00	610.05	799.50	600.00
June, 2018	706.05	545.00	704.80	533.00
July, 2018	715.15	510.00	717.15	504.15
August, 2018	750.90	626.80	753.00	635.00
September, 2018	708.80	547.00	711.30	549.95
October, 2018	649.00	490.00	691.00	513.00
November, 2018	638.00	476.00	637.95	529.80
December, 2018	660.00	452.55	663.00	518.00
January, 2019	705.00	535.00	703.00	531.00
February, 2019	550.40	388.00	556.95	384.00
March, 2019	555.00	416.00	540.00	413.15

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 2019

Range		No. of Shareholders	% of total	No. of Shares	% of total
From	To				
1	500	8434	94.89	736180	7.86
501	1000	252	2.84	191097	2.04
1001	2000	91	1.02	130828	1.40
2001	3000	33	0.37	81535	0.87
3001	4000	20	0.23	70649	0.75
4001	5000	11	0.12	50408	0.54
5001	10000	18	0.20	114405	1.22
10001	9999999	29	0.33	7992009	85.32
TOTAL		8888	100.00	9367111	100.00

b) Shareholding Pattern as on 31 March 2019

	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	96972	1.03	0.01
Private Corporate Bodies/Trust	770608	8.22	8.17
Indian Public	2315172	24.72	21.48
Non Resident Indians	68504	0.73	0.45
Clearing Members	2669	0.03	0.03
Office of the Custodian Special Court	500	0.01	0.00
Total :	9367111	100.00	95.30

xii) Dematerialization of shares

As on 31st March 2019, 95.30% of the Company's total shares representing 8926817 shares were held in dematerialised form and the balance 4.70% representing 4,40,294 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 ECB Loan, 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 Plant Locations
- 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 Beverages Pvt. Ltd., Jiyancha, 24 Pgs(S) - 743 504
- Marine Product Processing plant – Neeli Aqua Pvt. Ltd., Ongole, Andhra Pradesh -523212
- 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

Kolkata, 27 May 2019

Bikram Nag
Joint Executive Chairman
(DIN: 00827155)

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

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 2019.

For IFB Agro Industries Limited

Place : Kolkata
Date : 27 May 2019

Arup Kumar Banerjee
Vice Chairman and
Managing Director

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
IFB Agro Industries Limited

We have examined the compliance of the conditions of Corporate Governance by **IFB Agro Industries Limited** ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

For Patnaik & Patnaik
Company Secretaries

Place : Kolkata
Date : 27 May 2019

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

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 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 2019 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 2019 which are fraudulent, illegal or violative to Company's code of conduct.
- c) We accept 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.

Place : Kolkata
Date : 27 May 2019

Arup Kumar Banerjee
Vice Chairman and
Managing Director

Rahul Choudhary
Chief Financial Officer

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of IFB Agro Industries Limited (the 'Company'), which comprise the Balance sheet as at 31 March 2019, the Statement of profit and loss (including other comprehensive income), the Cash flow statement and the Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.
2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 ('ICAI') 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 Matter

4. Key audit matters are those matters that, in our professional judgement, 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.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><u>Provisions and contingent liabilities relating to litigations</u></p> <p>Refer Note 32 of the accompanying standalone financial statements.</p> <p>The Company has exposure to certain indirect tax matters which involves significant judgements to determine the possible outcome of these disputes.</p> <p>The management of the Company has applied a number of judgements when considering whether, and how much, to provide for the potential exposure arising from each litigation. These include the interpretation of local laws and pending assessments at various levels of the statute.</p>	<p>Our audit procedures in relation to the provisions a contingent liability relating to litigations, included, but were not limited to, the following:</p> <ul style="list-style-type: none"> ● Obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - for measurement of amounts involved. ● Evaluated the design and tested the operating effectiveness of key controls around the above process. ● Obtained an understanding of the nature of litigations pending against the company and discussed the key developments during the year for key litigations with the management and

<p>Due to the range of possible outcomes and considerable uncertainty around the various claims, the same is considered to be a key audit matter in the current year.</p>	<p>respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved.</p> <ul style="list-style-type: none"> ● On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing. ● Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. ● Involved auditor's experts to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. ● Evaluated the disclosures made relating to provisions and contingent liabilities for their appropriateness.
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Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is 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 (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.

8. In preparing the standalone financial statements, management is 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.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement 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 explaining our opinion on whether the company has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid/ provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India 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.
17. Further to our comments in Annexure 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 May 2019 as per Annexure B expressed unmodified opinion;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 32 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place : Kolkata
Date : 27 May 2019

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount Paid Under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales tax	25.44	Nil	2004-05	Sr. Jt. Commissioner (Commercial Taxes), West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	344.66	Nil	2005-06	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	41.38	Nil	2006-07	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	397.00	Nil	2007-08	Appellate and Revisional Board, West Bengal
West Bengal Sales Tax Act, 1994	Sales tax	175.11	Nil	2008-09	Appellate and Revisional Board, West Bengal

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount Paid Under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales tax	61.70	Nil	2012-13	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	131.00	Nil	2005-06	Sr. Jt. Commissioner (Commercial Taxes), West Bengal
West Bengal VAT Act, 2003	Value added tax	5.75	Nil	2006-07	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	924.60	Nil	2007-08	Appellate and Revisional Board, West Bengal
West Bengal VAT Act, 2003	Value added tax	559.18	Nil	2008-09	Appellate and Revisional Board, West Bengal
The Bengal Excise Act, 1909	State excise duty	139.61	Nil	2010-11	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	189.00	Nil	2011-12	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	117.18	Nil	2012-13	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	126.00	Nil	2013-14	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	101.00	Nil	2014-15	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	186.24	Nil	2015-16	West Bengal Taxation Tribunal
The Bengal Excise Act, 1909	State excise duty	332.91	Nil	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	Nil	2008	High Court of Calcutta
The Customs Act, 1962	Customs duty	38.02	Nil	2013-14	Commissioner of Customs (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Anamitra Das

Partner

Membership No. 062191

Place : Kolkata

Date : 27 May 2019

Annexure B**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of IFB Agro Industries Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Anamitra Das

Partner

Membership No. 062191

Place : Kolkata

Date : 27 May 2019

Balance sheet as at 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	13,452.20	13,498.45
Capital work-in-progress	3 (b)	171.13	640.38
Financial assets			
(i) Investments	4 (a)	3,666.97	4,122.20
(ii) Loans	5 (a)	8.75	16.05
(iii) Other financial assets	6 (a)	-	184.92
Non-current tax assets (net)	7 (a)	526.21	262.79
Other non-current assets	8 (a)	627.37	942.96
Total non-current assets		18,452.63	19,667.75
Current assets			
Inventories	9	6,534.98	6,517.93
Financial assets			
(i) Investments	4 (b)	8,162.98	9,333.50
(ii) Trade receivables	10	5,372.65	6,291.76
(iii) Cash and cash equivalents	11 (a)	4,467.48	1,477.74
(iv) Other bank balances	11 (b)	124.37	0.22
(v) Loans	5 (b)	38.21	51.78
(vi) Other financial assets	6 (b)	78.46	6.09
Other current assets	8 (b)	2,852.38	2,345.99
Total current assets		27,631.51	26,025.01
Total assets		46,084.14	45,692.76
Equity and liabilities			
Equity			
Equity share capital	12	936.71	936.71
Other equity	13	36,499.88	33,496.15
Total equity		37,436.59	34,432.86
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	-	1,900.56
(ii) Other financial liabilities	15 (a)	240.02	240.02
Deferred tax liabilities (net)	16	1,492.05	1,895.82
Other non-current liabilities	17 (a)	34.32	36.99
Total non-current liabilities		1,766.39	4,073.39
Current liabilities			
Financial liabilities			
(i) Trade payables	18	260.19	381.26
– total outstanding dues of micro enterprises and small enterprises		3,137.86	3,460.86
– total outstanding dues of creditors other than micro enterprises and small enterprises	15 (b)	2,585.28	1,881.34
(ii) Other financial liabilities	7 (b)	-	274.19
Current tax liabilities (net)	17 (b)	698.31	996.34
Other current liabilities	19	199.52	192.52
Provisions		6,881.16	7,186.51
Total current liabilities		8,647.55	11,259.90
Total liabilities		46,084.14	45,692.76
Total equity and liabilities		46,084.14	45,692.76

The accompanying notes 1 to 37 form an integral part of these standalone financial statements.

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

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Statement of profit and loss for the year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	20	173,204.33	149,967.33
Other income	21	1,277.49	977.46
Total income		174,481.82	150,944.79
Expenses			
Cost of materials consumed	22	45,048.82	43,187.02
Purchases of stock-in-trade	23	21,595.67	22,933.72
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	701.83	(1,307.13)
Excise duty		80,722.81	61,057.56
Employee benefits expense	25	4,356.49	3,754.93
Finance costs	26	294.24	258.09
Depreciation, amortisation and impairment expenses	27	1,869.40	2,143.54
Other expenses	28	16,098.84	14,533.41
Total expenses		170,688.10	146,561.14
Profit before tax		3,793.72	4,383.65
Tax expenses	29		
Current tax		549.53	1,423.34
Deferred tax		(76.60)	(196.87)
		472.93	1,226.47
Profit after tax		3,320.79	3,157.18
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Changes in fair value of equity instruments		(621.99)	1,077.95
(ii) Remeasurement of post-employment benefit obligations		(98.51)	12.94
(iii) Tax relating to these items		403.44	(150.79)
Total other comprehensive income for the year, net of tax		(317.06)	940.10
Total comprehensive income for the year		3,003.73	4,097.28
Earnings per equity share	30		
Basic and diluted earnings per share (₹)		35.45	33.70

The accompanying notes 1 to 37 form an integral part of these standalone financial statements.

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

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Statement of cash flows for the year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities:		
Profit before tax	3,793.72	4,383.65
Adjustment for:		
Depreciation, amortisation and impairment expenses	1,869.40	2,143.54
Bad debts written-off	19.91	33.89
Provision for bad and doubtful debts	253.08	223.44
Provision for bad and doubtful debts written back	(259.04)	(23.07)
Net gain arising on sale of financial assets measured at FVTPL	(300.62)	(388.55)
Net gain arising on remeasurement of financial assets measured at FVTPL	(159.03)	(65.07)
Net (gain) / loss arising on remeasurement of derivatives at FVTPL	2.26	(6.10)
Amortisation of capital subsidy	(2.67)	(2.88)
Loss on sale of property, plant and equipment, net	1.07	3.65
Liability no longer required, written back	(145.41)	(178.79)
Unrealised forex loss	147.60	-
Interest income	(51.86)	(40.55)
Dividend income	-	(13.80)
Interest and other finance costs	294.24	258.09
Operating profit before working capital changes:	5,462.65	6,327.45
Adjustment for:		
Increase in inventories	(17.05)	(2,215.05)
(Increase) / decrease in trade receivables	884.13	(2,318.64)
Decrease in loans	20.87	27.52
Decrease in other financial assets	76.92	1.73
Increase in other non-financial assets	(139.53)	(1,373.62)
Increase / (decrease) in trade payables	(443.05)	855.10
Increase in provisions	7.00	11.27
Decrease in other financial liabilities	(122.98)	(156.31)
Increase / (decrease) in other non-financial liabilities	(152.62)	402.19
Cash generated from operations	5,576.34	1,561.64
Income taxes paid (net of refund)	(1,010.87)	(865.17)
Net cash generated from operating activities (A)	4,565.47	696.47
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(1,481.52)	(1,987.95)
Proceeds from sale of property, plant and equipment	20.12	35.48
Investments made in wholly owned subsidiary	(166.75)	(322.70)
Purchase of investments measured at FVTPL	(62,881.36)	(35,371.50)
Sale of investments measured at FVTPL	64,511.53	38,333.93
Increase / (decrease) in other bank balance	(118.71)	500.00
Dividends received	-	13.80
Interest received	79.79	66.58
Net cash generated from / (used in) investing activities (B)	(36.90)	1,267.64

Standalone Statement of cash flows for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
C. Cash flow from financing activities			
Repayment of non-current borrowings		(1,235.57)	(1,195.98)
Other interest and finance cost		(303.26)	(261.40)
Net cash used in financing activities	(C)	(1,538.83)	(1,457.38)
Net increase in cash and cash equivalents	(A+B+C)	2,989.74	506.73
Cash and cash equivalents as at the beginning of the year		1,477.74	971.01
Cash and cash equivalents as at the end of the year [refer note 11(a)]		4,467.48	1,477.74

Notes:

- The above statement of cash flow has been prepared under the 'Indirect method' as set out in Ind AS 7, "Statement of cash flow".
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financial activities are as under:

	As at 31 March 2019	As at 31 March 2018
Term loans		
Opening balance of borrowings	3,125.75	4,325.04
Received during the year	-	-
Repayment during the year	(1,254.13)	(1,205.93)
Changes on account of foreign currency fluctuations	102.69	30.14
Changes on account of fair value measurement	34.44	(23.50)
	2,008.75	3,125.75

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Statement of changes in equity for the year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

(A) Equity

Particulars	As at 31 March 2019	As at 31 March 2018
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			Equity Instruments through OCI	Others	Total
	Securities premium	General reserves	Retained earnings			
Balance as at 31 March 2017	3,193.72	284.95	24,055.85	1,991.44	(127.09)	29,398.87
Profit after tax	-	-	3,157.18	-	-	3,157.18
Items of other comprehensive income, net of tax:						
- Remeasurements of post-employment benefit obligations	-	-	-	-	8.41	8.41
- Changes in fair value of equity instruments	-	-	-	931.69	-	931.69
Balance as at 31 March 2018	3,193.72	284.95	27,213.03	2,923.13	(118.68)	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	30,533.82	2,670.16	(182.77)	36,499.88

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Notes to standalone financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

Summary of significant accounting policies and other explanatory information

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.

