

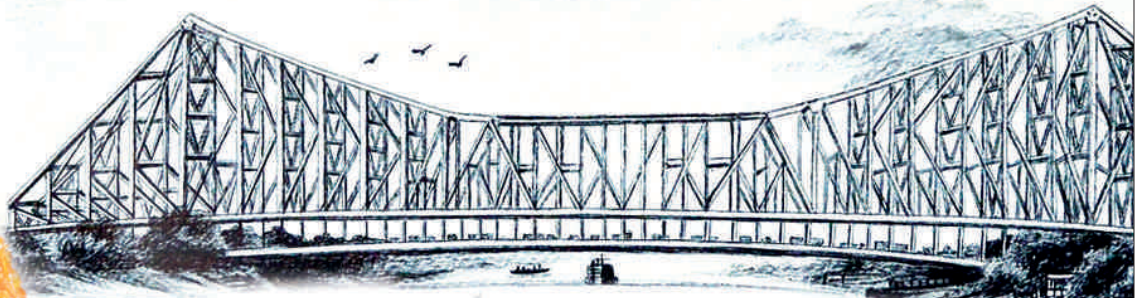


Annual Report  
2021-2022



# IFB

# Fresh Catch



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**■ BOARD OF DIRECTORS***Chairman*

Mr. Bijon Bhushan Nag

*Joint Executive Chairman*

Mr. Bikramjit Nag

*Executive Vice Chairman*

Mr. Arup Kumar Banerjee

*Managing Director*

Mr. Amitabha Mukhopadhyay

*Independent Directors*

Mr. Sudip Kumar Mukherji

Mr. Hari Ram Agarwal

Mr. Manoj Kumar Vijay

Mr. Malaykumar Mohindrachandra Das

Dr. Runu Chakraborty

*Non Executive Director*

Mr. Amitabha Kumar Nag

**■ CHIEF FINANCIAL OFFICER**

Mr. Rahul Choudhary

**■ COMPANY SECRETARY**

Mr. Ritesh Agarwal

**■ AUDITORS**

B S R & Co. LLP

Chartered Accountants

**■ REGISTERED OFFICE**

Plot No. IND-5, Sector-1

East Calcutta Township, Kolkata - 700 107

Tel : (033) 3984 9675

Fax No.: (033) 2442 1003 / 3057 5176

E-mail : [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com)

Website : [www.ifbagro.in](http://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](mailto:rta@cbmsl.com)

Website : [www.cbmsl.com](http://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

Marine Preprocessing Centre

Village & P.O. – Dakshin Kalamdan,

Dist. – Purba Medinipur- 721430

**■ BANKERS**

HDFC Bank Limited

ICICI Bank Limited

FEDERAL Bank Limited

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## Notice to the Members

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting (AGM) of the members of IFB Agro Industries Limited will be held on 29<sup>th</sup> day of July, 2022, Friday at 12.30 P.M. (IST) through Video Conferencing / Other Audio-Visual Means (VC/OAVM), in conformity with the Circulars issued by the Ministry of Corporate Affairs, Government of India to transact the following business: -

### AS ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2022, 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, 2022 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, offers himself for re-appointment as Director.

### AS SPECIAL BUSINESS

3. Appointment of Mr. Amitabha Mukhopadhyay (DIN: 01806781) as Director.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and all other applicable provisions if any, of the Companies Act, 2013 (“The Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Amitabha Mukhopadhyay (DIN: 01806781) who was inducted on the Board as an Additional Director on 1<sup>st</sup> November, 2021 and the Company has received a nomination from a member proposing his appointment u/s 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

4. Appointment of Mr. Amitabha Mukhopadhyay (DIN: 01806781) as Managing Director & CEO.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT**, in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification(s) or re-enactment thereof, for the time being in force, and the relevant provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or reenactment thereof and based on the recommendation of Nomination and Remuneration Committee and all applicable guidelines issued by the Central Government from time to time, Mr. Amitabha Mukhopadhyay (DIN: 01806781) be and is hereby appointed as Managing Director & Chief Executive Officer of the Company for a period of three years with effect from 1<sup>st</sup> November, 2021, liable to retire by rotation on such terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this Annual General Meeting, with the liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment and/ or valuation in remuneration, benefits and perquisites payable/made available to the appointee in such manner as may be agreed by and between the Board of Directors/ Committee and Mr. Amitabha Mukhopadhyay, notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Sections 197, 198 and Schedule V to the Companies Act, 2013 in case of no profits / inadequate profits during any financial year / period in between.”

“**RESOLVED FURTHER THAT** notwithstanding anything contained in Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments / re-enactment thereof or any revised/ new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Amitabha Mukhopadhyay, Managing Director & Chief Executive Officer of the Company even if it exceeds the various stipulated limits the Companies Act, 2013 or the rules related thereto during any financial year / period in between.

“**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for obtaining necessary approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company.”

5. Appointment of Mr. Arup Kumar Banerjee (DIN: 00336225) as Executive-Vice Chairman.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the relevant provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or reenactment thereof and based on the recommendation of Nomination and Remuneration Committee and all applicable guidelines issued by the Central Government from time to time, Mr. Arup Kumar Banerjee (DIN: 00336225), be and is hereby appointed/redesignated as Executive Vice Chairman of the Company w.e.f 1<sup>st</sup> November, 2021 till 29<sup>th</sup> July, 2023, on the terms and conditions including remuneration as set out in explanatory statement attached hereto and forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Sections 197, 198 and Schedule V to the Companies Act, 2013 in case of no profits / inadequate profits during any financial year / period in between.”

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

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

“**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for obtaining necessary approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company.”

6. Appointment of Mr. MalayKumar Mohindrachandra Das (DIN: 00408084) as an Independent Director.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr. Malaykumar Mohindrachandra Das (DIN:00408084), Non-Executive Independent Director who was appointed as an Additional Director of the Company on December 30, 2021 and who has submitted a declaration confirming that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for appointment under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director of the Company u/s 160 of the Companies Act, 2013 be and is hereby appointed as a Non-Executive Independent Director of the Company and to hold office for a term upto five consecutive years, w.e.f December 30, 2021.”

**“RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the applicable provisions of the Companies Act, 2013, if any, Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for the continuation of Mr. Malaykumar Mohindrachandra Das (DIN: 00408084) as Non-Executive Independent Director of the Company consequent to Mr. Das attaining the age of 75 years during his tenure as Non-Executive Independent Director of the Company.”

By the Order of the Board

**Registered Office:**

Plot No. IND-5, Sector - 1  
East Calcutta Township, Kolkata - 700 107  
CIN: L01409WB1982PLC034590  
Email: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com)  
Website: [www.ifbagro.in](http://www.ifbagro.in)  
Date: 30 May, 2022

Ritesh Agarwal  
Company Secretary  
(ACS 17266)

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circulars dated April 8, 2020 April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as “MCA Circulars”) and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through Video Conferencing / Other Audio-Visual Means (VC/OAVM). The registered office of the Company shall be deemed to be the venue for the AGM.
2. Relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed to this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [patnaikandpatnaik@yahoo.com](mailto:patnaikandpatnaik@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's

Registrars and Transfer Agents i.e., CB Management Services (P) Ltd (“CBMSL”) or can email in the email-id i.e., [rta@cbmsl.com](mailto:rta@cbmsl.com) for assistance in this regard. The Register of Members and Share Transfer Books shall remain closed from 23rd July, 2022 to 29th July, 2022 (both days inclusive)

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Registrar of the Company in case the shares are held by them in physical form. Effective from 1<sup>st</sup> January, 2022, any service requests or complaints received from the members will not be processed by the RTA till the aforesaid details/documents are provided to RTA. On or after 1<sup>st</sup> April, 2023, in case any of the above, cited documents are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).
7. The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The ISR-1 is also uploaded in the website of the Company [www.ifbagro.in](http://www.ifbagro.in). Attention of the members are sought to submit the said form ISR-1.
8. Members may also note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of Duplicate Securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly signed and filled ISR-4, the format for which is available on the Company's website at [www.ifbagro.in](http://www.ifbagro.in).
9. In case of Joint holders, there will be one vote for every Client ID / registered folio number irrespective of the number of joint holders. The facility for making nomination is available for the members in respect of the shares held by them and those who have not done the same are advised to do so by submitting SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination he/she may submit the same in form ISR-3/SH-14 as the case may be.
10. Non-Resident Indian Members are requested to inform the Registrar any change in the Residential Status consequent to return to India for permanent settlement, and update particulars of the Bank account maintained in India with complete name, Branch, account type, account number and address of the Bank.
11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 25<sup>th</sup> July, 2022 through email to [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com). The same will be replied by the Company suitably.
12. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website <http://www.ifbagro.in>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.
15. All documents referred to in the Notice and the Explanatory Statement shall be made available for on-line inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com) with a copy marked to [rta@cbmsl.com](mailto:rta@cbmsl.com) from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers.
16. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, shall be made available for on-line inspection upon login at NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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

**a. VOTING THROUGH ELECTRONIC MEANS**

i. In compliance with section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, substituted by Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice.

ii. **The remote e-voting will commence on Tuesday, 26<sup>th</sup> July, 2022 at 9:00 AM (IST) and will end on Thursday, 28<sup>th</sup> July, 2022 at 5:00 PM (IST).** During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> July, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If the member forgets the password, the member can reset his password by using “Forget User Details/password or “Physical User Reset Password” option available on hyperlink "<http://www.evoting.nsdl.com>" [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps of remote e-voting as mentioned below under.