These financial statements are approved by the Company's Board of Directors on 27 May 2019.

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 judgments 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 judgments 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 equipments:

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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

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 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.

(d) Recent accounting pronouncements

Ministry of Corporate Affairs vide notification dated 30 March 2019, has notified Ind AS 116 Leases. This will be effective from 1 April 2019 replacing Ind AS 17 Leases for reporting periods beginning on or after 1 April 2019.

Ind AS 116, Leases

Ind AS 116 applies a control-based model for identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date of application of this amendment is annual period beginning on or after 01 April 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19, Planned amendment, curtailment and settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits in connection with accounting for planned amendments, curtailments and settlement. The amendments require an entity to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a planned amendment, curtailment or settlement and to recognise in profit or loss as part of the past service cost, or a gain or loss on settlement, any reduction in a surplus even if that surplus is not previously recognised because of the asset ceiling. Effective date of application of this amendment is annual period beginning on or after 01 April 2019. The Company does not have any impact on account of this amendment.

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 a goods or service 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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

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.

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.

Income from export incentives:

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

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.

(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 other repairs and maintenance expenses are charged to the statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the statement of profit and loss. 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 finance lease 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 is 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 are amortized over the period of the lease.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

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.

(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.

(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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

- (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.

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.

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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(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.

(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. The comparison of cost and net realisable value is made on item-by-item basis.

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.

(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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

Defined benefit plans:

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.

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease which transfers substantially all risks and rewards incidental to the ownership of the leased asset is classified as a finance lease. All other lease arrangements are classified as operating leases.

The determination of whether an arrangement contains a deemed lease is based on the substance of the arrangement at the inception of the lease. The arrangement contains a deemed lease if fulfilment of the arrangement depends on the use of a specific asset or assets and the arrangement conveys to the transferee a right to use the specific asset(s), even if such right is not explicitly specified in the arrangement.

Finance leases are capitalized at the inception of the lease at lower of the fair value of such leased asset and present value of the minimum lease payments. Corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period.

Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation.

(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.

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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

3 (a) Property, plant and equipment

	Owned assets						Leased assets		Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Leasehold land	Plant and equipment	
Gross Block (refer note (i) below)									
Balance as at 31 March 2017	396.80	2,306.15	12,807.86	39.79	116.65	103.65	66.62	240.02	16,077.54
Additions	432.50	62.75	651.80	17.19	44.26	45.32	371.67	-	1,625.49
Less: Disposal	-	-	146.58	0.62	1.60	0.51	-	-	149.31
Balance as at 31 March 2018	829.30	2,368.90	13,313.08	56.36	159.31	148.46	438.29	240.02	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	14,497.34	83.59	195.94	158.07	438.29	240.02	19,261.63
Accumulated Depreciation and Impairment (refer note (i) below)									
Balance as at 31 March 2017	-	228.83	1,713.86	10.58	47.02	20.13	1.49	-	2,021.91
Charge for the year	-	220.03	1,700.87	12.01	47.10	35.51	10.01	-	2,025.53
Less: Disposal/adjustments	-	-	11.35	0.21	1.06	0.04	-	-	12.66
Impairment provision	-	-	118.01	-	-	-	-	-	118.01
Less: Impairment reversal	-	-	97.52	-	-	-	-	-	97.52
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
Net Block									
Balance as at 31 March 2018	829.30	1,920.04	9,889.21	33.98	66.25	92.86	426.79	240.02	13,498.45
Balance as at 31 March 2019	1,074.41	1,926.79	9,612.32	49.87	61.10	74.14	413.55	240.02	13,452.20

Notes:

- The Company had adopted the carrying cost as on the date of transition to Ind AS as its deemed cost as at 01 April 2016 and accordingly adjusted its gross block and accumulated depreciation and impairment.
- The Company's marine product processing plant at Kolkata has been erected on land obtained under finance 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.
- Plant and equipment includes electrical equipment and installations and laboratory equipment.
- Land under finance lease represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortized over the period of lease.
- 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.
- 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 Company.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019		Year ended 31 March 2018	
3 (b) Capital work-in-progress				
Opening balance as at the beginning of the year		640.38		166.49
Additions made during the year		1,231.41		816.76
Transferred to property, plant and equipment		(1,700.66)		(342.87)
Balance as at year end		171.13		640.38
	As at 31 March 2019		As at 31 March 2018	
	Nos.	Amount	Nos.	Amount
4 Investments				
(a) Non-current investments				
Investments in equity instruments (Subsidiary)				
Unquoted				
<i>(Measured at cost)</i>				
IFB Agro Marine FZE [(Face value AED 1.50 lacs (31 March 2018: AED 18.00 lacs) per share, fully paid-up)] (refer note (iii) below)	18	489.45	1	322.70
		489.45		322.70
Investments in equity instruments				
Quoted				
<i>(Designated at fair value through other comprehensive income (FVTOCI))</i>				
IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)	172,733	1,689.24	172,733	1,973.39
		1,689.24		1,973.39
Unquoted				
<i>(Designated at fair value through other comprehensive income)</i>				
CPL Projects Limited (Face value ₹ 10 per share, fully paid-up)	90,000	2.86	90,000	46.74
Zenith Investments Limited (Face value ₹ 10 per share, fully paid-up)	260,000	2.89	260,000	2.90
Asansol Bottling and Packaging Company Private Limited (Face value ₹ 100 per share, fully paid-up)	23,900	268.81	23,900	307.76
Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	145,000	54.09	145,000	81.66
IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	955,998	1,159.63	955,998	1,387.05
		1,488.28		1,826.11
Total non-current investments		3,666.97		4,122.20

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

4 Investments (cont'd)

	As at 31 March 2019	As at 31 March 2018
Other disclosures for non-current investments:		
(a) Aggregate amount of quoted investments and market value thereof	1,689.24	1,973.39
(b) Aggregate amount of unquoted investments	1,977.73	2,148.81

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 statement of profit and loss 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 2019		As at 31 March 2018	
	Nos.	Amount	Nos.	Amount
(b) Current investments				
Investments in mutual funds				
Unquoted				
(Measured at fair value through profit and loss)				
Edelweiss Arbitrage Direct Plan - Growth	-	-	3,753,412.40	495.35
Franklin India Low Duration Fund - Growth	-	-	10,436,342.70	2,084.72
Franklin India Short Term Income Plan - Regular Growth	8,599.05	343.73	11,355.67	416.78
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Regular Growth	11,247,236.77	2,954.51	3,359,856.58	808.15
HSBC Cash Fund - Direct Growth	10,751.37	200.23	-	-
HSBC Cash Fund - Regular Growth	-	-	27,807.81	479.83
ICICI Prudential Equity Arbitrage Fund - Direct Growth	4,067,071.13	1,026.87	2,487,031.27	572.08
ICICI Prudential Money Market Fund - Regular Growth	193,835.35	501.71	-	-
Invesco India Liquid Fund - Direct Growth	-	-	22,537.06	539.10
Invesco India Money Market Fund - Direct Growth	81,944.63	1,777.62	-	-
Kotak Low Duration Fund - Direct Growth	57,143.99	1,358.31	71,020.51	1,555.98
Reliance Medium Term Fund - Direct Growth	-	-	6,401,519.49	2,381.51
Total current investments		8,162.98		9,333.50
Other disclosures for current investments:				
(a) Aggregate amount of unquoted investments		8,162.98		9,333.50

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
5 Loans		
(a) Non-current		
<i>(Unsecured, considered good)</i>		
Security deposits	8.75	16.05
	<u>8.75</u>	<u>16.05</u>
(b) Current		
<i>(Unsecured, considered good)</i>		
Security deposit	12.90	12.85
Loan to employees	25.31	38.93
	<u>38.21</u>	<u>51.78</u>
6 Other financial assets		
(a) Non-current		
<i>(Unsecured, considered good)</i>		
Bank deposits with remaining maturity more than 12 months (*)	-	151.55
Accrued interest on bank deposits	-	33.37
	<u>-</u>	<u>184.92</u>
(*) Bank deposits are under lien with various Government authorities.		
(b) Current		
<i>(Unsecured, considered good)</i>		
Derivative instruments	3.83	6.09
Other advances	74.63	-
	<u>78.46</u>	<u>6.09</u>
7 Income tax balances		
(a) Current tax assets, net	526.21	262.79
(b) Current tax liabilities, net	<u>-</u>	<u>274.19</u>
8 Other assets		
(a) Non-current		
<i>(Unsecured, considered good)</i>		
Capital advances	228.78	79.00
Advances other than capital advances:		
- Security deposits	8.10	13.28
- Amount deposited with government authorities	34.77	60.10
- Advance to service provider	10.04	158.12
Excess amount paid for defined benefit plans (refer note 33)	207.90	335.39
Excess amount paid for other long-term employee benefit (refer note 33)	137.78	297.07
	<u>627.37</u>	<u>942.96</u>

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
8 Other assets (Contd.)		
(b) Current		
<i>(Unsecured, considered good)</i>		
Advances other than capital advances:		
- Advance to vendors	872.98	509.10
- Other advances	-	4.95
- Advance to service provider	100.00	-
- Advance to tie-up manufacturing units	114.33	178.20
- Prepaid expenses	446.83	343.69
Balances with government authorities (*)	974.66	960.88
Export incentives receivable	343.58	349.17
	<u>2,852.38</u>	<u>2,345.99</u>

(*) 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 2019	As at 31 March 2018
9 Inventories		
<i>(valued at lower of cost and net realisable value)</i>		
Raw materials (including packing materials) (#)	2,069.12	1,386.31
Work-in-progress	178.20	156.83
Finished goods	3,299.49	3,961.98
Finished goods-in-transit	212.04	222.53
Stock-in-trade	416.43	578.83
Stores and spares	359.70	211.45
	<u>6,534.98</u>	<u>6,517.93</u>

(#) includes stock in transit **Rs 61.85 lacs** (31 March 2018 : Nil)

Note: The cost of inventories recognised as an expense during the year is disclosed under note 22, 23 and 24.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
10 Trade receivables		
Trade receivables considered good, secured	1,004.38	549.44
Trade receivables considered good, unsecured	4,368.27	5,742.32
Trade receivables, credit impaired	514.80	520.76
	<u>5,887.45</u>	<u>6,812.52</u>
Less: Allowance for doubtful debts	514.80	520.76
	<u>5,372.65</u>	<u>6,291.76</u>
Movement in allowance for doubtful debts during the year is as follows:		
Balance at the beginning of the year	520.76	320.39
Add: allowances for doubtful debts during the year	253.08	223.44
Less: amount written off during the year as uncollectible, hence written back	5.26	-
Less: amounts recovered during the year	253.78	23.07
Balance at the end of the year	<u>514.80</u>	<u>520.76</u>
	As at 31 March 2019	As at 31 March 2018
11 Cash and bank balances		
(a) Cash and cash equivalents		
Cash on hand	19.24	10.57
Balances with banks		
- In current accounts	964.24	867.17
Bank deposits with original maturity less than 3 months	3,484.00	600.00
	<u>4,467.48</u>	<u>1,477.74</u>
(b) Other bank balances		
Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months*	118.71	-
Accrued interest on bank deposits	5.66	0.22
	<u>124.37</u>	<u>0.22</u>
(*) Bank deposits are under lien with various Government authorities.		

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	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
	<u>12,000,000</u>	<u>1,200.00</u>	<u>12,000,000</u>	<u>1,200.00</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	9,367,111	936.71	9,367,111	936.71
	<u>9,367,111</u>	<u>936.71</u>	<u>9,367,111</u>	<u>936.71</u>

(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:

Name of the shareholders	As at 31 March 2019		As at 31 March 2018	
	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 6th 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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
13 Other equity		
(a) Other reserves		
Securities premium account	3,193.72	3,193.72
General reserve	284.95	284.95
Retained earnings	30,533.82	27,213.03
(b) Other comprehensive income	2,487.39	2,804.45
	<u>36,499.88</u>	<u>33,496.15</u>

Nature and purpose of reserves:

Securities premium account

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 2019	As at 31 March 2018
Balance at the beginning of the year	27,213.03	24,055.85
Add: Profit for the year	3,320.79	3,157.18
Balance at the end of the year	<u>30,533.82</u>	<u>27,213.03</u>

Other comprehensive income

The Company has elected to recognize changes in fair value of certain investments in equity instruments and actuarial gains/losses on defined benefit plans in other comprehensive income. The changes are accumulated within "Equity instruments through OCI" and "Others" respectively under other equity. The Company transfers amounts from Equity instruments through OCI to retained earnings when the relevant equity instrument is derecognized.

Movement in the other comprehensive income during the year is as given below:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	2,804.45	1,864.35
Add: movement in OCI during the year, net	(317.06)	940.10
Balance at the end of the year	<u>2,487.39</u>	<u>2,804.45</u>

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
14 Borrowings		
Non-current		
<i>Secured</i>		
Term loans		
Foreign currency loan from bank (in nature of external commercial borrowing)	1,979.85	3,091.24
Vehicle loan from others	28.90	34.51
Less: Current maturities of borrowings (refer note 15)	2,008.75	1,225.19
	<u>-</u>	<u>1,900.56</u>
Foreign currency loan from bank (in nature of external commercial borrowing)		
Term loan from bank (originally amounting to USD 75 lacs equivalent to ₹ 4,908.00 lacs) 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 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%. Till 31 March 2019, 10 installments amounting to USD 46.88 lacs has been repaid.		
Vehicle loan from others		
Vehicle loan (originally amounting to ₹ 39.90 lacs) is secured by hypothecation of the motor car financed out of this loan.		
Repayable in 36 monthly instalments commencing from 03 March 2017. It carries an interest rate of 11.60% p.a. on monthly reducing balance. First 35 EMIs are of ₹ 0.78 lacs each. Company has an option either to pay the 36th EMI of ₹ 23.94 lacs or to surrender the car to the finance company.		
15 Other financial liabilities		
(a) Non-current		
Security deposits (*)	240.02	240.02
	<u>240.02</u>	<u>240.02</u>
(*) 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	1,225.19
Security deposits repayable on demand	56.31	144.91
Capital creditors (inclusive of retentions) (#)	240.38	197.02
Dues to employees	279.84	314.22
	<u>2,585.28</u>	<u>1,881.34</u>
(#) Capital creditors include ₹ 0.35 lacs (31 March 2018: Nil) dues to micro and small enterprises.		

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

			As at 31 March 2019	As at 31 March 2018
16 Deferred taxes assets / liabilities (net)				
Deferred tax liabilities			2,017.33	2,425.11
Less: Deferred tax assets			525.28	529.29
			<u>1,492.05</u>	<u>1,895.82</u>
	As at 31 March 2018	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2019
Deferred tax liabilities:				
On property, plant and equipment	1,789.59	(92.09)	-	1,697.50
On fair valuation of equity instruments through OCI	588.69	-	(369.02)	219.67
On fair valuation of investments in mutual funds	46.83	5.18	-	52.01
On excess amount paid for other long-term employee benefit	-	48.15	-	48.15
	<u>2,425.11</u>	<u>(38.76)</u>	<u>(369.02)</u>	<u>2,017.33</u>
Deferred tax assets:				
On provision for doubtful debts	181.98	2.09	-	179.89
On deferred revenue income	12.93	0.94	-	11.99
On other timing differences	50.60	33.67	-	16.93
	<u>245.51</u>	<u>36.70</u>	<u>-</u>	<u>208.81</u>
	As at 31 March 2018	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2019
Deferred tax assets:				
On unutilised MAT credits	283.78	(74.54)	(41.85)	316.47
	<u>283.78</u>	<u>(74.54)</u>	<u>(41.85)</u>	<u>316.47</u>

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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
17 Other liabilities		
(a) Non-current		
Deferred revenue income (*)	34.32	36.99
	<u>34.32</u>	<u>36.99</u>
(*) Deferred revenue income represents capital subsidy of ₹ 50 lacs 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 ₹ 2.67 lacs (31 March 2018: ₹ 2.88 lacs) has been recognized as income for the current year.		
(b) Current		
Advance from customers (#)	134.90	195.88
Statutory dues	359.82	426.26
Other accruals	203.59	374.20
	<u>698.31</u>	<u>996.34</u>
(#) 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 2019	As at 31 March 2018
18 Trade payables		
Dues of micro enterprises and small enterprises	260.19	381.26
Dues of creditors other than micro enterprises and small enterprises	3,137.86	3,460.86
	<u>3,398.05</u>	<u>3,842.12</u>

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, 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	260.54	381.26
b) Interest due on above	-	-
c) Interest paid by the Company in terms of Section 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, small and medium 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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
19 Provisions		
Current		
Provision for legal matters (*)	199.52	192.52
	<u>199.52</u>	<u>192.52</u>
(*) 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	192.52	168.23
Add: provisions during the year	7.00	66.39
Less: provisions reversed / paid during the year	-	42.10
	<u>199.52</u>	<u>192.52</u>
	Year ended 31 March 2019	Year ended 31 March 2018
20 Revenue from operations		
Sale of products (inclusive of excise duty)	171,370.48	148,246.49
Other operating revenue		
- Scrap sales	165.73	139.87
- Export incentives	1,668.12	1,580.97
	<u>173,204.33</u>	<u>149,967.33</u>
Details of sale of products (inclusive of excise duty)		
Alcohol including Indian made Indian liquor	120,477.08	96,807.93
Marine products	22,031.39	22,083.67
Marine feed	24,341.60	25,659.95
Others	4,520.41	3,694.94
	<u>171,370.48</u>	<u>148,246.49</u>
21 Other income		
Interest income:		
- Financial assets measured at amortised costs	51.86	40.55
Other gains and losses		
- Net gain arising on sale of financial assets measured at FVTPL	300.62	388.55
- Net gain / (loss) arising on remeasurement of financial assets measured at FVTPL	159.03	65.07
Others		
- Rental income	314.73	214.36
- Net gain (loss) on foreign currency transactions and translations	-	20.23
- Liabilities no longer required written back	145.41	178.79
- Provision for doubtful receivables written back	259.04	23.07
- Other miscellaneous income	46.80	33.04
- Dividend income	-	13.80
	<u>1,277.49</u>	<u>977.46</u>

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
22 Cost of materials consumed		
Raw material consumed (including packing materials)		
Opening stock	1,386.31	652.38
Add: Purchases	45,731.63	43,920.95
Less: Closing stock	2,069.12	1,386.31
	<u>45,048.82</u>	<u>43,187.02</u>
23 Purchases of stock-in-trade		
Marine food and feed supplements	21,595.67	22,933.72
	<u>21,595.67</u>	<u>22,933.72</u>
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	4,184.51	2,329.17
Work-in-progress	156.83	283.60
Stock-in-trade	578.83	792.76
	<u>4,920.17</u>	<u>3,405.53</u>
Stock at the end 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
	<u>4,106.16</u>	<u>4,920.17</u>
Difference in excise duty on finished goods	(112.18)	207.51
	<u>701.83</u>	<u>(1,307.13)</u>
25 Employee benefits expense		
Salaries, wages and bonus	3,609.75	3,111.18
Contribution to provident funds and other funds	370.75	337.86
Staff welfare expenses	375.99	305.89
	<u>4,356.49</u>	<u>3,754.93</u>
26 Finance costs		
Interest on financial liabilities carried at amortised costs (*)	177.07	198.03
Foreign exchange loss on foreign currency borrowings	117.17	60.06
	<u>294.24</u>	<u>258.09</u>

(*) Calculated using effective interest rate (EIR) method.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
27 Depreciation, amortisation and impairment expenses		
Depreciation of property, plant and equipment	1,869.40	2,025.53
Impairment of property, plant and equipment (refer note 3)	-	118.01
	1,869.40	2,143.54
28 Other expenses		
Advertisement and sales promotion expenses	490.68	1,692.75
Consumption of stores and spares	407.54	369.30
Power and fuel	4,819.54	4,109.90
Rent	635.69	554.94
Repair and maintenance:		
- Buildings	44.82	200.68
- Plant and Machinery	204.35	134.26
- Others	178.60	121.16
Insurance	337.41	305.12
Rates and taxes	928.04	149.67
Legal and professional expenses	388.00	420.70
Office expenses	834.97	788.00
Travel and conveyance expenses	574.81	468.12
Auditor's remuneration	29.68	33.66
Freight outward	2,134.37	1,816.46
Contract charges	2,876.33	2,574.09
Corporate Social Responsibility ('CSR') expenditure	87.37	56.44
Loss on sale of property, plant and equipment, net	1.07	3.65
Bad debts written off	19.91	33.89
Provision for bad and doubtful debts	253.08	223.44
Loss on foreign currency transactions and translations, net	304.08	-
Net loss arising on measurement of derivatives at FVTPL	2.26	-
Directors sitting fees	10.33	11.59
Miscellaneous expenses	535.91	465.59
	16,098.84	14,533.41
(a) Auditors' remuneration (excluding indirect taxes)		
Statutory audit	24.52	21.50
Tax audit	1.23	1.50
Other services	1.65	4.45
Out of pocket expenses	2.28	6.21
	29.68	33.66
(b) Details of Corporate Social Responsibility (CSR) expenditure		
Gross amount required to be spent by the Company during the year.	86.22	73.98
Amount spent during the year:		
Construction / acquisition of any assets	-	-
Purposes other than above	87.37	56.44
Amount accrued but not paid during the year	-	-

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
29 Tax expenses		
(a) Income tax in the statement of profit and loss:		
Current tax		
Income tax charge for the year	855.01	1,279.02
Income tax charge / (reversal) for earlier years	(305.48)	144.32
	<u>549.53</u>	<u>1,423.34</u>
Deferred tax		
Deferred tax for the year	(2.06)	(196.87)
Unused tax credit entitlement (MAT credit entitlement) for the year	-	-
Unused tax credit entitlement (MAT credit entitlement) for earlier years	(74.54)	-
	<u>(76.60)</u>	<u>(196.87)</u>
(b) Income tax recognised in other comprehensive income comprises:		
Current tax		
On remeasurement of post-employment benefit obligations	34.42	4.53
	<u>(A) 34.42</u>	<u>4.53</u>
Deferred tax		
On fair value gains on investments in equity instruments	369.02	(155.32)
	<u>(B) 369.02</u>	<u>(155.32)</u>
	<u>(A) + (B) 403.44</u>	<u>(150.79)</u>
(c) Reconciliation of income tax expense and the accounting profit for the year:		
Profit before tax	3,793.72	4,383.65
Enacted tax rates (%)	34.944%	34.608%
Income tax expense calculated at corporate tax rate	1,325.68	1,517.09
Deductions under chapter VIA of the Income Tax Act, 1961	(593.23)	(491.90)
Impact on account of non-deductible expenses	34.60	17.60
Income exempted from tax	-	(4.78)
Fair value measurements of investments in mutual funds	(12.18)	22.53
Adjustment of tax relating to earlier years	(380.02)	144.32
Impact due to change in future tax rate	-	25.32
Additional allowances under the Income Tax Act, 1961	(22.22)	-
Difference in opening written down value of property, plant and equipment as per Income tax	12.56	-
On opening leave fund asset	103.81	-
Other adjustments	3.93	(3.71)
Total income tax expense as per the statement of profit and loss	<u>472.93</u>	<u>1,226.47</u>

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
30 Earnings per equity share (EPS)		
Net profit attributable to equity shareholders (in ₹ lacs)	3,320.79	3,157.18
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	35.45	33.70
- Diluted earnings per equity share	35.45	33.70

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) Operating lease

The Company has entered into operating 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 and are usually renewable on mutually agreed terms. Total lease rentals payable during the lease period is recognized in the statement of profit and loss on straight line basis except where the increase in future lease rentals is to compensate for the general inflationary forces.

32 Contingent liabilities and commitments
(a) Contingent liabilities
Particulars

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debts:		
(a) Income tax demand on account of deductions claimed under section 80-IA(4) of the Income Tax Act, 1961 in respect of the power undertaking.	-	62.96
(b) Show cause notice issued by the Customs Authorities for classification dispute on imported goods.	-	210.53
(c) State Excise demands for various years primarily for excess shortage/wastage of spirit.	1,191.94	1,201.79
(d) State Sales Tax/Central Sales Tax and Value Added Tax demands in the State of West Bengal.	2,665.82	3,156.77
(e) Kolkata Port Trust (KoPT) - Dispute relating to valuation of rent for rest house at Noorpur.	95.00	81.59

Note:

The above matters are lying at various appellate forums and the management is confident of succeeding in all these matters based on legal precedences and expert opinions.

(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 2019	As at 31 March 2018
Capital commitments for property, plant and equipment (net of capital advances given)	294.59	200.97

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 (LIC). 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 (LIC) 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 (LIC).

(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 had funded such plan with Life Insurance Corporation of India (LIC).