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

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below: -*

**Step 1: Access to NSDL e-Voting system**

**Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.**





**Details on Step 1 are mentioned below:**

**A. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> </ol>



Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>2. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Please follow steps given in points 1-5 of Pt. A.</li> </ol> <p><b>B. e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile phone.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol> <p><b>C. e-Voting through NSDLApp</b></p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL portal</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration">https://web.cdslindia.com/myeasi/Registration</a> / Easi Registration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective <b>e-Voting service provider i.e. NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</li> <li>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol>

**Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
For securities held with NSDL.	Members may please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
For securities held with CDSL.	Members may please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B. Login method for e-Voting and joining virtual meeting for Shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or laptop.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders'/Member’s section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details will be as per details given below:

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

5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). or
  - b. “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join Virtual Meeting on NSDL e-Voting system 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 120218” of the Company. For joining the virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [patnaikandpatnaik@yahoo.com](mailto:patnaikandpatnaik@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. 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 <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

1. Physical Holding : In case shares are held in physical mode may please send a request to the Registrar and Transfer Agent of the Company at [rta@cbmsl.com](mailto:rta@cbmsl.com) providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.
2. Demat Holding : In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [rta@cbmsl.com](mailto:rta@cbmsl.com)
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. The Members can join the AGM through the VC/OAVM mode 30 minutes before the scheduled time of commencement of the Meeting by following the procedure mentioned later in the Notice and will be closed on expiry of 15 minutes from the schedule time of the AGM. The facility of participation at the AGM through VC or OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer and others who are allowed to attend the AGM without restriction on account of first come first serve basis.
4. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in)/ 022-24994553/ +91 9326781467.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com) latest by 25<sup>th</sup> July, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Each Speaker is requested to express his / her views within 2 - 3 minutes of the allotted time. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak.
6. Please note that Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network.

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

**Other Instructions**

1. Mr. S K Patnaik, Practicing Company Secretary (Membership No. FCS 5699) Partner of M/s. Patnaik & Patnaik, Company Secretaries has been appointed by the Board of Directors as the Scrutinizer for providing facility to the members of the Company, to scrutinize the remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and prepare, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
3. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ifbagro.in](http://www.ifbagro.in) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of the results by the Chairman or person authorized by him in writing. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

4. Subject to receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of the meeting itself, i.e. 29<sup>th</sup> July, 2022.

By the Order of the Board

**Registered Office:**

Plot No. IND-5, Sector - 1  
East Calcutta Township, Kolkata - 700 107  
CIN: L01409WB1982PLC034590  
Email: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com)  
Website: [www.ifbagro.in](http://www.ifbagro.in)  
Date: 30 May, 2022

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 6 of the accompanying Notice dated 30 May, 2022.

**ITEM NO. 3 & 4**

Mr. Amitabha Mukhopadhyay, (DIN: 01806781), aged 57 years based on the recommendation of Nomination & Remuneration Committee was inducted in the Board as an Additional Director and designated as Managing Director & CEO, w.e.f 1<sup>st</sup> November, 2021 for a period of three years, liable to retire by rotation subject to approval of the shareholders.

Mr. Mukhopadhyay, has worked as Group CFO for leading Indian groups for almost two decades and in a career spanning over three decades, mostly divided between Tata Group of Companies, IFB industries Limited and Thermax Limited, held leadership roles in Corporate Finance, M&A and Corporate Strategy.

Mr. Mukhopadhyay serves as Independent Director on the Board / Committees of Quick Heal Technologies Limited, Foseco India Limited and Safepack Industries Limited.

Mr. Mukhopadhyay has provided necessary disclosure of Director's interest and their shareholding u/s 184(1), eligibility to act as a director u/s 164(2) and other declarations as required under various sections of the Companies Act, 2013. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Mr. Mukhopadhyay to be appointed as Managing Director of the Company.

The terms and conditions of the re-appointment including remuneration payable to Mr. Amitabha Mukhopadhyay are:

1. Period: Three Years effective from 1<sup>st</sup> November, 2021.
2. Remuneration:
  - a) Salary: ₹ 7,00,000/- (Rupees Seven Lakhs only) per month.
  - b) HRA: ₹ 3,50,000/- (Rupees Three lakh Fifty Thousand only) per month.
  - c) Other Allowance: ₹ 1,45,850/- (Rupees One Lakh Forty-Five Thousand Eight hundred and fifty only) per month.
  - d) Perquisites: Classified into three categories as under:

**PARTA**

- i) Medical Reimbursement: Rs. 25,000/- (Rupees Twenty-Five Thousand Only) per annum.
- ii) Leave Travel Allowance: For self and family once in a year incurred in accordance with the Rules of the Company.
- iii) Insurance: As per the rules of the Company.
- iv) Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.



PART B

- i) Gratuity as per the rules of the Company.
- ii) Contribution to the Provident Fund as per the rules of the Company.
- iii) Leave encashment as per the rules of the Company.

PART C

- i) Car: Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company to Mr. Mukhopadhyay.
  - ii) Telephone: Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.
- e) Incentive: In addition to Salary, Perquisites and other allowances, incentive of ₹ 25 Lakhs to be paid annually based on the performance during the year.

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

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

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

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modifications or re-enactment thereof; and in the absence of any such rules, perquisite and allowances shall be evaluated at actual cost.

The Company's contribution to Provident Fund, to the extent not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

Further, the remuneration as would be paid to Mr. Amitabha Mukhopadhyay during his tenure would be the minimum remuneration payable to him even if the said remuneration exceeds the stipulated managerial limits in terms of the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act and the excess payment of managerial remuneration, if any, during any financial year / period in between will stand waived subject to fulfillment and compliance of other conditions as mentioned under the various provisions of the Act or rules related thereto.

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

The detail of other Directorship and memberships in other companies/committees of Mr. Amitabha Mukhopadhyay are provided in the "Annexure" to the Notice.

The above may be treated as an abstract of the terms of contract between the Company and Mr. Amitabha Mukhopadhyay.

Mr. Amitabha Mukhopadhyay, shall perform such duties and exercise such powers as are entrusted to him by the Board.

None of the other Directors, Key Managerial Personnel of the Company and/or their relatives, except Mr. Amitabha Mukhopadhyay in any way, are concerned or interested, financially or otherwise in the resolution set out in item No. 3 & 4 of the Notice.

The Board recommends the resolution under Item No. 3 & 4 for approval of the members as an Ordinary Resolution & Special Resolution respectively.

**ITEM NO. 5**

Mr. Arup Kumar Banerjee ((DIN: 00336225), an Honours Graduate in Commerce and Diploma in Business Management from IIM Calcutta is having experience of more than 48 years in the industry. Before joining the Company in the year 1995 he worked with IFB Industries Limited in various positions. He has made several significant contributions to the Company's growth and implemented investment plans and business strategies. His contributions have been invaluable towards the growth of the Company. Mr. Arup Kumar Banerjee, aged 69 years was appointed as Vice Chairman and Managing Director of the Company by the Shareholders of the Company at the Annual General Meeting of the Company held on 4th September, 2020 for a period of three years w.e.f. 30 July, 2020 based on the recommendation of Nomination & Remuneration Committee and the Board of Directors.

However, Mr. Arup Kumar Banerjee, Vice Chairman and Managing Director tendered his resignation in continuation of service from the post of Managing Director of the Company w.e.f. 29 October, 2021. Nomination and Remuneration Committee at its meeting dated 29 October, 2021 recommended to re-appoint Mr. Arup Kumar Banerjee as Executive Vice Chairman by splitting the post of Vice Chairman and Managing Director into two separate Executive posts of Vice Chairman and Managing Director respectively and recommended the same to the Board for its consideration and approval. The Board of Directors at its meeting dated 1st November, 2021 approved the appointment of Mr. Arup Kumar Banerjee as Executive Vice Chairman of the Company and recommended the same to the members for their approval in this Annual General Meeting. Mr. Banerjee has provided all the necessary declarations as required under the Act to give effect to this appointment.

The terms and conditions of the appointment of Mr. Arup Kumar Banerjee are mentioned hereinbelow:

1. Period: Twenty-one months effective from 1<sup>st</sup> November, 2021.
2. Remuneration:
  - a) Salary: ₹ 8,40,000/- (Rupees Eight Lakh Forty Thousand only) per month.
  - b) HRA: ₹ 4,20,000/- (Rupees Four lakh Twenty Thousand only) per month.
  - c) Other Allowance: ₹ 1,40,000/- (Rupees One Lakh Forty Thousand only) per month.
  - d) Perquisites: Classified into three categories as under:

**PART A**

- a. Medical Reimbursement: ₹ 25,000/- (Rupees Twenty-Five Thousand Only) per annum.
- b. Leave Travel Allowance: For self and family once in a year incurred in accordance with the Rules of the Company.
- c. Insurance: As per the rules of the Company.
- d. Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**PART B**

- i) Gratuity as per the rules of the Company.
- ii) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- iii) Leave encashment as per the rules of the Company.

**PART C**

- i) Car: Provision of car for use on Company's Business will not be considered as perquisite. However, use of car for private purpose will be billed by the Company to Mr. Arup Kumar Banerjee.
- ii) Telephone: Company will reimburse expenses in connection with telephone at residence & mobile connections used for official purposes as per the rules of the Company.
- e) Commission: In addition to Salary, Perquisites and other allowances, one percent commission based on the Net Profits of the Company computed in the manner laid down in section 198 of the Companies Act, 2013, or any statutory modification(s) or enactment thereof.

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

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

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

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modifications or re-enactment thereof; and in the absence of any such rules, perquisite and allowances shall be evaluated at actual cost.

The Company's contribution to Provident Fund, Superannuation or Annuity Fund to the extent this singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

Further, the remuneration as would be paid to Mr. Arup Kumar Banerjee during his tenure would be the minimum remuneration payable to him even if the said remuneration exceeds the stipulated managerial limits in terms of the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act and the excess payment of managerial remuneration, if any, during any financial year / period in between will stand waived subject to fulfillment and compliance of other conditions as mentioned under the various provisions of the Act or rules related thereto.

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

The detail of other Directorship and memberships in other companies/committees of Mr. Arup Kumar Banerjee is provided in the "Annexure" to the Notice.

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

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

None of the other Directors, Key Managerial Personnel of the Company and/or their relatives, except Mr. Arup Kumar Banerjee in any way, are concerned or interested, financially or otherwise in the resolution set out in item No. 5 of the Notice.