The following table summarises the components of defined benefit 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 recognised:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Present value of obligation	995.88	819.04	769.10	551.35
Fair value of plan assets	1203.78	1154.43	906.88	848.42
Net (assets)/liabilities recognized	(207.90)	(335.39)	(137.78)	(297.07)

(ii) Movement in present value of obligation:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	819.04	745.92	551.35	556.58
Current service cost	55.72	56.13	61.53	62.23
Interest cost	59.33	50.50	37.82	36.69
Acquisitions (credit)/cost	-	-	2.74	-
Actuarial (gain)/loss arising from assumption changes	16.78	(24.31)	15.01	(18.96)
Actuarial (gain)/loss arising from experience adjustments	79.71	18.86	181.08	(35.49)
Benefits paid (including benefits directly paid by the Company)	(34.70)	(28.06)	(80.43)	(49.70)
Balance at end of the year	995.88	819.04	769.10	551.35

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(iii) Movement in present value of plan assets:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	1,154.43	764.48	848.42	543.55
Interest income on plan assets	84.21	63.74	62.78	46.30
Employer contribution	1.86	346.78	-	255.00
Return on plan assets lesser than discount rate	(2.02)	7.49	(4.32)	3.57
Benefits paid	(34.70)	(28.06)	-	-
Balance at end of the year	1,203.78	1,154.43	906.88	848.42

(iv) Components of net cost

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Recognised in profit and loss				
- Current service costs	55.72	56.13	61.53	62.23
- Net interest on net defined benefit liability / (asset)	(24.88)	(13.24)	(24.96)	(9.61)
- Immediate recognition of (gains) / losses	-	-	200.41	(58.02)
	30.84	42.89	236.98	(5.40)
Recognised in other comprehensive income				
- Actuarial (gains) / losses	98.51	(12.94)	-	-
	98.51	(12.94)	-	-

(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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Actuarial (gain)/loss arising from assumption changes	16.78	(24.31)	-	-
Actuarial (gain)/loss arising from experience adjustments	79.71	18.86	-	-
Return on plan assets lesser than discount rate	2.02	(7.49)	-	-
Net impact on other comprehensive income before tax	98.51	(12.94)	-	-

(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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.10%	7.40%	7.10%	7.40%
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)	8.90	8.63	Not applicable	Not applicable
Expected rate of return on plan assets	7.59%	7.55%	6.98%	7.55%

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate - Decrease by 1%	61.32	50.37	55.02	39.32
Discount rate - Increase by 1%	(53.35)	(43.96)	(47.68)	(34.15)
Salary escalation rate - Decrease by 1%	(53.42)	(44.13)	(47.74)	(34.29)
Salary escalation rate - Increase by 1%	60.22	49.60	54.04	38.73

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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Year 1	315.65	256.49	191.37	130.67
Year 2	39.58	46.93	47.17	54.39
Year 3	97.19	36.49	75.87	42.69
Year 4	67.49	90.10	60.37	69.08
Year 5	111.62	62.70	83.47	54.02
Next 5 years	489.86	97.98	370.76	312.98

Expected employer contribution in Gratuity plan for the period ending 31 March 2020 is Nil (31 March 2019: ₹ 55.72 lacs).

Expected employer contribution in Compensated absences plan for the period ending 31 March 2020 is Nil (31 March 2019: 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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

34 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2019.

(a) List of related parties

(i) Parties where control exists (subsidiary)

Name of the Company	Country of incorporation	31 March 2019	31 March 2018
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
Dr. Janardan Anna Gore	President - New Project
Mr. Goutam Bhattacharya	Vice President - Information Technology
Mr. Swapan Kumar Bayen	Vice President - Projects and Diversification (Distillery)
Mr. Rana Chatterjee	Chief Financial Officer (Distillery)
Mr. Kanak Ghose	Assistant Vice President - Human Resource
Mr. Debasis Ghosh	Assistant Vice President - Business Head (IMIL)
Mr. Santanu Ghosh	Chief General Manager - Plant Operations and Safety (Distillery)
Mr. Alok De	General Manager - HR and Corporate Relations
Mr. Soumitra Chakraborty	Business Head - Marine Division
Mr. Rajat Purkayastha	General Manager Finance - Marine Export (Ongole)
Mr. Debojyoti Bandopadhyay	General Manager - CO2 Operations
Mr. S.K. Kundu	Head - Tie Up Units (IMIL division)
Mr. Sudip Das	Deputy General Manager - Accounts (Marine Feed)
Mr. Chinmaya Mishra	Deputy General Manager - Plant Operations & Project
Mr. Sonjoy Banerjee	Deputy General Manager - Finance & Accounts-Marine Food
Mr. Dipayan Basu	Assistant General Manager - Commercial-IMIL
Mr. Madan Dutta	Assistant General Manager - Marine Feed
Mr. Sanjoy Bhattacharya	Unit Head - Panagarh
Mr. Ripudaman Chamarla	Senior Manager - Accounts
Mr. Nilesch Soni	Senior Manager Finance - Marine Export (Kolkata)
Mr. Nishu Jain	Manager - Commercial (IMIL)
Mr. Hemant Daftary	Head - Internal Audit
Mr. T.K Aich	Production Manager (Dankuni Unit)

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(iv) Enterprises over which KMP or relatives of KMP exercise control/significant influence:

Name of the entity

Travel Systems 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 2019**

**Year ended
31 March 2018**

Rental income:

Travel Systems Limited

10.46

10.13

IFB Industries Limited

79.92

16.59

Travelling and conveyance:

Travel Systems Limited

234.54

21.73

Rental expense:

IFB Industries Limited

7.22

7.18

Security deposit refunded:

IFB Industries Limited

-

160.00

Purchase of property, plant and equipment:

IFB Industries Limited

10.21

-

Sale of products

IFB Industries Limited

8.16

-

Other expenses:

IFB Industries Limited

5.99

8.21

Investments made in equity share capital:

Subsidiary Company

166.75

322.70

Post employment benefit plans:

Contribution towards Gratuity Fund

1.90

346.78

Contribution towards Superannuation Fund

151.30

107.72

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 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remuneration to key management personnel and other key management personnel		
Short-term employee benefits		
Mr. Arup Kumar Banerjee	191.51	189.45
Mr. Bikram Nag	110.70	113.40
Others	805.63	789.15
Post-employment benefits (*)		
Mr. Arup Kumar Banerjee	2.70	2.70
Mr. Bikram Nag	1.68	5.60
Others	47.60	47.18
Sitting fees to non-executive directors		
Mr. Bijon Nag	0.30	0.60
Mr. Hari Ram Agarwal	1.85	2.10
Mr. Nandan Bhattacharya	2.03	2.33
Mr. Manoj Kumar Vijay	1.55	1.57
Mr. Amitabha Kumar Nag	1.90	2.14
Mr. Sudip Kumar Mukherji	1.65	1.80
Dr. Lakshmishri Roy	1.05	1.05
(c) Balances of related parties:		
Particulars	As at 31 March 2019	As at 31 March 2018
Other payables:		
Travel Systems Limited	-	0.36
IFB Industries Limited	52.40	45.18
Security deposit outstanding:		
IFB Industries Limited	8.12	8.12

(*) Does not include contributions made under Gratuity and compensated absences plan based on actuarial valuations as contributions made to such plans on individual employee basis is not ascertainable.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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.

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
i) Segment revenues:								
a) External sales	125,087.78	48,116.55	-	173,204.33	100,599.74	49,367.59	-	149,967.33
Inter-segment sale	3.63	-	-	3.63	4.00	-	-	4.00
Less: Eliminations	(3.63)	-		(3.63)	(4.00)	-	-	(4.00)
				<u>173,204.33</u>				<u>149,967.33</u>
b) Other income	293.05	156.84	827.60	1,277.49	35.58	231.54	710.34	977.46
ii) Segment results								
Profit before interest, tax and depreciation	5,833.19	1,698.84	(1,574.67)	5,957.36	6,151.50	1,879.35	(1,245.57)	6,785.28
Depreciation	1,609.81	169.96	89.63	1,869.40	1,896.55	190.07	56.92	2,143.54
Finance cost	251.12	37.22	5.90	294.24	214.86	35.06	8.17	258.09
Profit before tax	3,972.26	1,491.66	(1,670.20)	3,793.72	4,040.09	1,654.22	(1,310.66)	4,383.65
Tax expense			472.93	472.93			1,226.47	1,226.47
Profit after tax				<u>3,320.79</u>				<u>3,157.18</u>
iii) Revenue from external customers								
India	125,013.22	30,147.88	-	155,161.10	100,493.73	30,980.85	-	131,474.58
Outside India	74.56	17,968.67	-	18,043.23	106.01	18,386.74	-	18,492.75
	<u>125,087.78</u>	<u>48,116.55</u>	<u>-</u>	<u>173,204.33</u>	<u>100,599.74</u>	<u>49,367.59</u>	<u>-</u>	<u>149,967.33</u>
iv) Capital expenditure	455.25	564.41	355.43	1,375.09	746.91	524.31	828.16	2,099.38

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

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
Segment assets	19,075.49	9,767.85	17,240.80	46,084.14	19,288.48	9,020.71	17,383.57	45,692.76
Segment liabilities	5,183.87	1,326.21	2,137.47	8,647.55	6,691.29	1,806.77	2,761.84	11,259.90

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

36 Fair value measurement

(a) Category wise classification of financial instruments

Particulars	As at 31 March 2019	As at 31 March 2018
A. Financial assets:		
(i) Measured at fair value through profit or loss (FVTPL)		
Investments in unquoted mutual funds	8,162.98	9,333.50
Derivative instruments	3.83	6.09
(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)		
Investments in quoted equity instruments (refer note (i) below)	1,689.24	1,973.39
Investments in unquoted equity instruments (refer note (i) below)	1,488.28	1,826.11
(iii) Carried at amortised cost (refer note (ii) below)		
Cash and cash equivalents	4,467.48	1,477.74
Other bank balance	124.37	0.22
Bank deposits (with original maturity of more than 12 months)	-	184.92
Loans to employees	25.31	38.93
Security deposits	21.65	28.90
Trade receivables	5,372.65	6,291.76
Other advances	74.63	-
(iv) Measured at cost		
Investment in equity shares of subsidiary company	489.45	322.70
Total financial assets	21,919.87	21,484.26
B. Financial liabilities		
(i) Measured at amortized cost		
Borrowings (including current maturities)	2,008.75	3,125.75
Trade payables	3,398.05	3,842.12
Securities deposits (repayable on demand)	296.33	384.93
Capital creditors	240.38	197.02
Dues to employees	279.84	314.22
Total financial liabilities	6,223.35	7,864.04

Notes:

- 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 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.
- 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 advances, 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 2019 (Contd.)

(All amounts in ₹ lacs, 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 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

As at 31 March 2018:

Particulars	Level 1	Level 2	Level 3
(i) Measured at fair value through profit or loss (FVTPL)			
Investments in unquoted mutual funds	9,333.50	-	-
Derivative instruments	-	6.09	-
(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)			
Investments in quoted equity instruments	1,973.39	-	-
Investments in unquoted equity instruments	-	-	1,826.11

(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 represents 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.

(d) 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 risks 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 its Board of Directors.

(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.

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)*(All amounts in ₹ lacs, unless otherwise stated)***(i) Trade receivables**

Customer credit risks is 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 includes 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 risks 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 risks include 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. Company has kept its external commercial borrowing unhedged as it has natural hedging due to export earnings.

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 2019		As at 31 March 2018	
	USD (lacs)	₹	USD (lacs)	₹
Financial assets				
Trade Receivables	18.30	1,265.81	17.73	1,154.23
Financial liabilities				
Trade payable	0.50	34.59	-	-
External Commercial Borrowing	28.62	1,979.85	46.88	3,091.24
Forward Contracts (derivative used to hedge trade receivables)	10.99	760.18	16.11	1,048.10

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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2019 Gain / (Loss)	As at 31 March 2018 Gain / (Loss)
INR appreciates by 5%	75.43	186.30
INR depreciates by 5%	(75.43)	(148.52)

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 has long term borrowings both at fixed and variable interest rates. Such borrowings are measured at amortized costs. The Company is 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. Company has not hedged its long term external commercial borrowing as it does not anticipates any major change in libor which can materially impact its future cash flows.

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowing at variable interest rate		
- Non-current	-	1,871.66
- Current	1,979.85	1,219.58
Borrowing at fixed interest rate		
- Non-current	-	28.90
- Current	28.90	5.61
Total borrowings	2,008.75	3,125.75
Percentage of borrowing at variable interest rate	98.56%	98.90%

Sensitivity analysis of interest rate change on borrowing availed at variable interest rate

Particulars	Impact on Profit after Tax	
	Year ended	
	31 March 2019	31 March 2018
Interest rate (increase by 0.5%)	(9.36)	(13.60)
Interest rate (decrease by 0.5%)	9.36	13.60

(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 2019 Gain / (Loss)	As at 31 March 2018 Gain / (Loss)
NAV of mutual funds appreciates by 1%	81.63	93.34
NAV of mutual funds declines by 1%	(81.63)	(93.34)

Notes to standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 3 year	3 year to 5 year	Total
As at 31 March 2019				
Borrowings (including current maturities)	2,071.82	-	-	2,071.82
Trade payables	3,398.05	-	-	3,398.05
Other financial liabilities	576.53	240.02	-	816.55
As at 31 March 2018				
Borrowings (including current maturities)	1,358.47	1,956.69	-	3,315.16
Trade payables	3,842.12	-	-	3,842.12
Other financial liabilities	1,881.34	240.02	-	2,121.36

(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 2019	As at 31 March 2018
Borrowings (including current maturities of long-term debts)	(A)	2,008.75	3,125.75
Less: Cash and cash equivalents		4,467.48	1,477.74
Net borrowings		(2,458.73)	1,648.01
Total equity	(B)	37,436.59	34,432.86
Total capital (equity + net borrowings)		34,977.86	36,080.87
Debt equity ratio	(A)/(B)	0.05	0.09

As per our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013
Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

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

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of IFB Agro Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated balance sheet as at 31 March 2019, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated cash flow statement and the Consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.
2. 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 and on the other financial information of the subsidiary, 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 and the audit evidence obtained by the other auditor in terms of their report referred to in our paragraph 15 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, 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.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><u>Provisions and contingent liabilities relating to litigations</u></p> <p>Refer Note 32 of the accompanying consolidated financial statements.</p> <p>The Parent Company has exposure to certain indirect tax matters which involves significant judgements to determine the possible outcome of these disputes.</p> <p>The management of the Parent Company has applied a number of judgements when considering whether, and how much, to provide for the potential exposure arising from each litigation. These include the interpretation of local laws and pending assessments at various levels of the statute.</p>	<p>Our audit procedures in relation to the provisions a contingent liability relating to litigations, included, but were not limited to, the following:</p> <ul style="list-style-type: none"> ● Obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - for measurement of amounts involved. ● Evaluated the design and tested the operating effectiveness of key controls around the above process. ● Obtained an understanding of the nature of litigations pending against the Parent Company and discussed the key developments during the year for key litigations with the

<p>Due to the range of possible outcomes and considerable uncertainty around the various claims, the same is considered to be a key audit matter in the current year.</p>	<p>management and respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved.</p> <ul style="list-style-type: none"> ● On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing. ● Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. ● Involved auditor's experts to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. ● Evaluated the disclosures made relating to provisions and contingent liabilities for their appropriateness.
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Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the consolidated IND AS financial statements. Further, in terms of the provisions of the Act, the Board of Director/ management of the company included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. This financial statement has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement 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 explaining our opinion on whether the holding company has adequate internal financial controls system 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 Group'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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

15. We did not audit the financial statements/ financial information of one subsidiary, whose financial statements/ financial information reflect total assets of ₹ 521.85 lacs and net assets of ₹ 9.18 lacs as at 31 March 2019, total revenues of ₹ 2,040.00 lacs and net cash outflows amounting to ₹ 243.74 lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditor whose report has 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 this 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 reports of the other auditor.

Further, the subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, we report that the Holding Company, has paid/ provided for remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company since such company is not a public company as defined under Section 2(71) of the Act.
17. As required by Section 143 of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statement and other financial information of the subsidiary, 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 purpose 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 as it appears from our examination of those books and the reports of the other auditors, with respect to the financial statements of the Holding company and the subsidiary;
 - c) the consolidated financial statements 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 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 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, covered under the Act, are disqualified as on 31 March 2019 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 over financial reporting (IFCoFR) of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiary:
 - i. the consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group as detailed in Note 32 to the consolidated financial statements;
 - ii. the Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2019; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Anamitra Das

Partner

Membership No. 062191

Place : Kolkata

Date : 27 May 2019

Annexure A**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of IFB Agro Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on IFCoFR of the subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place : Kolkata
Date : 27 May 2019

Consolidated balance sheet as at 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	13,461.89	13,509.97
Capital work-in-progress	3 (b)	171.13	640.38
Financial assets			
(i) Investments	4 (a)	3,177.51	3,799.50
(ii) Loans	5 (a)	8.75	16.05
(iii) Other financial assets	6 (a)	-	184.92
Non-current tax assets (net)	7 (a)	526.21	262.79
Other non-current assets	8 (a)	631.82	947.14
Total non-current assets		17,977.31	19,360.75
Current assets			
Inventories	9	6,534.98	6,517.93
Financial assets			
(i) Investments	4 (b)	8,162.98	9,333.50
(ii) Trade receivables	10	5,850.66	6,292.82
(iii) Cash and cash equivalents	11 (a)	4,483.71	1,522.58
(iv) Other bank balances	11 (b)	124.37	0.22
(v) Loans	5 (b)	38.21	51.78
(vi) Other financial assets	6 (b)	87.90	14.96
Other current assets	8 (b)	2,856.50	2,346.10
Total current assets		28,139.31	26,079.89
Total assets		46,116.62	45,440.64
Equity and liabilities			
Equity			
Equity share capital	12	936.71	936.71
Other equity	13	36,019.70	33,195.13
Total equity		36,956.41	34,131.84
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14 (a)	-	1,900.56
(ii) Other financial liabilities	15 (a)	240.02	240.02
Deferred tax liabilities (net)	16	1,492.05	1,895.82
Other non-current liabilities	17 (a)	34.32	36.99
Total non-current liabilities		1,766.39	4,073.39
Current liabilities			
Financial liabilities			
(i) Borrowings	14 (b)	210.09	-
(ii) Trade payables	18	-	-
– total outstanding dues of micro enterprises and small enterprises		260.19	381.26
– total outstanding dues of creditors other than micro enterprises and small enterprises		3,425.35	3,502.69
(iii) Other financial liabilities	15 (b)	2,600.36	1,888.41
Current tax liabilities (net)	7 (b)	-	274.19
Other current liabilities	17 (b)	698.31	996.34
Provisions	19	199.52	192.52
Total current liabilities		7,393.82	7,235.41
Total liabilities		9,160.21	11,308.80
Total equity and liabilities		46,116.62	45,440.64

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.

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

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Consolidated statement of profit and loss for the year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	20	175,244.32	150,345.62
Other income	21	1,281.46	983.15
Total income		176,525.78	151,328.77
Expenses			
Cost of materials consumed	22	45,048.82	43,187.02
Purchases of stock-in-trade	23	23,502.76	23,291.27
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	701.83	(1,307.13)
Excise duty		80,722.81	61,057.56
Employee benefits expense	25	4,547.87	3,958.74
Finance costs	26	296.54	258.09
Depreciation, amortisation and impairment expenses	27	1,871.24	2,144.81
Other expenses	28	16,224.68	14,649.12
Total expenses		172,916.55	147,239.48
Profit before tax		3,609.23	4,089.29
Tax expenses	29		
Current tax		549.53	1,423.34
Deferred tax		(76.60)	(196.87)
		472.93	1,226.47
Profit after tax		3,136.30	2,862.82
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Changes in fair value of equity instruments		(621.99)	1,077.95
(ii) Remeasurement of post-employment benefit obligations		(98.51)	12.94
(iii) Exchange difference in translating the financial statement of foreign operations		5.33	(6.66)
(iv) Tax relating to these items		403.44	(150.79)
Total other comprehensive income for the year, net of tax		(311.73)	933.44
Total comprehensive income for the year		2,824.57	3,796.26
Earnings per equity share	30		
Basic and diluted earnings per share (₹)		33.48	30.56

The accompanying notes 1 to 38 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 **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Consolidated statement of cash flows for the Year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities:		
Profit before tax	3,609.23	4,089.29
Adjustment for:		
Depreciation, amortisation and impairment expenses	1,871.24	2,144.81
Bad debts written-off	19.91	33.89
Provision for bad and doubtful debts	253.08	223.44
Provision for bad and doubtful debts written back	(259.04)	(23.07)
Net gain arising on sale of financial assets measured at FVTPL	(300.62)	(388.55)
Net gain arising on remeasurement of financial assets measured at FVTPL	(159.03)	(65.07)
Net (gain) / loss arising on remeasurement of derivatives at FVTPL	2.26	(6.10)
Amortisation of capital subsidy	(2.67)	(2.88)
Loss on sale of property, plant and equipment, net	1.07	3.65
Liability no longer required, written back	(145.41)	(178.79)
Unrealised forex (gain)/loss	152.93	(6.66)
Interest income	(51.86)	(40.55)
Dividend income	-	(13.80)
Interest and other finance costs	296.54	258.09
Operating profit before working capital changes:	5,287.63	6,027.70
Adjustment for:		
Increase in inventories	(17.05)	(2,215.05)
(Increase) / decrease in trade receivables	407.18	(2,319.70)
Decrease in loans	20.87	27.52
(Increase) / decrease in other financial assets	76.35	(7.14)
Increase in other non-financial assets	(143.81)	(1,377.91)
Increase / (decrease) in trade payables	(197.39)	896.93
Increase in provisions	7.00	11.27
Decrease in other financial liabilities	(114.97)	(149.24)
Increase / (decrease) in other non-financial liabilities	(152.62)	402.19
Cash generated from operations	5,173.19	1,296.57
Income taxes paid (net of refund)	(1,010.87)	(865.17)
Net cash generated from operating activities (A)	4,162.32	431.40
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(1,481.52)	(2,000.74)
Proceeds from sale of property, plant and equipment	20.12	35.48
Purchase of investments measured at FVTPL	(62,881.36)	(35,371.50)
Sale of investments measured at FVTPL	64,511.53	38,333.93
Increase / (decrease) in other bank balance	(118.71)	500.00
Dividends received	-	13.80
Interest received	79.79	66.58
Net cash generated from investing activities (B)	129.85	1,577.55

Consolidated statement of cash flows for the Year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
C. Cash flow from financing activities		
Repayment of non-current borrowings	(1,235.57)	(1,195.98)
Other interest and finance cost	(305.56)	(261.40)
Proceeds from other short term loans, net	210.09	-
Net cash (used in) financing activities (C)	(1,331.04)	(1,457.38)
Net increase in cash and cash equivalents (A+B+C)	2,961.13	551.57
Cash and cash equivalents as at the beginning of the year	1,522.58	971.01
Cash and cash equivalents as at the end of the year [refer note 11(a)]	4,483.71	1,522.58

Notes:

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

	As at 31 March 2019	As at 31 March 2018
Term loans		
Opening balance of borrowings	3,125.75	4,325.04
Received during the year	-	-
Repayment during the year	(1,254.13)	(1,205.93)
Changes on account of foreign currency fluctuations	102.69	30.14
Changes on account of fair value measurement	34.44	(23.50)
	2,008.75	3,125.75

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Consolidated statement of changes in equity for the year ended 31 March 2019

(All amounts in ₹ lacs, unless otherwise stated)

(A) Equity

Particulars	As at 31 March 2019	As at 31 March 2018
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			Equity Instruments through OCI	Foreign currency translation reserve		Total
	Securities premium	General reserves	Retained earnings		Others		
Balance as at 31 March 2017	3,193.72	284.95	24,055.85	1,991.44	(127.09)	-	29,398.87
Profits after tax	-	-	2,862.82	-	-	-	2,862.82
Items of other comprehensive income, net of tax:							
- Remeasurement of post-employment benefit obligations	-	-	-	-	8.41	-	8.41
- Changes in fair value of equity instruments	-	-	-	931.69	-	-	931.69
Exchange difference on translation of foreign operations	-	-	-	-	-	(6.66)	(6.66)
Balance as at 31 March 2018	3,193.72	284.95	26,918.67	2,923.13	(118.68)	(6.66)	33,195.13
Profits after tax	-	-	3,136.30	-	-	-	3,136.30
Items of other comprehensive income, net of tax:							
- Remeasurement of post-employment benefit obligations	-	-	-	-	(64.09)	-	(64.09)
- Changes in fair value of equity instruments	-	-	-	(252.97)	-	-	(252.97)
Exchange difference on translation of foreign operations	-	-	-	-	-	5.33	5.33
Balance as at 31 March 2019	3,193.72	284.95	30,054.97	2,670.16	(182.77)	(1.33)	36,019.70

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

Summary of significant accounting policies and other explanatory information:

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 2019.

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 details of the subsidiary company is as follows:

Name of subsidiary	Country of incorporation	% holding as at 31 March 2019	% holding as at 31 March 2018
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 27 May 2019.

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 judgments 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 judgments 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 is disclosed in note 25 and 33.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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.

(d) Recent accounting pronouncements

Ministry of Corporate Affairs vide notification dated 30 March 2019, has notified Ind AS 116 Leases. This will be effective from 1 April 2019 replacing Ind AS 17 Leases for reporting periods beginning on or after 1 April 2019.

Ind AS 116, Leases

Ind AS 116 applies a control-based model for identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Group is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date of application of this amendment is annual period beginning on or after 01 April 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19, Planned amendment, curtailment and settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits in connection with accounting for planned amendments, curtailments and settlement. The amendments require an entity to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a planned amendment, curtailment or settlement and to recognise in profit or loss as part of the past service cost, or a gain or loss on settlement, any reduction in a surplus even if that surplus is not previously recognised because of the asset ceiling. Effective date of application of this amendment is annual period beginning on or after 01 April 2019. The Company does not have any impact on account of this amendment.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(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 its 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.

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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

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 a goods or service 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.

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.

Income from export incentives:

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

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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 Group and the cost of such item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the consolidated statement of profit and loss. 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 finance lease 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 is 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 are amortized over the period of the lease.

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.

(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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(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.
- (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.

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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

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.

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.

(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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(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. The comparison of cost and net realisable value is made on item-by-item basis.

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.

(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.

(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:

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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease which transfers substantially all risks and rewards incidental to the ownership of the leased asset is classified as a finance lease. All other lease arrangements are classified as operating leases.

The determination of whether an arrangement contains a deemed lease is based on the substance of the arrangement at the inception of the lease. The arrangement contains a deemed lease if fulfilment of the arrangement depends on the use of a specific asset or assets and the arrangement conveys to the transferee a right to use the specific asset(s), even if such right is not explicitly specified in the arrangement.

Finance leases are capitalized at the inception of the lease at lower of the fair value of such leased asset and present value of the minimum lease payments. Corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period.