The Board considers that his association would be of immense benefit to the company and recommends the resolution for approval.

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

#### **ITEM NO. 6**

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, had passed a resolution by circulation dated December 30, 2021 to appoint Mr. Malay Kumar Mohindrachandra Das (DIN.: 00408084) as an Additional, Non-Executive, Independent Director of the Company under the provisions of the Companies Act, 2013 pursuant to the requirement of SEBI (Listing Obligation & Disclosure Requirements), Regulations 2015. As per the said resolution, it is proposed to appoint Mr. Das for a term of 5 years w.e.f 30<sup>th</sup> December, 2021. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Mr. Das to be appointed as an Independent Director as per the provisions of the Companies Act, 2013.

In the opinion of the Board, Mr. Das meets the criteria of independence as laid down under Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements), Regulations 2015. Mr. Das is not disqualified from being appointed as Director in terms of Section 164 of the Act and has consented to act as an Independent Director of the Company and has provided all the necessary disclosures in this regard. In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulations 17, 17A and 25(8) of the LODR Regulations, the appointment of Mr. Das as an Independent Director with effect from 30<sup>th</sup> December, 2021 for a



period of 5 consecutive years is now being placed before the Members for their approval. Mr. Das is already registered with Independent Directors' databank under MCA as maintained with Institute of Corporate Affairs of India.

Mr. Das, 71 years acquired his B. Tech (Hons) in Chemical Engineering from Indian Institute of Technology- IIT Khargapur in the year 1972. Mr. Das joined Thyssenkrupp Group in 1979 and was involved with various functional responsibilities at different hierarchical levels. Mr. Das is currently Director with Das Buro Advisors Private Limited.

Mr. Das will attain the age of 75 years during the proposed tenure of his appointment as an Independent Director of the Company. Consequently, in compliance with the provisions of Regulation 17(1A) of the SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015 (as amended from time to time), the resolution set out in item No: 6 is proposed as Special Resolution.

In the opinion of the Board, he fulfils the conditions specified in the Act and the LODR Regulations for appointment as an Independent Director and is independent of the Management of the Company and he is not debarred from accessing the capital markets and/or restrained from holding position of directors in any listed company.

The Board considers that his association would be of immense benefit to the company and recommends the resolution for approval.

None of the other Directors, Key Managerial Personnel of the Company and/or their relatives, except Mr. Das, in any way, are concerned or interested, financially or otherwise in the resolution set out in item No. 6 of the Notice.

The Board of Directors of the company recommends the resolution set out in item No. 6 as Special Resolution for approval of the members.

By the Order of the Board

Registered Office:  
Plot No. IND-5, Sector - 1  
East Calcutta Township, Kolkata - 700 107  
CIN: L01409WB1982PLC034590  
Email: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com)  
Website: [www.ifbagro.in](http://www.ifbagro.in)  
Date: 30 May,2022

Ritesh Agarwal  
Company Secretary  
(ACS 17266)

**Details of the Director seeking appointment/ reappointment in Annual General Meeting (in pursuance of Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards-2 issued by the Institute of the Company Secretaries of India:-**

Name of Director	Mr. Amitabha Kumar Nag	Mr. Arup Kumar Banerjee	Mr. Amitabha Mukhopadhyay	Mr. Malay Kumar Mohindrachandra Das
DIN	00117546	00336225	01806781	00408084
Date of birth	23.06.1956	23.08.1952	17.08.1964	04.12.1950
Nationality	Indian	Indian	Indian	Indian
Date of appointment	26.07.2003	28.07.2001	01.11.2021	30.12.2021
Qualification	B.Com (H), M.Com, FCA	B.COM (Hons.), Diploma in Business Management from IIM Calcutta	B.Sc (Hons), FCA, LLB	B.Tech (Hons), IIT, Kharagpur
Experience in functional areas	More than 40 years of experience in Finance, Accounts & Taxation.	Business Executive	Expertise in corporate finance, M&A and corporate strategy.	Industry Experience, Business Strategy, Sales and Marketing Skills.
Relationship with other Directors	Not related to any Director.	Not related to any Director.	Not related to any Director.	Not related to any Director.
Shareholding in the Company including shareholding as a beneficial owner	NIL	NIL	NIL	NIL
List of directorships held in other listed companies	NIL	NIL	1. Quick Heal Technologies Limited - Independent Director 2. Foseco India Ltd - Independent Director	NIL
Committee membership in other listed companies	NIL	NIL	<b>Audit Committee (Chairman)</b> a. Quick Heal Technologies Limited b. Foseco India Limited <b>Stakeholder's Relationship Committee-Member</b> a. Quick Heal Technologies Limited b. Foseco India Limited <b>Nomination &amp; Remuneration Committee - (Member)</b> a. Quick Heal Technologies Limited b. Foseco India Limited <b>Corporate Social Responsibility Committee - (Member)</b> Foseco India Limited <b>Risk Management Committee - Chairman</b> Foseco India Limited	NIL
Listed entities from which the Person has resigned in the last three years.	NIL	NIL	NIL	NIL
Skills and Capabilities required for the role and the manner in which the proposed person meets the requirements.	NA	NA	NA	<b>Skills &amp; Capabilities Required:-</b> Industry Knowledge, Risk Management, Strategy Development. <b>Manner in which proposed person meets the requirements:-</b> Mr. Das, 71, a Chemical Engineer by profession was involved with various functional responsibilities at different hierarchical levels in Thyssenkrupp Group. His knowledge and overall experience shall help the Company.

## Report of the Directors' & Management Discussion and Analysis Report

### To the Members,

The Directors have pleasure in presenting before you the 40<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2022.

### Financial Results & Performance Review

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

Particulars	Standalone		Consolidated	
	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021
Revenue from Operations (Gross)	2,27,725	1,69,345	2,27,861	1,70,126
Less: Excise Duty	1,26,716	99,973	1,26,716	99,973
Revenue from Operations (Net)	1,01,009	69,372	1,01,145	70,153
Other Income	1,536	1,631	1,576	1,686
Total Revenue	1,02,545	71,003	1,02,721	71,839
Profits prior to finance charges and depreciation (EBIDTA)	9,256	7,270	9,087	7,220
Less: Finance Charges	55	7	66	17
Depreciation & Amortisation	1,696	1,482	1,698	1,484
Profit Before Tax & Exceptional Items	7,505	5,781	7,323	5,719
Less: Exceptional Items	702	-	-	-
Profit Before Tax	6,803	5,781	7,323	5,719
Less: Tax Expenses	1,469	1,081	1,469	1,081
Profit After Tax	5,334	4,700	5,854	4,638
Other Comprehensive Income	(160)	1,659	(167)	1,665
Total Comprehensive Income	5,174	6,359	5,687	6,303

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

### Standalone

During the year under review your Company has recorded net operational revenue of ₹ 101,009 lakhs (as against ₹69,372 lakhs in 2020-21) recording an increase of 46% as compared to previous year.

Operational profit (EBITDA) increased to ₹ 9,256 lakhs in 2021-22 (as against ₹ 7,270 lakhs in 2020-21), an increase of 27% as compared to the previous year.

Your Company has earned a profit before tax of ₹ 6,803 lakhs (as against ₹5,781 lakhs in 2020-21) and net profit of ₹ 5,334 lakhs (as against ₹ 4,700 lakhs in 2020-21).

### Consolidated

Net Revenue from Operations on consolidated basis increased from ₹ 70,153 lakhs to ₹ 101,145 lakhs an increase of 44%. Profit before depreciation, finance cost and tax on consolidated basis as compared to last year grew by 26 % to ₹ 9,087 lakhs.

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

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

***Spirit, Spirituous Beverages and allied products:***

Financial year 2021-22 was a globally challenging year due to COVID-19 pandemic.

The Company's capacity expansion plan for the distillery from 110 KL per day to 170 KL per day was completed during the year. The project completion got delayed by seven months as there were delay in supply of labour, equipment etc. due to pandemic. The plant is now operating at its full capacity of 170 KL per day.

Indian Made Indian Liquor (IMIL) business witnessed a decline in volume in the industry by 14.5% during the year as the MRP of the IMIL products have gone up.

The business continues to face issues as reported earlier and stiff competition due to excess capacity created by the new bottling plants in West Bengal.

***Marine Products:***

Marine exports registered a revenue growth of 144% during the year due to better demand in export market as hotels, restaurants in the exporting countries have started opening. The margins were impacted due to higher freight cost and reduction in export incentive by the Central Government with retrospective effect. Company will focus to improve margins by strengthening its marketing by adding new supply destinations, reducing overhead and by increasing overall efficiency.

Marine aqua feed business revenue grew by 75% during the year. The company continues with its restrictive credit policy adopted. The Company launched its own branded Fish & Prawn feed in the name of "Nutrisigma" and "Nutrafeed". The company is focusing on direct sales to farmers through its retail aqua shop chain "Aquashop".

Marine domestic food business was impacted as demand from hotels and restaurant declined significantly. Company is focusing more on online and e-commerce sale to maintain its revenue and margins. The Company continues to invest in this business in terms of product innovation, marketing and infrastructure.

Your Company incorporated a Wholly Owned Subsidiary (WOS) 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 fifth year of operation for the WOS. Efforts are being made to strengthen the trading operation in international market. The WOS reported a loss of ₹ 187 lakhs during the year. During the year, based on its assessment of business performance of the subsidiary, ₹ 702 lakhs being the entire value of investment, has been provided for diminution in its value of investments in the subsidiary.

**OUTLOOK, OPPORTUNITIES, THREATS AND CONCERNS**

The current financial year will be a year of challenges for both the domestic and export business. Increase in the input prices, higher freight cost is likely to impact the margin. Margin in Distillery is also likely to be impacted due to increase in the prices of non-edible grain and fuel cost.

Growth in the Aqua feed business will be affected due to the competition and restrictive credit being allowed by the Company in the market. The focus of the company shall be to make direct sales to farmers from its aqua shops under cash and carry model.