Payments made under operating leases (net of any incentives received from the lessor) are charged to consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation.

(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 2019 (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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

3 (a) Property, plant and equipment

	Owned assets						Leased assets		Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Leasehold land	Plant and equipment	
Gross Block (refer note (i) below)									
Balance as at 31 March 2017	396.80	2,306.15	12,807.86	39.79	116.65	103.65	66.62	240.02	16,077.54
Additions	432.50	62.75	664.60	17.19	44.26	45.32	371.67	-	1,638.29
Less: Disposal	-	-	146.58	0.62	1.60	0.51	-	-	149.31
Balance as at 31 March 2018	829.30	2,368.90	13,325.88	56.36	159.31	148.46	438.29	240.02	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	14,510.14	83.59	195.94	158.07	438.29	240.02	19,274.43
Accumulated Depreciation and Impairment (refer note (i) below)									
Balance as at 31 March 2017	-	228.83	1,713.86	10.58	47.02	20.13	1.49	-	2,021.91
Charge for the year	-	220.03	1,702.15	12.01	47.10	35.51	10.01	-	2,026.81
Less: Disposal/adjustments	-	-	11.35	0.21	1.06	0.04	-	-	12.66
Impairment provision	-	-	118.01	-	-	-	-	-	118.01
Less: Impairment reversal	-	-	97.52	-	-	-	-	-	97.52
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
Net Block									
Balance as at 31 March 2018	829.30	1,920.04	9,900.73	33.98	66.25	92.86	426.79	240.02	13,509.97
Balance as at 31 March 2019	1,074.41	1,926.79	9,622.01	49.87	61.10	74.14	413.55	240.02	13,461.89

Notes:

- The Group had adopted the carrying cost of the property, plant and equipment of the Parent Company, as on the date of transition to Ind AS, as its deemed cost as at 01 April 2016 and accordingly adjusted its gross block and accumulated depreciation and impairment.
- The Parent's marine product processing plant at Kolkata has been erected on land obtained under finance 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.
- Plant and equipment includes electrical equipment and installations and laboratory equipment.
- Land under finance lease represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortized over the period of lease.
- 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.
- 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 Parent.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019		Year ended 31 March 2018	
3 (b) Capital work-in-progress				
Opening balance as at the beginning of the year		640.38		166.49
Additions made during the year		1,231.41		816.76
Transferred to property, plant and equipment		(1,700.66)		(342.87)
Balance as at year end		171.13		640.38
		As at 31 March 2019		As at 31 March 2018
	Nos.	Amount	Nos.	Amount
4 Investments				
(a) Non-current investments				
Investments in equity instruments				
Quoted				
<i>(Designated at fair value through other comprehensive income (FVTOCI))</i>				
IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)	172,733	1,689.23	172,733	1,973.39
		1,689.23		1,973.39
Unquoted				
<i>(Designated at fair value through other comprehensive income)</i>				
CPL Projects Limited (Face value ₹ 10 per share, fully paid-up)	90,000	2.86	90,000	46.74
Zenith Investments Limited (Face value ₹ 10 per share, fully paid-up)	260,000	2.89	260,000	2.90
Asansol Bottling and Packaging Company Private Limited (Face value ₹ 100 per share, fully paid-up)	23,900	268.81	23,900	307.76
Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	145,000	54.09	145,000	81.66
IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	955,998	1,159.63	955,998	1,387.05
		1,488.28		1,826.11
Total non-current investments		3,177.51		3,799.50

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

4 Investments (cont'd)

	As at 31 March 2019	As at 31 March 2018
Other disclosures for non-current investments:		
(a) Aggregate amount of quoted investments and market value thereof	1,689.23	1,973.39
(b) Aggregate amount of unquoted investments	1,488.28	1,826.11

Notes:

- As at the balance sheet date, none of the investments in equity instruments have been impaired.
- 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 the consolidated statement of profit and loss 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 2019		As at 31 March 2018	
	Nos.	Amount	Nos.	Amount
(b) Current investments				
Investments in mutual funds				
Unquoted				
<i>(Measured at fair value through profit and loss)</i>				
Edelweiss Arbitrage Direct Plan - Growth	-	-	3,753,412.40	495.35
Franklin India Low Duration Fund - Growth	-	-	10,436,342.70	2,084.72
Franklin India Short Term Income Plan - Regular Growth	8,599.05	343.73	11,355.67	416.78
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Regular Growth	11,247,236.77	2,954.51	3,359,856.58	808.15
HSBC Cash Fund - Direct Growth	10,751.37	200.23	-	-
HSBC Cash Fund - Regular Growth	-	-	27,807.81	479.83
ICICI Prudential Equity Arbitrage Fund - Direct Growth	4,067,071.13	1,026.87	2,487,031.27	572.08
ICICI Prudential Money Market Fund - Regular Growth	193,835.35	501.71	-	-
Invesco India Liquid Fund - Direct Growth	-	-	22,537.06	539.10
Invesco India Money Market Fund - Direct Growth	81,944.63	1,777.62	-	-
Kotak Low Duration Fund - Direct Growth	57,143.99	1,358.31	71,020.51	1,555.98
Reliance Medium Term Fund - Direct Growth	-	-	6,401,519.49	2,381.51
Total current investments		8,162.98		9,333.50
Other disclosures for current investments:				
(a) Aggregate amount of unquoted investments		8,162.98		9,333.50

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
5 Loans		
(a) Non-current		
<i>(Unsecured, considered good)</i>		
Security deposits	8.75	16.05
	<u>8.75</u>	<u>16.05</u>
(b) Current		
<i>(Unsecured, considered good)</i>		
Security deposit	12.90	12.85
Loan to employees	25.31	38.93
	<u>38.21</u>	<u>51.78</u>
6 Other financial assets		
(a) Non-current		
<i>(Unsecured, considered good)</i>		
Bank deposits with remaining maturity more than 12 months (*)	-	151.55
Accrued interest on bank deposits	-	33.37
	<u>-</u>	<u>184.92</u>
(*) Bank deposits are under lien with various Government authorities.		
(b) Current		
<i>(Unsecured, considered good)</i>		
Derivative instruments	3.83	6.09
Other advances	84.07	8.87
	<u>87.90</u>	<u>14.96</u>
7 Income tax balances		
(a) Current tax assets, net	526.21	262.79
(b) Current tax liabilities, net	<u>-</u>	<u>274.19</u>
8 Other assets		
(a) Non-current		
<i>(Unsecured, considered good)</i>		
Capital advances	228.78	79.00
Advances other than capital advances:		
- Security deposits	12.55	17.46
- Amount deposited with government authorities	34.77	60.10
- Advance to service provider	10.04	158.12
Excess amount paid for defined benefit plans (refer note 33)	207.90	335.39
Excess amount paid for other long-term employee benefit (refer note 33)	137.78	297.07
	<u>631.82</u>	<u>947.14</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
8 Other assets (Contd.)		
(b) Current		
<i>(Unsecured, considered good)</i>		
Advances other than capital advances:		
- Advance to vendors	872.98	509.10
- Other advances	-	5.06
- Advance to service provider	100.00	-
- Advance to tie-up manufacturing units	114.33	178.20
- Prepaid expenses	449.18	343.69
Balances with government authorities (*)	976.43	960.88
Export incentives receivable	343.58	349.17
	<u>2,856.50</u>	<u>2,346.10</u>

(*) 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 Group. Accordingly these balances have been classified as current assets.

	As at 31 March 2019	As at 31 March 2018
9 Inventories		
<i>(valued at lower of cost and net realisable value)</i>		
Raw materials (including packing materials) (#)	2,069.12	1,386.31
Work-in-progress	178.20	156.83
Finished goods	3,299.49	3,961.98
Finished goods-in-transit	212.04	222.53
Stock-in-trade	416.43	578.83
Stores and spares	359.70	211.45
	<u>6,534.98</u>	<u>6,517.93</u>

(#) includes stock in transit **Rs 61.85 lacs** (31 March 2018 : Nil)

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 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
10 Trade receivables		
Trade receivables considered good, secured	1,004.38	549.44
Trade receivables considered good, unsecured	4,846.28	5,743.38
Trade receivables, credit impaired	514.80	520.76
	<u>6,365.46</u>	<u>6,813.58</u>
Less: Allowance for doubtful debts	514.80	520.76
	<u>5,850.66</u>	<u>6,292.82</u>
Movement in allowance for doubtful debts during the year is as follows:		
Balance at the beginning of the year	520.76	320.39
Add: allowances for doubtful debts during the year	253.08	223.44
Less: amount written off during the year as uncollectible, hence written back	5.26	-
Less: amounts recovered during the year	253.78	23.07
Balance at the end of the year	<u>514.80</u>	<u>520.76</u>
	As at 31 March 2019	As at 31 March 2018
11 Cash and bank balances		
(a) Cash and cash equivalents		
Cash on hand	19.97	10.73
Balances with banks		
- In current accounts	979.74	911.85
Bank deposits with original maturity less than 3 months	3,484.00	600.00
	<u>4,483.71</u>	<u>1,522.58</u>
(b) Other bank balances		
Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months*	118.71	-
Accrued interest on bank deposits	5.66	0.22
	<u>124.37</u>	<u>0.22</u>

(*) Bank deposits are under lien with various Government authorities.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	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
	<u>12,000,000</u>	<u>1,200.00</u>	<u>12,000,000</u>	<u>1,200.00</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	9,367,111	936.71	9,367,111	936.71
	<u>9,367,111</u>	<u>936.71</u>	<u>9,367,111</u>	<u>936.71</u>

(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 Parent Company:

Name of the shareholders	As at 31 March 2019		As at 31 March 2018	
	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 6th 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 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
13 Other equity		
(a) Other reserves		
Securities premium account	3,193.72	3,193.72
General reserve	284.95	284.95
Retained earnings	30,054.97	26,918.67
(b) Other comprehensive income	2,487.39	2,804.45
(c) Foreign currency translation reserve	(1.33)	(6.66)
	<u>36,019.70</u>	<u>33,195.13</u>

Nature and purpose of reserves:

Securities premium account

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 2019	As at 31 March 2018
Balance at the beginning of the year	26,918.67	24,055.85
Add: Profit for the year	3,136.30	2,862.82
Balance at the end of the year	<u>30,054.97</u>	<u>26,918.67</u>

Other comprehensive income

The Group has elected to recognize changes in fair value of certain investments in equity instruments and actuarial gains/losses on defined benefit plans in other comprehensive income. The changes are accumulated within "Equity instruments through OCI" and "Others" respectively under other equity. The Group transfers amounts from Equity instruments through OCI to retained earnings when the relevant equity instrument is derecognized.

Movement in the other comprehensive income during the year is as given below:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	2,797.79	1,864.35
Add: movement in OCI during the year, net	(311.73)	933.44
Balance at the end of the year	<u>2,486.06</u>	<u>2,797.79</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
14 Borrowings		
(a) Non-current		
<i>Secured</i>		
Term loans		
Foreign currency loan from bank (in nature of external commercial borrowing)	1,979.85	3,091.24
Vehicle loan from others	28.90	34.51
Less: Current maturities of borrowings (refer note 15)	2,008.75	1,225.19
	-	1,900.56
Foreign currency loan from bank (in nature of external commercial borrowing)		
Term loan from bank (originally amounting to USD 75 lacs equivalent to ₹ 4,908.00 lacs) 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%. Till 31 March 2019, 10 installments amounting to USD 46.88 lacs has been repaid.		
Vehicle loan from others		
Vehicle loan (originally amounting to ₹ 39.90 lacs) is secured by hypothecation of the motor car financed out of this loan.		
Repayable in 36 monthly instalments commencing from 03 March 2017. It carries an interest rate of 11.60% p.a. on monthly reducing balance. First 35 EMIs are of ₹ 0.78 lacs each. Company has an option either to pay the 36th EMI of ₹ 23.94 lacs or to surrender the car to the finance company.		
(b) Current		
<i>Secured</i>		
Overdraft from bank	210.09	-
	210.09	-
Overdraft from bank are secured by way of standby letter of credit from HDFC Bank, India of amount of 110% 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. 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	1,225.19
Security deposits repayable on demand	56.31	144.91
Capital creditors (inclusive of retentions) (*)	240.38	197.02
Dues to employees	294.92	321.29
	2,600.36	1,888.41
(*) Capital creditors include ₹ 0.35 lacs (31 March 2018: Nil) dues to micro and small enterprises.		

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

			As at 31 March 2019	As at 31 March 2018
16 Deferred taxes assets / liabilities (net)				
Deferred tax liabilities			2,017.33	2,425.11
Less: Deferred tax assets			525.28	529.29
			<u>1,492.05</u>	<u>1,895.82</u>
	As at 31 March 2018	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2019
Deferred tax liabilities:				
On property, plant and equipment	1,789.59	(92.09)	-	1,697.50
On fair valuation of equity instruments through OCI	588.69	-	(369.02)	219.67
On fair valuation of investments in mutual funds	46.83	5.18	-	52.01
On excess amount paid for other long-term employee benefit	-	48.15	-	48.15
	<u>2,425.11</u>	<u>(38.76)</u>	<u>(369.02)</u>	<u>2,017.33</u>
Deferred tax assets:				
On provision for doubtful debts	181.98	2.09	-	179.89
On deferred revenue income	12.93	0.94	-	11.99
On other timing differences	50.60	33.67	-	16.93
	<u>245.51</u>	<u>36.70</u>	<u>-</u>	<u>208.81</u>
	As at 31 March 2018	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2019
Deferred tax assets:				
On unutilised MAT credits	283.78	(74.54)	(41.85)	316.47
	<u>283.78</u>	<u>(74.54)</u>	<u>(41.85)</u>	<u>316.47</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
17 Other liabilities		
(a) Non-current		
Deferred revenue income (*)	34.32	36.99
	<u>34.32</u>	<u>36.99</u>
(*) Deferred revenue income represents capital subsidy of ₹ 50 lacs 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 ₹ 2.67 lacs (31 March 2018: ₹ 2.88 lacs) has been recognized as income for the current year.		
(b) Current		
Advance from customers (#)	134.90	195.88
Statutory dues	359.82	426.26
Other accruals	203.59	374.20
	<u>698.31</u>	<u>996.34</u>

(#) 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 2019	As at 31 March 2018
18 Trade payables		
Dues of micro enterprises and small enterprises	260.19	381.26
Dues of creditors other than micro enterprises and small enterprises	3,425.35	3,502.69
	<u>3,685.54</u>	<u>3,883.95</u>

	As at 31 March 2019	As at 31 March 2018
19 Provisions		
Current		
Provision for legal matters (*)	199.52	192.52
	<u>199.52</u>	<u>192.52</u>

(*) 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	192.52	168.23
Add: provisions during the year	7.00	66.39
Less: provisions reversed / paid during the year	-	42.10
	<u>199.52</u>	<u>192.52</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
20 Revenue from operations		
Sale of products (inclusive of excise duty)	173,410.47	148,624.78
Other operating revenue		
- Scrap sales	165.73	139.87
- Export incentives	1,668.12	1,580.97
	<u>175,244.32</u>	<u>150,345.62</u>
Details of sale of products (inclusive of excise duty)		
Alcohol including Indian made Indian liquor	120,477.08	96,807.93
Marine products	24,071.38	22,461.96
Marine feed	24,341.60	25,659.95
Others	4,520.41	3,694.94
	<u>173,410.47</u>	<u>148,624.78</u>
21 Other income		
Interest income:		
- Financial assets measured at amortised costs	51.86	40.55
Other gains and losses		
- Net gain arising on sale of financial assets measured at FVTPL	300.62	388.55
- Net gain / (loss) arising on remeasurement of financial assets measured at FVTPL	159.03	65.07
Others		
- Rental income	314.73	214.36
- Net gain (loss) on foreign currency transactions and translations	-	20.23
- Liabilities no longer required written back	145.41	178.79
- Provision for doubtful receivables written back	259.04	23.07
- Other miscellaneous income	50.77	38.73
- Dividend income	-	13.80
	<u>1,281.46</u>	<u>983.15</u>
22 Cost of materials consumed		
Raw material consumed (including packing materials)		
Opening stock	1,386.31	652.38
Add: Purchases	45,731.63	43,920.95
Less: Closing stock	2,069.12	1,386.31
	<u>45,048.82</u>	<u>43,187.02</u>
23 Purchases of stock-in-trade		
Marine food and feed supplements	23,502.76	23,291.27
	<u>23,502.76</u>	<u>23,291.27</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
24 Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Stock at the beginning of the year (including stock-in-transit)		
Finished goods	4,184.51	2,329.17
Work-in-progress	156.83	283.60
Stock-in-trade	578.83	792.76
	<u>4,920.17</u>	<u>3,405.53</u>
Stock at the end 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
	<u>4,106.16</u>	<u>4,920.17</u>
Difference in excise duty on finished goods	(112.18)	207.51
	<u>701.83</u>	<u>(1,307.13)</u>
25 Employee benefits expense		
Salaries, wages and bonus	3,793.52	3,307.99
Contribution to provident funds and other funds	370.75	337.86
Staff welfare expenses	383.60	312.89
	<u>4,547.87</u>	<u>3,958.74</u>
26 Finance costs		
Interest on financial liabilities carried at amortised costs (*)	179.37	198.03
Foreign exchange loss/ (gain) on foreign currency borrowings	117.17	60.06
	<u>296.54</u>	<u>258.09</u>
(*) Calculated using effective interest rate (EIR) method.		
27 Depreciation, amortisation and impairment expenses		
Depreciation of property, plant and equipment	1,871.24	2,026.80
Impairment of property, plant and equipment (refer note 3)	-	118.01
	<u>1,871.24</u>	<u>2,144.81</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)*(All amounts in ₹ lacs, unless otherwise stated)*

	Year ended 31 March 2019	Year ended 31 March 2018
28 Other expenses		
Advertisement and sales promotion expenses	490.68	1,692.75
Consumption of stores and spares	407.54	369.30
Power and fuel	4,819.54	4,109.90
Rent	649.83	577.07
Repair and maintenance:		
- Buildings	44.82	200.68
- Plant and Machinery	204.35	134.26
- Others	178.60	121.16
Insurance	337.41	305.12
Rates and taxes	928.04	149.67
Legal and professional expenses	405.70	439.14
Office expenses	834.97	788.00
Travel and conveyance expenses	600.38	498.31
Auditor's remuneration	29.68	33.66
Freight outward	2,134.37	1,816.46
Contract charges	2,876.33	2,574.09
Corporate Social Responsibility ('CSR') expenditure	87.37	56.44
Loss on sale of property, plant and equipment, net	1.07	3.65
Bad debts written off	19.91	33.89
Provision for bad and doubtful debts	253.08	223.44
Loss on foreign currency transactions and translations, net	304.08	-
Net loss arising on measurement of derivatives at FVTPL	2.26	-
Directors sitting fees	10.33	11.59
Miscellaneous expenses	604.34	510.54
	16,224.68	14,649.12

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
29 Tax expense		
(a) Income tax in the statement of profit and loss:		
Current tax		
Income tax charge for the year	855.01	1,279.02
Income tax charge / (reversal) for earlier years	(305.48)	144.32
	<u>549.53</u>	<u>1,423.34</u>
Deferred taxes		
Deferred tax for the year	(2.06)	(196.87)
Unused tax credit entitlement for the year	-	-
Unused tax credit entitlement for earlier years	(74.54)	-
	<u>(76.60)</u>	<u>(196.87)</u>
(b) Income tax recognised in other comprehensive income comprises:		
Current tax		
On remeasurement of post-employment benefit obligations	34.42	4.53
	<u>(A) 34.42</u>	<u>4.53</u>
Deferred tax		
On fair value gains on investments in equity instruments	369.02	(155.32)
	<u>(B) 369.02</u>	<u>(155.32)</u>
	<u>(A) + (B) 403.44</u>	<u>(150.79)</u>
(c) Reconciliation of income tax expense and the accounting profit for the year:		
Profit before tax	3,609.23	4,089.29
Enacted tax rates (%)	34.944%	34.608%
Income tax expense calculated at corporate tax rate	<u>1,261.21</u>	<u>1,415.22</u>
Impact due to consolidation of losses of the subsidiary entity	64.47	101.87
Deductions under chapter VIA of the Income Tax Act, 1961	(593.23)	(491.90)
Impact on account of non-deductible expenses	34.60	17.60
Income exempted from tax	-	(4.78)
Fair value measurements of investments in mutual funds	(12.18)	22.53
Adjustment of tax relating to earlier years	(380.02)	144.32
Impact due to change in future tax rate	-	25.32
Additional allowances under the Income Tax Act, 1961	(22.22)	-
Difference in opening written down value of property, plant and equipment as per Income tax	12.56	-
On opening leave fund asset	103.81	-
Other adjustments	3.93	(3.71)
Total income tax expense as per the statement of profit and loss	<u>472.93</u>	<u>1,226.47</u>

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
30 Earnings per equity share (EPS)		
Net profit attributable to equity shareholders (in ₹ lacs)	3,136.30	2,862.82
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	33.48	30.56
- Diluted earnings per equity share	33.48	30.56

31 Leases
(a) Finance lease

The Group 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 Group 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) Operating lease

The Group has entered into operating 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 and are usually renewable on mutually agreed terms. Total lease rentals payable during the lease period is recognized in the statement of profit and loss on straight line basis except where the increase in future lease rentals is to compensate for the general inflationary forces.

32 Contingent liabilities and commitments
(a) Contingent liabilities
Particulars

	As at 31 March 2019	As at 31 March 2018
Claims against the Group not acknowledged as debts:		
(a) Income tax demand on account of deductions claimed under section 80-IA(4) of the Income Tax Act, 1961 in respect of the power undertaking.	-	62.96
(b) Show cause notice issued by the Customs Authorities for classification dispute on imported goods.	-	210.53
(c) State Excise demands for various years primarily for excess shortage/wastage of spirit.	1,191.94	1,201.79
(d) State Sales Tax/Central Sales Tax and Value Added Tax demands in the State of West Bengal.	2,665.82	3,156.77
(e) Kolkata Port Trust (KoPT) - Dispute relating to valuation of rent for rest house at Noorpur.	95.00	81.59
(f) Banker's letter of guarantee	9.43	8.87

Note:

The above matters are lying at various appellate forums and the management is confident of succeeding in all these matters based on legal precedences and expert opinions.

(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 2019	As at 31 March 2018
Capital commitments for property, plant and equipment (net of capital advances given)	294.59	200.97

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 Group 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 (LIC). 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 (LIC) 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 (LIC).

(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 Group had funded such plan with Life Insurance Corporation of India (LIC).

The following table summarises the components of defined benefit 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 recognised:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Present value of obligation	995.88	819.04	769.10	551.35
Fair value of plan assets	1203.78	1154.43	906.88	848.42
Net (assets)/liabilities recognized	(207.90)	(335.39)	(137.78)	(297.07)

(ii) Movement in present value of obligation:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	819.04	745.92	551.35	556.58
Current service cost	55.72	56.13	61.53	62.23
Interest cost	59.33	50.50	37.82	36.69
Acquisitions cost	-	-	2.74	-
Actuarial (gain)/loss arising from assumption changes	16.78	(24.31)	15.01	(18.96)
Actuarial (gain)/loss arising from experience adjustments	79.71	18.86	181.08	(35.49)
Benefits paid (including benefits directly paid by the Company)	(34.70)	(28.06)	(80.43)	(49.70)
Balance at end of the year	995.88	819.04	769.10	551.35

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(iii) Movement in present value of plan assets:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	1,154.43	764.48	848.42	543.55
Interest income on plan assets	84.21	63.74	62.78	46.30
Employer contribution	1.86	346.78	-	255.00
Return on plan assets lesser than discount rate	(2.02)	7.49	(4.32)	3.57
Benefits paid	(34.70)	(28.06)	-	-
Balance at end of the year	1,203.78	1,154.43	906.88	848.42

(iv) Components of net cost

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Recognised in profit and loss				
- Current service costs	55.72	56.13	61.53	62.23
- Net interest on net defined benefit liability / (asset)	(24.88)	(13.24)	(24.96)	(9.61)
- Immediate recognition of (gains) / losses	-	-	200.41	(58.02)
	30.84	42.89	236.98	(5.40)
Recognised in other comprehensive income				
- Actuarial (gains) / losses	98.51	(12.94)	-	-
	98.51	(12.94)	-	-

(v) Remeasurement of the net defined benefit plans to be take to other comprehensive income:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Actuarial (gain)/loss arising from assumption changes	16.78	(24.31)	-	-
Actuarial (gain)/loss arising from experience adjustments	79.71	18.86	-	-
Return on plan assets lesser than discount rate	2.02	(7.49)	-	-
Net impact on other comprehensive income before tax	98.51	(12.94)	-	-

(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 24.

(vii) Major categories of plan assets:

Entire assets of both Gratuity and Compensated absences plans is maintained with the Life Insurance Corporation of India (LIC).

(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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.10%	7.40%	7.10%	7.40%
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)	8.90	8.63	Not applicable	Not applicable
Expected rate of return on plan assets	7.59%	7.55%	6.98%	7.55%

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate - Decrease by 1%	61.32	50.37	55.02	39.32
Discount rate - Increase by 1%	(53.35)	(43.96)	(47.68)	(34.15)
Salary escalation rate - Decrease by 1%	(53.42)	(44.13)	(47.74)	(34.29)
Salary escalation rate - Increase by 1%	60.22	49.60	54.04	38.73

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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Year 1	315.65	256.49	191.37	130.67
Year 2	39.58	46.93	47.17	54.39
Year 3	97.19	36.49	75.87	42.69
Year 4	67.49	90.10	60.37	69.08
Year 5	111.62	62.70	83.47	54.02
Next 5 years	489.86	97.98	370.76	312.98

Expected employer contribution in Gratuity plan for the period ending 31 March 2020 is Nil (31 March 2019: ₹ 55.72 lacs).

Expected employer contribution in Compensated absences plan for the period ending 31 March 2020 is Nil (31 March 2019: 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 2019 (Contd.)*(All amounts in ₹ lacs, unless otherwise stated)***34 Related party disclosures**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2019.