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

During 2022-23, 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. The Board of Directors at its meeting dated 9<sup>th</sup> August, 2021 has constituted a Risk Management Committee pursuant to the requirement of Regulation 21 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015.

Appropriate structures are in place to proactively monitor and manage the inherent risks in business.



**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**

There has been no material changes and commitments that have occurred after the closure of the year till the date of this Report, which affect the financial position of the Company.

**CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY**

During the year under review, there is no change in the nature of the business operations of the Company.

**SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

There were significant changes in certain key financial ratios of the Company that have changed more than 25% over previous year. Kindly refer Note 42 of the attached financial report 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 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, 2022, eight 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.

**ANNUAL RETURN**

Pursuant to Section 92 (3) of the Companies Act, 2013 read with Section 134(3)(ca) of the Act read with Companies (Management & Administration) Amendment Rules, 2020 the Annual Return for the financial year 2021-2022 is available at the Company's Official website at the weblink: <https://www.ifbagro.in>.

**DIRECTORS**

Mr. Arup Kumar Banerjee (DIN: 00336225), Vice Chairman and Managing Director was re-appointed for a period of 3 (years) with effect from 30 July 2020 by the shareholders at the Thirty Eighth Annual General Meeting of the Company held on 4 September 2020. However, Mr. Banerjee tendered his resignation from the post of Managing Director vide letter dated 29<sup>th</sup> October, 2021. The Board took on record its deep sense of appreciation for the services rendered by Mr. Arup Kumar Banerjee as Managing Director of the Company.

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee appointed/redesignated Mr. Arup Kumar Banerjee as the Executive Vice Chairman of the Company w.e.f 1<sup>st</sup> November, 2021 on the existing terms and conditions as were approved by the members of the Company at the 38th Annual General Meeting of the Company held on 4th September, 2020 till the remaining tenure subject to approval of the shareholders in the forthcoming Annual General Meeting. Details with regard to his appointment has been annexed in compliance with Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) to the Notice convening the ensuing AGM.

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee appointed Mr. Amitabha Mukhopadhyay, (DIN:01806781), as Managing Director (Additional) and designated him as Managing Director & CEO for a period of 3(Three) years w.e.f 1<sup>st</sup> November, 2021 subject to approval of the shareholders in the forthcoming Annual General Meeting.

Mr. Mukhopadhyay has provided all the necessary disclosures as per Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is liable to retire by rotation. Mr. Mukhopadhyay fulfils the conditions specified in the Act and the Rules thereunder and is not debarred to hold the office of Executive Director pursuant to any order of SEBI or any other authority. Details with regard to his appointment has been annexed in compliance with Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) to the Notice convening the ensuing AGM.

Mr. Malay Kumar Mohindrachandra Das, (DIN : 00408084) was appointed as a Non-Executive Independent Director (Additional) on the Board of Directors of the company by Resolution by Circulation dated 30th December, 2021 pursuant to the recommendation of the Nomination & Remuneration Committee, for a term of five (5) consecutive years subject to approval of the shareholders at the ensuing AGM. Mr. Das, Independent Director of your Company has submitted to the Board of Directors of your company that he meets the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 read with Regulations 16(1)(b) and 25(8) of the Listing Regulations and there is no change in his status of Independence and have also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties. Mr. Das fulfils the conditions specified in the Act and the Rules thereunder and is not debarred to hold the office of Non-Executive Director pursuant to any order of SEBI or any other authority. Details with regard to his appointment has been annexed in compliance with Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) to the Notice convening the ensuing AGM.

Mr. Amitabha Kumar Nag, (DIN: 00117546), Non-Executive Non-Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Details with regard to his appointment has been annexed in compliance with Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) to the Notice convening the ensuing AGM.

Appropriate resolutions seeking the appointment/reappointment of directors and requisite details as per Section 102 of the Companies Act, 2013 is appearing in the Notice convening the ensuing Annual General Meeting of the Company.

#### **KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Amitabha Mukhopadhyay, (DIN: 01806781) has been appointed as the Managing Director and CEO for a period of 3 (Three) years w.e.f 1<sup>st</sup> November, 2021 and Mr. Arup Kumar Banerjee has been redesignated and appointed as the Executive Vice Chairman of the Company w.e.f 1<sup>st</sup> November, 2021 till 29<sup>th</sup> July, 2023 on terms and conditions as were approved by the members of the Company at the 38th Annual General Meeting of the Company held on 4th September, 2020. Necessary details relating to their appointment has been mentioned in the Director's section of this Report.

Save and except the above there has been no change in the position of KMP u/s 203 of the Companies Act, 2013.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. The declarations were noted by the Board at its meeting held on 30th May, 2022. There has been no change in the circumstances affecting their status as independent directors of the Company. Necessary confirmations were also taken from the afore-mentioned Independent Directors in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended thereto.

#### **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation") which include criteria for performance evaluation of non-executive directors and executive directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company.

The evaluation of the Board, its Chairman, individual Directors and Committees of the Board was undertaken in compliance with the provisions of Section 134(3)(p) and Schedule IV of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

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 31<sup>st</sup> March, 2022, to review the performance of the Non-Independent Directors, Chairman and the Board as a whole.

In the Board meeting held dated 31<sup>st</sup> March, 2022, 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.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

To familiarize the Independent Directors with the strategy, operations and functions of our company, the executive directors/ senior managerial employees make presentation to the Independent Directors about the company's strategy, operations, product and service offerings, markets, finance, quality etc. Independent Directors are also visiting factories and branch offices to familiarise themselves with the operations of the company and to offer their specialized knowledge for improvement of the performance of the company.

#### **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 as at 31.03.2022 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. As part of the policy, the Company strives to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / KMPs of the quality required to run the company successfully.

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 I which forms part of this Report. The statement containing particulars of employees employed throughout the year and in receipt of remuneration of Rs. 1.02 crore or more per annum and employees employed for part of the year and in receipt of

remuneration of Rs. 8.5 lacs or more per month, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this report and is available on the website of the Company, at [www.ifbagro.com](http://www.ifbagro.com).

In terms of Section 136 of the Act, the said Annexure is open for inspection and any member interested in obtaining a copy of the same may write to the Company to e-mail id: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com).

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Board of Directors of the Company based on the recommendation of the Audit Committee, in its meeting held on 17th January 2022, has approved an investment of up to INR 40 crore (Rupees Forty Crore Only) in Equity Shares and/or Compulsorily Convertible Preference Shares (CCPS) of IFB Refrigeration Limited in one or more tranches for a minority stake.

The Company had also remitted Rs. 213 lakhs (equivalent to USD 292,000) on 3rd June, 2021, as contribution towards equity capital in its wholly owned subsidiary, IFB Agro Marine FZE.

#### **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

As required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies Accounts Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is given in Annexure II which forms a part of 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 432 as on 31st March 2022.

#### **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 Internal Complaints Committee. The Company has complied with the provisions relating to the Constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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.

#### **INSOLVENCY AND BANKRUPTCY CODE**

The Company has neither made any application nor any application is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), hence the requirement to disclose the details of application made or any proceeding pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial year is not applicable.

#### **VALUATION**

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial institutions along with the reasons thereof is not applicable.

#### **WEBSITE OF THE COMPANY**

The Company maintains a website [www.ifbagro.in](http://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 read with Regulation 22 of SEBI (LODR), a Vigil Mechanism for Directors and employees to report genuine concerns have been established. During the year under review, none of the



Directors / employees / business associates/ vendors was denied access to the Chairman of the Audit Committee. 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](https://www.ifbagro.in/assets/pdf/Whistle_Blower_Policy.pdf)

### **INTERNAL FINANCIAL 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.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weaknesses in design or operation was observed. The Internal Financial Control systems and procedures and their effectiveness are reviewed and monitored on a regular basis.

### **LISTING WITH STOCK EXCHANGES**

The Equity shares of the Company is listed with the BSE Limited and National Stock Exchange of India Limited and the Company has paid the Annual listing fee for the year 2022-23 to each of the said Exchanges. The Annual Custody/ issuer fee for the year 2022-23 has been paid by the Company to NSDL and CDSL.

### **DEMATERIALISATION OF SHARES:**

95.60% of the Company's paid up Equity Share Capital is in dematerialized form as on 31 March 2022 and balance 4.40% 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.

The paid-up share capital of the Company as at 31 March 2022 remained unchanged and it stood at Rs. 9,36,71,110. During the year under review the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

### **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 III 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>.

In accordance with Section 135 of the Act, as amended read with Notification issued by the Ministry of Corporate Affairs ('MCA') dated 22nd January 2021 and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, which has also been uploaded in the Company's website.

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 and safe drinking water, (d) Rural Development & Livelihood were undertaken in line with the CSR policy. The Company made an expenditure on CSR for an amount of Rs. 94.50 lakhs against the stipulated amount of Rs. 84.68 lakhs.

### **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 31<sup>st</sup> January, 2022, appointed Mr. S. K. Patnaik, partner of M/s Patnaik & Patnaik, Practising Company Secretary (Certificate of Practice No. 7117) as the Secretarial Auditor of the Company.

The Secretarial Auditors' Report for the financial year ending 31st March 2022 is given in Annexure IV, which forms part of this report.

Your Board has the pleasure in confirming that no qualification, reservation, adverse remark or disclaimer has been made by the Company Secretary in Practice in his Report issued to the members of the Company.

## **BUSINESS RESPONSIBILITY REPORT**

In conformance to the requirements of the clause (f) of sub-regulation (2) of Regulation 34 of Securities and Exchange Board of India (SEBI) Listing Regulations, the Business Responsibility Report for financial year 2021-2022 is given in Annexure V which forms part of this Report.

## **DIVIDEND DISTRIBUTION POLICY**

The Board of Directors of IFB Agro Industries Limited at its meeting held on August 9, 2021 has adopted the Dividend Distribution Policy (the "Policy") pursuant to the requirements of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the same is available at the Company's website i.e., [www.ifbagro.in](http://www.ifbagro.in).