(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**Key Management Personnel (KMP):**

Name	Designation
Dr. Janardan Anna Gore	President - New Project
Mr. Goutam Bhattacharya	Vice President - Information Technology
Mr. Swapan Kumar Bayen	Vice President - Projects and Diversification (Distillery)
Mr. Rana Chatterjee	Chief Financial Officer (Distillery)
Mr. Kanak Ghose	Assistant Vice President - Human Resource
Mr. Debasis Ghosh	Assistant Vice President - Business Head (IMIL)
Mr. Santanu Ghosh	Chief General Manager - Plant Operations and Safety (Distillery)
Mr. Alok De	General Manager - HR and Corporate Relations
Mr. Soumitra Chakraborty	Business Head - Marine Division
Mr. Rajat Purkayastha	General Manager Finance - Marine Export (Ongole)
Mr. Debojyoti Bandopadhyay	General Manager - CO2 Operations
Mr. S.K. Kundu	Head - Tie Up Units (IMIL division)
Mr. Sudip Das	Deputy General Manager - Accounts (Marine Feed)
Mr. Chinmaya Mishra	Deputy General Manager - Plant Operations & Project
Mr. Sonjoy Banerjee	Deputy General Manager - Finance & Accounts-Marine Food
Mr. Dipayan Basu	Assistant General Manager - Commercial-IMIL
Mr. Madan Dutta	Assistant General Manager - Marine Feed
Mr. Sanjoy Bhattacharya	Unit Head-Panagarh
Mr. Ripudaman Chamaria	Senior Manager - Accounts
Mr. Nilesh Soni	Senior Manager Finance - Marine Export (Kolkata)
Mr. Nishu Jain	Manager - Commercial (IMIL)
Mr. Hemant Daftary	Head - Internal Audit
Mr. T.K Aich	Production Manager (Dankuni Unit)

Notes to consolidated standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

(iii) Enterprises over which KMP or relatives of KMP exercise control/significant influence:

Name of the entity

Travel Systems 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 2019**

**Year ended
31 March 2018**

Rental income:

Travel Systems Limited

10.46

10.13

IFB Industries Limited

79.92

16.59

Travelling and conveyance:

Travel Systems Limited

245.45

51.92

Rental expenses:

IFB Industries Limited

7.22

7.18

Security deposit refunded:

IFB Industries Limited

-

160.00

Purchase of property, plant and equipment:

IFB Industries Limited

10.21

-

Sale of products

IFB Industries Limited

8.16

-

Other expenses:

IFB Industries Limited

5.99

8.21

Post employment benefit plans:

Contribution towards Gratuity Fund

1.90

346.78

Contribution towards Superannuation Fund

201.47

107.72

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 2019 (Contd.)
(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remuneration to key management personnel and other key management personnel		
Short-term employee benefits		
Mr. Arup Kumar Banerjee	191.51	189.45
Mr. Bikram Nag	110.70	113.40
Others	805.63	789.15
Post-employment benefits (*)		
Mr. Arup Kumar Banerjee	2.70	2.70
Mr. Bikram Nag	1.68	5.60
Others	47.60	47.18
Sitting fees to non-executive directors		
Mr. Bijon Nag	0.30	0.60
Mr. Hari Ram Agarwal	1.85	2.10
Mr. Nandan Bhattacharya	2.03	2.33
Mr. Manoj Kumar Vijay	1.55	1.57
Mr. Amitabha Kumar Nag	1.90	2.14
Mr. Sudip Kumar Mukherji	1.65	1.80
Dr. Lakshmishri Roy	1.05	1.05
(c) Balances of related parties:		
Particulars	As at 31 March 2019	As at 31 March 2018
Other payables:		
Travel Systems Limited	-	9.20
IFB Industries Limited	52.40	45.18
Security deposit outstanding:		
IFB Industries Limited	8.12	8.12

(*) Does not include contributions made under Gratuity and compensated absences plan based on actuarial valuations as contributions made to such plans on individual employee basis is not ascertainable.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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.

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
i) Segment revenues:								
a) External sales	125,087.78	50,156.54	-	175,244.32	100,599.74	49,745.88	-	150,345.62
Inter-segment sale	3.63	-	-	3.63	4.00	-	-	4.00
Less: Eliminations	(3.63)	-		(3.63)	(4.00)	-	-	(4.00)
				<u>175,244.32</u>				<u>150,345.62</u>
b) Other income	293.05	160.81	827.60	1,281.46	35.58	237.23	710.34	983.15
ii) Segment results								
Profit before interest, tax and depreciation	5,833.19	1,518.49	(1,574.67)	5,777.01	6,151.50	1,586.27	(1,245.58)	6,492.19
Depreciation	1,609.81	171.79	89.64	1,871.24	1,896.55	191.35	56.91	2,144.81
Finance cost	251.12	39.52	5.90	296.54	214.86	35.06	8.17	258.09
Profit before tax	<u>3,972.26</u>	<u>1,307.18</u>	<u>(1,670.21)</u>	<u>3,609.23</u>	<u>4,040.09</u>	<u>1,359.86</u>	<u>(1,310.66)</u>	<u>4,089.29</u>
Tax expense			472.93	472.93			1,226.47	1,226.47
Profit after tax				<u>3,136.30</u>				<u>2,862.82</u>
iii) Revenue from external customers								
India	125,013.22	30,147.88	-	155,161.10	100,493.73	30,980.85	-	131,474.58
Outside India	74.56	20,008.66	-	20,083.22	106.01	18,765.03	-	18,871.04
	<u>125,087.78</u>	<u>50,156.54</u>	<u>-</u>	<u>175,244.32</u>	<u>100,599.74</u>	<u>49,745.88</u>	<u>-</u>	<u>150,345.62</u>
iv) Capital expenditure	455.25	564.41	355.43	1,375.09	746.91	537.11	828.16	2,112.18

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

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
Segment assets	19,075.49	10,289.82	16,751.31	46,116.62	19,288.48	9,091.22	17,060.94	45,440.64
Segment liabilities	5,183.87	1,838.87	2,137.47	9,160.21	6,691.29	1,855.67	2,761.84	11,308.80

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

36 Fair value measurement

(a) Category wise classification of financial instruments

Particulars	As at 31 March 2019	As at 31 March 2018
A. Financial assets:		
(i) Measured at fair value through profit or loss (FVTPL)		
Investments in unquoted mutual funds	8,162.98	9,333.50
Derivative instruments	3.83	6.09
(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)		
Investments in quoted equity instruments (refer note (i) below)	1,689.23	1,973.39
Investments in unquoted equity instruments (refer note (i) below)	1,488.28	1,826.11
(iii) Carried at amortised cost (refer note (ii) below)		
Cash and cash equivalents	4,483.71	1,522.58
Other bank balance	124.37	0.22
Bank deposits (with original maturity of more than 12 months)	-	184.92
Loans to employees	25.31	38.93
Security deposits	21.65	28.90
Trade receivables	5,850.66	6,292.82
Other advances	84.07	8.87
Total financial assets	21,934.09	21,216.33
B. Financial liabilities		
(i) Measured at amortized cost		
Borrowings (including current maturities)	2,218.84	3,125.75
Trade payables	3,685.54	3,883.95
Securities deposits (repayable on demand)	296.33	384.93
Capital creditors	240.38	197.02
Dues to employees	294.92	321.29
Total financial liabilities	6,736.01	7,912.94

Notes:

- 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 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.
- The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, trade payables and other financial liabilities 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 2019 (Contd.)

(All amounts in ₹ lacs, 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 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

As at 31 March 2018:

Particulars	Level 1	Level 2	Level 3
(i) Measured at fair value through profit or loss (FVTPL)			
Investments in unquoted mutual funds	9,333.50	-	-
Derivative instruments	-	6.09	-
(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)			
Investments in quoted equity instruments	1,973.39	-	-
Investments in unquoted equity instruments	-	-	1,826.11

(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 represents 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.

(d) 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 long-term 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 risks 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.

(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.

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)*(All amounts in ₹ lacs, unless otherwise stated)***(i) Trade receivables**

Customer credit risks is 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 includes 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 risks 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 risks include 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. Company has kept its external commercial borrowing unhedged as it has natural hedging due to export earnings.

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 2019		As at 31 March 2018	
	USD (lacs)	₹	USD (lacs)	₹
Financial assets				
Trade Receivables	25.14	1,738.93	17.75	1,154.23
Financial liabilities				
Trade payable	0.50	34.59	-	-
External Commercial Borrowing	28.62	1,979.85	46.88	3,091.24
Forward Contracts (derivative used to hedge trade receivables)	10.99	760.18	16.11	1,048.10

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 Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2019 Gain / (Loss)	As at 31 March 2018 Gain / (Loss)
INR appreciates by 5%	51.77	186.20
INR depreciates by 5%	(51.77)	(148.42)

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 has long term borrowings both at fixed and variable interest rates. Such borrowings are measured at amortized costs. The Company is 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. Company has not hedged its long term external commercial borrowing as it does not anticipates any major change in libor which can materially impact its future cash flows.

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowing at variable interest rate		
- Non-current	-	1,871.66
- Current	2,189.94	1,219.58
Borrowing at fixed interest rate		
- Non-current	-	28.90
- Current	28.90	5.61
Total borrowings	2,218.84	3,125.75
Percentage of borrowing at variable interest rate	98.70%	98.90%

Sensitivity analysis of interest rate change on borrowing availed at variable interest rate

Particulars	Impact on Profit after Tax	
	Year ended	
	31 March 2019	31 March 2018
Interest rate (increase by 0.5%)	(22.44)	(13.60)
Interest rate (decrease by 0.5%)	22.44	13.60

(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 2019 Gain / (Loss)	As at 31 March 2018 Gain / (Loss)
NAV of mutual funds appreciates by 1%	81.63	93.34
NAV of mutual funds declines by 1%	(81.63)	(93.34)

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, 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 3 year	3 year to 5 year	Total
As at 31 March 2019				
Borrowings (including current maturities)	2,281.91	-	-	2,281.91
Trade payables	3,685.54	-	-	3,685.54
Other financial liabilities	591.61	240.02	-	831.63
As at 31 March 2018				
Borrowings (including current maturities)	1,358.47	1,956.69	-	3,315.16
Trade payables	3,842.12	-	-	3,842.12
Other financial liabilities	1,881.34	240.02	-	2,121.36

(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 2019	As at 31 March 2018
Borrowings (including current maturities of long-term debts)	(A)	2,218.84	3,125.75
Less: Cash and cash equivalents		4,483.71	1,522.58
Net borrowings		(2,264.87)	1,603.17
Total equity	(B)	36,956.41	34,131.84
Total capital (equity + net borrowings)		34,691.54	35,735.01
Debt equity ratio	(A)/(B)	0.06	0.09

Notes to Consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

38 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 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		36,956.41		3,136.30		(311.73)		2,824.57

For the year ended 31 March 2018

Parent Company:

- IFB Agro Industries Limited	100.88%	34,432.86	110.28%	3,157.18	100.71%	940.10	107.93%	4,097.28
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Foreign subsidiary Company:

- IFB Agro Marine FZE	-0.88%	(301.02)	-10.28%	(294.36)	-0.71%	(6.66)	-7.93%	(301.02)
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Total		34,131.84		2,862.82		933.44		3,796.26
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Note:

The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2019 and 31 March 2018.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191
Kolkata, 27 May 2019

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

Joint Executive Chairman
Vice Chairman and Managing Director
Chief Financial Officer
Company Secretary
Kolkata, 27 May 2019

Bikram Nag (DIN: 00827155)
Arup Kumar Banerjee (DIN: 00336225)
Rahul Choudhary
Ritesh Agarwal

Ten Years' Standalone Financial Summary

₹ in Lacs

	IGAAP							Ind AS		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue from Operations	27,794.97	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
PBDIT	1,738.68	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
PBIT	826.43	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
PBT	649.80	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
PAT	442.45	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
Net Fixed Assets	6,676.96	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
Net Working Capital	1,683.17	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
Net Debt	-	-	-	-	-	-	4,342.75	3,081.99	1,900.56	-
Earnings per Share	5.53	22.26	33.15	29.09	44.49	16.63	31.31	34.89	33.70	35.45
Book Value per Share	85.97	108.23	141.38	174.98	219.97	236.60	267.91	323.85	367.59	399.66
Free Cash Flow	(487.80)	2,304.69	772.89	1,383.62	(670.98)	1,341.20	(9,267.47)	275.53	1,959.35	4,528.57
PBDIT %	6.26%	8.06%	8.75%	10.97%	13.79%	7.51%	9.53%	5.40%	4.52%	3.44%
Return on Capital Employed	10.72%	29.66%	32.35%	24.66%	31.23%	10.93%	12.08%	12.03%	12.35%	10.55%
Return on Net Worth	6.43%	20.57%	23.45%	16.63%	20.23%	7.03%	11.69%	10.77%	9.17%	8.87%
Asset Turnover Ratio	4.16	6.37	7.53	6.43	5.23	5.04	4.30	8.31	11.11	12.88
Working Capital Cycle (days)	20.05	5.91	11.89	21.25	14.46	30.12	29.38	9.45	10.06	6.58

Note: Revenue from operations (net) for the financial year 2016-17, 2017-18 and 2018-19 includes excise duty amounting to ₹ 32,766.20 lacs, ₹ 61,057.56 lacs and ₹ 80,722.81 lacs respectively.

NOTES

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