## **SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES**

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

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

## **RELATED PARTY TRANSACTIONS**

All contracts/ arrangements/ transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transaction on which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act. The Related Party Policy has been suitably amended to incorporate the regulatory amendments in the SEBI Regulations. All related party transactions are placed before the Audit committee for their approval.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. Your directors draw attention of members to note 34 to the Standalone Financial Statements which set out related party disclosures pursuant to the requirements of IND-AS 24. As required under the Companies Act, the prescribed form AOC-2 is annexed as Annexure VII to this Report.

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](https://www.ifbagro.in/assets/pdf/Policy_on_Related_Party_Transactions.pdf)

## **CORPORATE GOVERNANCE**

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term stakeholder's value. The certificate of the Auditors, M/s BSR & Co LLP, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 which along with the report of Corporate Governance is annexed as Annexure VIII and forms part of this Report.

## **STATUTORY AUDITORS AND AUDIT REPORT**

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

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Auditor's Report does not contain any qualifications, reservation or adverse remark or disclaimer.

### **COST RECORDS**

Your Company is not required to maintain Cost Records as specified by the Central Government u/s 148 (1) of the Companies Act, 2013.

### **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](mailto:complianceifbagro@ifbglobal.com)  
Website : [www.ifbagro.in](http://www.ifbagro.in)  
Date :30 May 2022

Bikramjit Nag  
Joint Executive Chairman  
(DIN: 00827155)

Amitabha Mukhopadhyay  
Managing Director  
(DIN: 01806781)

## ANNEXURE I to Director's Report

### PARTICULARS OF EMPLOYEES

**Part A: Information required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given hereunder:**

- (i) **The ratio of the remuneration of each Director to the median remuneration to the employee of the Company for the financial year 2021-22**

Director's Name	Ratio to median remuneration
Mr. Arup Kumar Banerjee, Executive Vice Chairman	42.15
Mr. Bikramjit Nag, Joint Executive Chairman	22.59
Mr. Amitabha Mukhopadhyay, Managing Director	9.70#

# not comparable being for the part of the year.

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

- (ii) **The Percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary (CS) in the financial year 2021-22.**

Director's/CFO/CS	% increase / (decrease) in remuneration in the Financial Year
Mr. Arup Kumar Banerjee, Executive Vice Chairman	12.38#
Mr. Bikramjit Nag, Joint Executive Chairman	22.58#
Mr. Amitabha Mukhopadhyay, Managing Director	N.A.##
Mr. Rahul Choudhary, Chief Financial Officer	15.00
Mr. Ritesh Agarwal, Company Secretary	15.00

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

## not applicable being appointed during the year

- (iii) **Percentage increase in the median remuneration of employees in the financial year 2021-22: 14.60%**

- (iv) **Number of permanent employees on the rolls of the Company as on 31.03.2022 : 432**



- (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 2021-22 was around 14.60%.

The average increase in staff salary for the year 2021-22 was 14.21%.

The average increase in Managerial Remuneration for the year 2021-22 was 14.76%.

- (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.

**PART B: The statement of Disclosure pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1. The Statement containing the particulars of employees as required under Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (A) Employees drawing remuneration more than ₹102 Lakhs during the year 2021-22.

Particulars	(1)	(2)
Name	Mr. Arup Kumar Banerjee	Mr. Bikramjit Nag
Designation	Executive Vice Chairman	Joint Executive Chairman
Remuneration received	₹ 278.48 lakhs	₹ 149.22 lakhs
Nature of employment	Permanent	Permanent
Qualification	B.Com (Hons.), Diploma in Business Management from IIM Calcutta	BBA from Richmond College, U.K
Experience	48 years	26 years
Date of joining the Company	01.04.1995	27.01.1998
Age of employee on 31.03.2022	69 years	49 years
Last employment held before joining the company	IFB Industries Ltd	IFB Industries Ltd
Percentage of equity shares held by the employee within the meaning of clause (iii) of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	NIL	0.01%
Whether the employee is a relative of any director	No	Related to Mr. Bijon Bhushan Nag, Chairman

- (B) Other employees employed throughout the financial year and was in receipt of remuneration for that year which in the aggregate was not less than ₹102 lakhs: Nil

- (C) Other employees employed for a part of the financial year and was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8.5 lakhs per month:

Particulars	(1)
Name	Mr. Amitabha Mukhopadhyay
Designation	Managing Director (appointed w.e.f 01.11.2021)
Remuneration received	Rs. 64.10 lakhs
Nature of employment	Permanent
Qualification	B.Sc (Hons), FCA, LLB
Experience	33 Years
Date of joining the Company	01.11.2021
Age of employee on 31.03.2022	57 years
Last employment held before joining the company	Thermax Limited
Percentage of equity shares held by the employee within the meaning of clause (iii) of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	NIL
Whether the employee is a relative of any director	No

- (D) Other employees employed throughout the financial year and was in receipt of remuneration which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the company: Nil

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](mailto:complianceifbagro@ifbglobal.com)

Website : [www.ifbagro.in](http://www.ifbagro.in)

Date :30 May 2022

Bikramjit Nag  
*Joint Executive Chairman*  
(DIN: 00827155)

Amitabha Mukhopadhyay  
*Managing Director*  
(DIN: 01806781)

**Annexure II 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 inbuilt multiple reboiler system. This energy efficient technology has helped in reducing of steam consumption by about 10%.
  2. Very High gravity fermentation process (VHG) is continued as standard operating procedure which helped to reduce the consumption of steam and water.
  3. Distilleries were operated mostly on cogenerated power (90%). This year captive power generation had declined little bit due to higher downtime at distillery during Q3 on account of shutdown related to expansion of distillery capacity.
  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 > 97.6% for the distillery operation, with the help of using modern gadgets.
  7. Distillery and Marine processing units had introduced effective microorganism (EM) bacteria based ETP process to avoid high energy intensive traditional aerobic ETP process.
- 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 rice husk along with saw 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 one more rotating steam tube bundled dryer with PLC controls for making DDGS with flexible product quality options.
  3. Introduction of new heat recovery unit (HRU) in the new DDGS dryer to pre heat boiler feed water.
  4. Introduction of water-cooled screw type brine chiller with refrigerant R134A, which is environment friendly, and does not lead to GHG (greenhouse gas) emission.
  5. Introduction I3 grade motor in the expansion project to ensure lower electricity consumption.
  6. Replacement of old PVC insulated armored cable with modern XLPE cable in the newly installed power distribution system, to reduce power transmission losses.
  7. Recycling of boiler ash back to fuel stream inside boiler furnace to reduce LOI (loss on ignition) of fuel.
  8. In house enzyme production to support liquefaction of starch from grain.
  9. Introduction of flash steam recovery system utilizing waste heat coming out of high-pressure boiler blowdown water as well as further preheating of boiler blow down water through application of PHE.
- b) Benefits derived:
1. Improvement in fermentation efficiencies and overall yield.

2. Improved quality, productivity and yield in grain distillery operation.
  3. Lowering of steam and water consumption through 'Eco Smart' distillation technology and integration of vapor 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.
  4. Spirit handling related losses has been lowered significantly with the help of sophisticated imported mass flowmeters, which imparted accuracy in spirit handling.
  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 15% and 6% on fuel consumption.
- c) Technology Imported:  
Successfully completed an exploratory project with IMTECH Chandigarh developing a world class genetically modified strain for optimum production of a process enzyme required for distillery.
- d) Research & Development:
1. In house R&D has successfully developed and all-purpose floor /surface cleaner utilizing distillery byproducts.
  2. Project on DDGS digestibility in poultry feed is sponsored with University of Animal Science.
  3. 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).
  4. Continuing a BIRAC funded project with M/s Rigel Bioenviro for conversion of distillery effluent into biodegradable plastic intermediate.
  5. Expenditure on R&D:
 

5.1 Capital	:	₹ 0.00 Lakhs
5.2 Recurring	:	₹ 54.16 Lakhs.
5.3 Total	:	₹ 54.16 Lakhs.

#### [C] FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	31.03.2022	31.03.2021
a) Foreign Exchange Earnings (FOB value)	22672.58	9414.31
b) CIF Value of Capital Imports	0.23	-
c) Expenditure in Foreign Currency	416.84	223.16

On behalf of the Board

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Website : [www.ifbagro.in](http://www.ifbagro.in)

Date : 30 May 2022

Bikramjit Nag  
*Joint Executive Chairman*  
(DIN: 00827155)

Amitabha Mukhopadhyay  
*Managing Director*  
(DIN: 01806781)



**Annexure III to Directors' Report**
**CORPORATE SOCIAL RESPONSIBILITY**

1. Your Company works on the belief that organizations should exist to serve a social purpose and enhance the lives of people connected through its business. Accordingly your Company devotes resources, in the manner recommended by its CSR Committee and approved by its Board of Directors in accordance with the provisions of law for fulfilling the aforesaid objective in the manner laid out in Schedule VII to the Companies Act, 2013, with particular stress on areas around which the Company operates.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arup Kumar Banerjee	Chairman, Non-Independent Executive Director	2	2
2.	Mr. Hari Ram Agarwal	Member, Independent Non-Executive Director	2	2
3.	Mr. Manoj Kumar Vijay	Member, Independent Non-Executive Director	2	2

3. The Composition of the CSR committee, CSR Policy approved by the board shared above and is available on the Company's website on [www.ifbagro.in](http://www.ifbagro.in).

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):- NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:-

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2020-2021	3.39	NIL

6. Average net profit of the company as per section 135(5):- ₹ 4234.23 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5):- ₹ 84.68 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - NIL

(c) Amount required to be set off for the financial year, if any: - NIL

(d) Total CSR obligation for the financial year (7a+7b+7c):- ₹ 84.68 Lakhs

8. (a) CSR amount spent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
94.50	Amount. (₹ in Lakhs)	Date of transfer.	Name of the Fund	Amount. (₹ in Lakhs)	Date of transfer.
	NIL	-	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year:-

The CSR expenditure spent by the Company in relation to any on-going project is NIL for the Financial Year 2021-22.

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-2022:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District.			Name	CSR Registration number*
1.	Assisting impoverished people by supplying food, sanitizers, grocery and other items during Amphan, COVID-19 as and when required.	Eradicating Hunger, malnutrition, sanitisation.	Yes	West Bengal	24 Parganas (S), Burdwan	25.83	Yes	NA	
2.	Medical assistance & treatment to underprivileged persons & providing medical relief during COVID-19 pandemic.	Promoting Healthcare & Safe drinking water.	Yes	West Bengal	24 Parganas (S)	11.04	Yes	NA	
3.	Medical assistance & treatment to underprivileged persons & providing medical relief during COVID-19 pandemic.	Promoting Healthcare & Safe drinking water.	Yes	West Bengal	Kolkata	40.00	No	Islamia Hospital	CSR00009943
4.	Medical assistance & treatment to underprivileged persons & providing medical relief during COVID-19 pandemic.	Promoting Healthcare & Safe drinking water.	Yes	West Bengal	Kolkata	1.00	No	Mercy Hospital	CSR00006963
5.	Education and skill building projects.	Promoting education & Livelihood. enhancement	Yes	West Bengal	24 Parganas (S), Burdwan, Hooghly, Midnapore	9.27	Yes	NA	
6.	Education and skill building projects.	Promoting education & Livelihood. enhancement	Yes	West Bengal	Kolkata	5.00	No	Ramakrishna Math, Baranagar	CSR00002806
7.	Agricultural & rural infrastructural development and. Community transformation projects	Rural Development	Yes	West Bengal	24 Parganas (S), Burdwan, Midnapore	2.36	Yes	NA	
TOTAL (₹ in Lakhs)						94.50			

\* CSR registration is applicable from 1 April 2021.

(d) Amount spent in Administrative Overheads:-NIL

(e) Amount spent on Impact Assessment, if applicable:-NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):- ₹ 94.50 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)
1.	Two percent of average net profit of the company as per section 135(5)	84.68
2.	Total amount spent for the Financial Year	94.50
3.	Excess amount spent for the financial year [(ii)-(i)]	9.82
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.82

The Company has incurred excess CSR expenditure over and above the stipulated amount by ₹ 3.39 Lakhs and ₹ 9.82 Lakhs for the Financial Year 2020-2021 & 2021-2022 respectively, amounting to ₹ 13.21 Lakhs which will be available for set-off in the Financial Year 2022-2023.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under. Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
1.	-	NIL	-	-	NIL	-	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):- Not applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) :-NONE

(b) Amount of CSR spent for creation or acquisition of capital asset :- NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:- NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):-NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):-NA

On behalf of the Board

**Registered Office:**

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Website : [www.ifbagro.in](http://www.ifbagro.in)  
Date : 30 May 2022

Bikramjit Nag  
Joint Executive Chairman  
(DIN: 00827155)

Arup Kumar Banerjee  
Executive Vice Chairman  
& Chairman of CSR  
Committee  
(DIN: 00336225)

**ANNEXURE IV to DIRECTOR'S REPORT****FORM NO. MR-3****Secretarial Audit Report**for the Financial Year ended 31<sup>st</sup> March, 2022*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
IFB Agro Industries Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 ("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 the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the company during the audit period);
  - d] Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the company during the audit period);
  - e] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
  - f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the company during the audit period); and
  - h] The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not applicable to the company during the audit period).

- (vi) The other laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company namely:
- a] The Food Safety and Standards Act, 2006 and the rules and regulations made thereunder;
  - b] Legal Metrology Act, 2009 and the rules made thereunder;
  - c] The West Bengal Sales Tax Act, 1944;
  - d] Bengal Excise Act, 1909;
  - e] The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
  - f] The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;
  - g] The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
  - h] The Factories Act, 1948 and allied state laws.

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

- (i) The Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**We report that**, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

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

**We further report that** during the audit period, the company has not undertaken any specific events / 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  
Unique Code: P2017WB064500

S. K. Patnaik, Partner  
FCS No. : 5699, C. P. No.: 7117  
Peer Review Cert. No. 1688/2022  
UDIN: F005699D000414679

Place : Kolkata  
Date: 30<sup>th</sup> May 2022

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



To,  
The Members,  
IFB Agro Industries Ltd.

Our Report is to be read along with this letter.

- (i) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (ii) We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.
- (iv) The status of compliance of other laws as listed at (vi) in our Report, we relied upon the statement provided by the Management.
- (v) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- (vi) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
- (vii) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Patnaik & Patnaik  
Company Secretaries  
Unique Code: P2017WB064500

S. K. Patnaik, Partner  
FCS No. : 5699, C. P. No.: 7117  
Peer Review Cert. No. 1688/2022  
UDIN: F005699D000414679

Place : Kolkata  
Date: 30<sup>th</sup> May 2022

**Annexure V to Directors' Report**

**BUSINESS RESPONSIBILITY REPORT**

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

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN) of the Company : L01409WB1982PLC034590
2. Name of the Company: IFB Agro Industries Limited
3. Registered Address: Plot No. IND-5, Sector-1, East Kolkata Township, Kolkata – 700107
4. Website : www.ifbagro.in
5. E-mail id: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com)
6. Financial Year reported: 2021-2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

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

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

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1. Paid up Capital (INR): ₹ 936.71 lakhs.
2. Total Turnover (INR): ₹ 2,27,725 lakhs.
3. Total profit after taxes (INR): ₹ 5,334 lakhs.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.77% of the PAT for the year 2021-22.
5. List of activities in which expenditure in 4 above has been incurred:-
  - (a) Promoting Education and livelihood enhancement
  - (b) Promoting Healthcare and safe drinking water etc.
  - (c) Eradicating Hunger, Malnutrition and sanitation.
  - (d) Rural Development and livelihood

**SECTION C: OTHER DETAILS**

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

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] – **Not Applicable**

#### SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

1. DIN Number : 01806781
2. Name : Mr. Amitabha Mukhopadhyay
3. Designation : Managing Director

- (b) Details of the BR Head

No.	Particulars	Details	Details	Details
1	DIN Number(if applicable)	N.A	N.A	N.A
2	Name	Mr. Santanu Ghosh	Mr. Debasis Ghosh	Mr. Soumitra Chakraborty
3	Designation	CEO -Distillery business	CEO – IMIL Business	CEO Marine Business
4	Telephone number	9830702959	9800013855	9831234696
5	e-mail id	santanu_ghosh@ifbagro.in	debasis_ghosh@ifbagro.in	soumitra_chakraborty@ifbglobal.com

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

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

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

\*Policies can be viewed on Company's website:- [www.ifbagro.in](http://www.ifbagro.in)

\*\*The BR Policy is evaluated internally

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

3. Governance related to BR

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

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

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

Yes. Being published once a year with the Annual Report of the Company since the financial year ended 31st March, 2022. The report can be viewed at [www.ifbagro.in](http://www.ifbagro.in).

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1****BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

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

The Company considers Corporate Governance as an integral part which leads to increase in operational efficiencies and sustained long term value creation for all the stakeholders. The Company has policies on Code of Conduct and Business Ethics (along with Anti-Bribery and Anti-Corruption Directives) and it is intended for ensuring fair dealings with customers, suppliers, contractors and other stakeholders. The Company has introduced a vigil mechanism system through a Whistle Blower Policy.

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

The Company has also created an exclusive e-mail id: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com) to enable the Members / Investors of the Company to communicate their grievances directly. In the Financial Year 2021-2022 Five complaints were received from stakeholders and were resolved satisfactorily.

**Principle 2****BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE**

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

- The effluent Treatment Facility in Noorpur complies with Zero Liquid Discharge (ZLD) concept set up by MOEFCCC and CPCB. The state of art effluent set up with imported DDGS Dryers have ensured ZLD status of the distillery and also ensures profitability through judicious use of the output from that plant.
- The cogeneration plant of Noorpur Distillery consist of 2 X 22 MT capacity boiler and 2 X2.5 MW Turbine Generator which in tandem makes the distillery self-reliant upto 95% of its requirement for power for its normal operation.
- Meeting 100% Pollution Control norms by way of establishing three imported DDGS plants with all accessories thus generating high quality animal feed supplements for the feed industry etc.
- Distillery plant has introduced effective microorganism (EM) bacteria based ETP process to avoid high energy intensive traditional aerobic ETP process.

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

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

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

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

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

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

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

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

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

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

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

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

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

### Principle 3

#### BUSINESS SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

1. Please indicate the Total number of employees. - 432 employees in IFB Agro Industries Ltd – inclusive of the Alcohol and Marine divisions as on 31st March, 2022.
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis. - 719 nos. – across all divisions of the company as on 31.03.2022.
3. Please indicate the Number of permanent women employees. - 9 nos. across all the divisions.
4. Please indicate the Number of permanent employees with disabilities - None.
5. Do you have an employee association that is recognized by management -None.
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :

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

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

### Principle 4

#### BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. Has the company mapped its internal and external stakeholders? Yes/No – *Yes – in terms of mapping stake holders upto supplier / sales partner levels.*
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. *The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner*
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so. *The Company's collaborative stakeholders are manifest in its programmes which company has done under CSR which are mostly towards the welfare of the people and stakeholders in and around our factory locations by providing health and sanitary care, educational facilities and vocational training, essential facilities like water, nutrition etc. Most of the welfare schemes undertaken by the Company are targeted towards upliftment of the poor and down-trodden and marginalised stakeholders located in and around our factories. These initiatives augment the natural resource base of the nation and create sustainable rural livelihoods.*

### Principle 5

#### BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others? *The Policy of the Company on Human Rights covers only the Company.*
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? *There was no complaint received relating to violation of Human Rights during 2021-22.*



**Principle 6****BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.  
*The Company has a Policy on Safety Health and Environment (SHE), which covers all the operations of the Company. The Policy includes implementation of a low carbon growth strategy across its businesses, integrated soil and water conservation programmes and the creation of large-scale sustainable livelihoods amongst the marginalised sections of society. The policy is applicable to the Companies all the location.*  
*All supplier partners and also the company itself adhere to the environment and social norms as mandated by the Government of India.*
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.  
*Yes. The Company is committed to reduce Greenhouse Gas (GHG) emissions and have short-term and long-term targets in this regard. The hyperlink for webpage is <https://www.ifbagro.in>. All these targets are aimed at:*
  - *Continuous focus on reduction of thermal and electrical energy consumption.*
  - *Installation of Waste Recovery System.*
  - *Utilisation of waste products from its thermal power plants like fly ash to improve the environment.*
  - *Development of ponds and afforestation of the mined area to ensure greener environment.*
  - *Installation of high efficiency ESP's in place of bag filters to ensure emissions are well within the permissible limits.*
3. Does the company identify and assess potential environmental risks? Yes.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
*Yes, the Company produces powers in its own plants through use of turbine and waste.*  
*Further, it has also installed heat recovery systems and latest generation energy lighting and equipment, to save energy and fuel cost. The Company has also commissioned Rain Water harvesting projects within the plant and nearby villages. Details are given on the company website [www.ifbagro.in](http://www.ifbagro.in).*
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.  
*The company has projects on energy efficiency at the work place and in its products.*
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? –  
*Emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2021-22.*
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year  
**- NIL**

**Principle 7****BUSINESS WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - i. *Confederation of Indian Industry (CII)*
  - ii. *All India Distillers Association (AIDA)*
  - iii. *Marine Products Export Development Authority (MPEDA).*
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) : **NONE**

**Principle 8****BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy to related Principle 8? If yes details thereof.  
– **Not applicable**
2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?  
– **Not applicable**
3. Have you done any impact assessment of your initiative?  
– **Not applicable**
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?  
*The company's contribution in CSR projects during 2021-22 was Rs.94.50 lakhs which has been elaborated in the separate annexure on CSR to the Board's Report.*
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  
*The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large. This helps in wider reach as well as ensuring the adoption of initiative by communities.*

**Principle 9****BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. – **Nil**
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information) – **Yes**
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. – **No**
4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
*The Company periodically visits its main customers, namely, stockiests, sub dealers, consumers, as part of the appraisal programme and get the feedback on the satisfaction levels on supply, quality and other terms, etc.*

On behalf of the Board

**Registered Office:**

Plot No. IND-5, Sector - 1

East Calcutta Township

Kolkata - 700 107

CIN: L01409WB1982PLC034590

E-mail: [complianceifbagro@ifbglobal.com](mailto:complianceifbagro@ifbglobal.com)

Website : [www.ifbagro.in](http://www.ifbagro.in)

Date :30 May 2022

Bikramjit Nag

Joint Executive Chairman

(DIN: 00827155)

Amitabha Mukhopadhyay

Managing Director

(DIN: 01806781)

**Annexure VI to Directors' Report****Form AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures****Part A Subsidiaries**

Sl. No.	1
Name of the subsidiary	IFB AGRO MARINE(FZE)
The date since when subsidiary was acquired	20-April-2017
Reporting Period for the subsidiary concerned, if different from the holding company's reporting period.	NOT APPLICABLE
Reporting currency	AED
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR 20.67
Share capital	3,750,000
Reserves and surplus	(4,521,039)
Total assets	256,880
Total Liabilities	1,027,919
Investments	-
Turnover	667,977
Profit / Loss before taxation	(908,452)
Provision for taxation	-
Profit / Loss after taxation	(908,452)
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, 2022, 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](mailto:complianceifbagro@ifbglobal.com)  
 Website : [www.ifbagro.in](http://www.ifbagro.in)  
 Date :30 May 2022

Bikramjit Nag  
*Joint Executive Chairman*  
 (DIN: 00827155)

Amitabha Mukhopadhyay  
*Managing Director*  
 (DIN: 01806781)

**Annexure VII to Directors' Report****PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES**

*[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 AOC-2]*

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis**

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.

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](mailto:complianceifbagro@ifbglobal.com)  
Website : [www.ifbagro.in](http://www.ifbagro.in)  
Date :30 May 2022

Bikramjit Nag  
*Joint Executive Chairman*  
(DIN: 00827155)

Amitabha Mukhopadhyay  
*Managing Director*  
(DIN: 01806781)

**Annexure VIII to Directors' Report**
**Report on Corporate Governance**

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

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

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, empowerment, accountability, motivation in all operations and all interactions with its shareholders, investors, lenders, employees and customers. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall stakeholder's value, over a sustained period of time.

**2) Board of Directors**
**A. Composition of the Board of Directors as at 31st March 2022 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 10 (Ten) Directors that includes 1 (one) Woman Independent Director.

Category	No. of Directors	%
Executive Directors	3	30.00
Independent Directors	5	50.00
Non-Executive, Non-Independent Director	2	20.00
Total	10	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 2021-22	Whether attended in AGM held on 6 <sup>th</sup> August 2021	No. of Directorships in other Indian Public Limited Companies as on 31 <sup>st</sup> March 2022**		No. of Committee position held in other Indian Public Limited Companies as on 31 <sup>st</sup> March 2022*		Directorship in other Listed Entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Bijon Bhushan Nag (Chairman)	Non-Executive Director / Promoter Director	1	Yes	1	-	-	-	IFB Industries Limited - Executive Chairman, Non-Independent
Mr. Bikramjit Nag (Joint Executive Chairman)	Executive Director/ Promoter Director	8	Yes	1	1	-	-	IFB Industries Limited - Joint Executive Chairman & Managing Director, Non-Independent
Mr. Arup Kumar Banerjee (Executive Vice Chairman)	Executive Director	8	Yes	-	-	-	-	-
Mr. Amitabha Mukhopadhyay	Managing Director	3	N.A.	-	3	3	2	1. Quick Heal Technologies Limited - Non Executive Independent Director 2. Foseco India Limited - Non Executive Independent Director
Mr. Amitabha Kumar Nag	Non-Executive Director	8	Yes	-	-	-	-	-
Mr. Sudip Kumar Mukherji	Independent Non-Executive Director	8	Yes	-	-	-	-	-
Mr. Hari Ram Agarwal	Independent Non-Executive Director	8	Yes	-	1	-	-	-



Name	Category	No. of Board Meetings attended during 2021-22	Whether attended in AGM held on 6 <sup>th</sup> August 2021	No. of Directorships in other Indian Public Limited Companies as on 31 <sup>st</sup> March 2022**		No. of Committee position held in other Indian Public Limited Companies as on 31 <sup>st</sup> March 2022*		Directorship in other Listed Entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Manoj Kumar Vijay	Independent Non-Executive Director	8	Yes	-	2	1	-	Usha Martin Education & Solutions Limited Non Executive, Independent
Mr. Malaykumar Mohindrachandra Das	Independent Non-Executive Director	3	N.A.	-	1	-	-	-
Dr. Ranu Chakraborty	Independent Non-Executive Director and Woman Director	8	Yes	-	-	-	-	-

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

\*\* Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013. All public Limited Companies whether listed or not have been considered in the aforementioned table

- None of the Directors held directorship in more than 7 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.
- The Managing Director does not serve as an Independent Director in more than three listed Company.
- Mr. Bijon Bhushan Nag and Mr. Bikramjit Nag holds 2,37,509 shares and 1,000 shares respectively in the equity share capital of the Company.
- Mr. Arup Kumar Banerjee has been redesignated/appointed as Executive Vice Chairman w.e.f 1<sup>st</sup> November, 2021 on terms and conditions as approved by the members at the 38<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> September, 2020.
- Mr. Amitabha Mukhopadhyay has been appointed as a Managing Director w.e.f 1<sup>st</sup> November, 2021.
- Mr. Malaykumar Mohindrachandra Das has been appointed as an Independent Director w.e.f 30.12.2021 for a period of 5 years.
- Independent Directors are familiar with the nature of industry, business plan and other aspects of the Company and they meet the requisite criteria of Independence as per Companies Act, 2013 & SEBI LODR. A separate meeting of Independent Directors was convened on 31<sup>st</sup> March, 2022.

**No Director is related to any other Director on the Board except Mr. Bikramjit Nag and Mr. Bijon Bhushan Nag in terms of the definition of "Relative" as per the Companies Act, 2013.**

#### 1) Board Meetings

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 information as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations is made available to the Board. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets. The recommendations of the Committees are placed before the Board for due consideration. The gap between any two meetings does not exceed 4 months.

Due to exceptional circumstances caused by the Coronavirus pandemic and consequent relaxations granted by both Securities Exchange Board of India & Ministry of Corporate Affairs, all board meetings during the year under review were held through video conferencing.

During the year under review 8 Eight meetings were held on following dates:

28<sup>th</sup> April, 2021, 17<sup>th</sup> June, 2021, 9<sup>th</sup> August, 2021, 6<sup>th</sup> October, 2021, 1<sup>st</sup> November, 2021, 17<sup>th</sup> January, 2022, 31<sup>st</sup> January, 2022 and 31<sup>st</sup> March, 2022.

## 2) 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: -

- A. Knowledge on Company's Business and of the Industry in which the Company operates.
- B. Behavioural Skills attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- C. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Legal, Administration and Decision Making.
- D. Accounting, Financial and Management Skills.
- E. Technical / Professional Skills and Specialised Knowledge in relation to Company's business.

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

## 3) Confirmation

The Board of Directors have confirmed that all the Independent Directors (IDs) meet the criteria of independence u/s 149(6) of the Act and Regulations 16(1)(b) (viii) and 25(8) of the Listing (Amendment) Regulations, 2018. Necessary confirmations have also been taken from the Directors in compliance with Rule 6 Sub Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2019 as amended from time to time. The Company issues formal appointment letters to the IDs. All IDs have confirmed that they have met the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 ("Act").

## 4) Skills / Expertise / Competencies of Board of Directors

The Board composition is evenly poised between members specialized in Technical & commercial fields. The collective contribution of the Board of Directors makes an overall impact which reflects in the performance of the Company. The specialized skills/ experience of Board Members are given hereunder: -

### A. Mr. Bijon Bhushan Nag, Chairman :

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

### B. Mr. Bikramjit Nag, Joint Executive Chairman :

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

### C. Mr. Arup Kumar Banerjee, Executive Vice Chairman :

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

### D. Mr. Amitabha Mukhopadhyay, Managing Director :

Mr. Amitabha Mukhopadhyay is a graduate from the University of Calcutta in Physics (Hons). He is a qualified Chartered Accountant. He is also a law graduate from Pune University. His core competency areas include Financial & Treasury Management, Taxation, Corporate Governance, Mergers & Acquisitions, Business Strategy and Planning.

### E. Mr. Amitabha Kumar Nag, Non -Independent Director :

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

### F. Mr. Manoj Kumar Vijay, Independent Director :

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

**G. Mr. Sudip Kumar Mukherji, Independent Director :**

Mr. Mukherji, has done his graduation in commerce from the Calcutta University. He is a qualified Chartered Accountant. He has got comprehensive experience of 50 years in diversified areas including Financials Analysis, Strategic Management, Corporate governance, Risk Management, Accounts etc.

**H. Mr. Hari Ram Agarwal, Independent Director :**

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

**I. Mr. Malaykumar Mohindrachandra Das, Independent Director :**

Mr. Das has acquired his B. Tech (Hons) in Chemical Engineering from Indian Institute of Technology- IIT Khargapur in the year 1972. His core competency areas includes Industry experience, Business strategy, project management and execution etc.

**J. Dr. Runu Chakraborty, Independent Director :**

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

**5) Independent Directors**

During the financial year ended March 31, 2022, the Company received declarations in terms of the provisions of Section 149(6) of the Act read with Regulation 16(1)(b) & 25(8) of the SEBI LODR from the following Independent Directors namely, Mr. Sudip Kumar Mukherji, Mr. Hari Ram Agarwal, Mr. Manoj Kumar Vijay, Dr. Runu Chakraborty and Mr. Malaykumar MohindraChandra Das. Mr. Malaykumar MohindraChandra Das was appointed as an Independent Director based on the recommendation of the Nomination & Remuneration Committee on 30<sup>th</sup> December, 2021 for a period of 5 years The Independent Directors of your Company have confirmed that they are independent of the management and are also not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective of independent judgement and without any external influence. In the opinion of the Board, all the Independent Directors, possesses the requisite skills, expertise and competencies as identified by the Board of directors details of which is mentioned in the heading 'Skills/Expertise/Competencies of Board of Directors' of this Report.

**6) Performance Evaluation of Board, its committees and individual Directors**

During the year, the Board evaluated the performance of its own performance, its committees and individual directors. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. The evaluation of the Independent Directors was also done and the Directors subject to evaluation did not participate in the meeting.

Their presence on the Board is advantageous and significant in taking successful business decisions.

**3. Audit Committee: -**

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. The Committee is formed as per Section 177 of the Companies Act, 2013 & Regulation 17 of the SEBI LODR. The broad terms of reference of Audit Committee are as under:

- a. Financial reporting and disclosure process;
- b. Qualification and independence of the statutory and internal Audit team.
- c. Adequacy and reliability of the internal control systems, especially those relating to the reporting of the Company's financials.
- d. To approve transactions of the Company with related parties.
- e. Review the functioning of the Whistle Blower Mechanism;

Audit Committee mandatorily reviews information prescribed under Part C of Schedule II of the Listing Regulations 2015. The Statutory and Internal Auditors for the Company are invited to attend the Audit Committee meetings.

**Composition, Name of members, Number of meetings, Chairperson and attendance of the Audit Committee during the financial year 2021-22:**

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Mr. Sudip Kumar Mukherji	Chairman	5	5
Mr. Amitabha Kumar Nag	Member	5	5
Mr. Hari Ram Agarwal	Member	5	5

During the year under review 5 (Five) meetings were held on the following dates:

17<sup>th</sup> June 2021, 9<sup>th</sup> August 2021, 1<sup>st</sup> November 2021, 17<sup>th</sup> January, 2022 and 31<sup>st</sup> January, 2022.

The Company Secretary acted as the 'Secretary' to the Audit Committee. The Chairman of the audit committee is an Independent Director.

**4) Nomination and Remuneration Committee:-**

The Committee is formed as per Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI LODR. The broad terms of reference of Nomination & Remuneration Committee are as under:

- Identification of 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/Guide the Board about the appointment and removal of Directors, Senior Management Personnel and Key Management Personnel.
- Formulating 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.

The Company Secretary acted as the 'Secretary' to the Nomination & Remuneration Committee. The Chairman of the Nomination & Remuneration committee is an Independent Director.

**Composition, Name of members, Number of meetings, Chairperson and attendance of the Nomination and Remuneration Committee during the financial year 2021-22:**

Name of Members	Member/Chairman	No. of Meetings held	No. of Meetings attended
Mr. Manoj Kumar Vijay	Chairman	3	3
Mr. Hari Ram Agarwal	Member	3	3
Mr. Amitabha Kumar Nag	Member	3	3

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

17<sup>th</sup> June 2021, 29<sup>th</sup> October, 2021 and 30<sup>th</sup> December 2021.

**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 2021-22:**

Name of Director	Sitting Fees* (Rs.)	Salary, Perquisites & Commission (Rs.)	Total (Rs.)
Mr. Bijon Bhushan Nag	25,000	-	25,000
Mr. Bikramjit Nag	-	149,22,031	149,22,031
Mr. Arup Kumar Banerjee	-	278,47,830	278,47,830
Mr. Amitabha Mukhopadhyay	-	64,09,592	64,09,592
Mr. Amitabha Kumar Nag	3,70,000	-	3,70,000
Mr. Hari Ram Agarwal	3,70,000	-	3,70,000
Mr. Manoj Kumar Vijay	3,30,000	-	3,30,000
Mr. Sudip Kumar Mukherji	3,60,000	-	3,60,000
Mr. MalayKumar Mohindrachandra Das	95,000	-	95,000
Dr. Runu Chakraborty	2,40,000	-	2,40,000

\*Excluding Goods and Services Tax.

- Mr. Bikramjit Nag was re-appointed as the Joint Executive Chairman for a period of 3 years w.e.f 26th January, 2022.
- Mr. Arup Kumar Banerjee was appointed as Vice Chairman and Managing Director for a period of 3 years w.e.f 30th July, 2020. Mr. Arup Kumar Banerjee has been redesignated/appointed as Executive Vice Chairman w.e.f 1<sup>st</sup> November, 2021 as per the terms and conditions as approved by the members at the 38<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> September, 2020.
- Mr. Amitabha Mukhopadhyay has been appointed as a Managing Director w.e.f 1<sup>st</sup> November, 2021
- Mr. Malaykumar Mohindrachandra Das has been appointed as an Independent Director w.e.f. 30.12.2021 for a period of 5 years.
- 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**

The Committee is formed as per Section 178 of the Companies Act, 2013 & Regulation 20 of the SEBI LODR. The broad terms of reference of Stakeholders Relationship Committee are as under:

- Focuses primarily on monitoring expeditious redressal of investors / stakeholder's grievances .
- Function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.
- Approval of transfer / transmission of Equity Shares of the Company.
- Issue of duplicate Share certificates and new Share certificates on split/consolidation/renewal.
- To review all complaints recorded in SCORES of SEBI and replies made to the same by the RTA/Company Secretary of the Company.

The Company Secretary acted as the 'Secretary' to the Stakeholders Relationship Committee. The Chairman of the Stakeholders Relationship Committee is a Non-Executive Independent Director.

**Composition, Name of members, Number of meetings, Chairperson and attendance of the Stakeholder's Relationship Committee during the financial year 2021-22:**

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



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

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

29<sup>th</sup> June, 2021, 6<sup>th</sup> August, 2021, 29<sup>th</sup> October, 2021, and 17<sup>th</sup> January, 2022.

#### Investor Grievance Redressal

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

Opening as on 1 <sup>st</sup> April, 2021	Nil
No. of shareholders complaints received during the year	5
No. of complaints resolved to the satisfaction of shareholders	5
No. of pending complaints as on 31 <sup>st</sup> March, 2022	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](mailto:complianceifbagro@ifbglobal.com)

#### 6) Risk Management Committee

The Committee is formed pursuant to the recommendations of SEBI Circular No. SEBI/LAD-NRO/GN/2021/22 read with Regulation 21 of the SEBI LODR on 9<sup>th</sup> August, 2021. The Committee formulates and recommend to the Board a Risk Management Policy which mainly includes a framework for identification of internal and external risks specifically faced by the Company. The broad terms of reference of Risk Management Committee are as under: -

- To assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks.
- To provide a Business Continuity plan.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
- To evaluate significant risk exposures of the Company and assess the Management's actions to mitigate the exposures in a timely manner.

**Composition, Name of members, Number of meetings, Chairperson and attendance of the Risk Management Committee during the financial year 2021-22:**

Name of Members	Member/Chairman	No of Meetings held	No. of Meetings attended
Mr. Arup Kumar Banerjee	Chairman	2	2
Mr. Amitabha Mukhopadhyay#	Member	2	1
Mr. Manoj Kumar Vijay	Member	2	2
Ms. Runu Chakraborty	Member	2	2
Mr. Rahul Choudhary*	Member	2	1

# Mr. Amitabha Mukhopadhyay, Managing Director was appointed as member w.e.f 31<sup>st</sup> January, 2022.

\* Mr. Rahul Choudhary was appointed as a member on 9<sup>th</sup> August, 2022 and resigned as a member w.e.f 31<sup>st</sup> January, 2022.

During the year under review 2 (two) meetings were held on 6<sup>th</sup> December, 2021 and 22<sup>nd</sup> March, 2022.

## 7) Corporate Social Responsibility Committee

The Committee is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The role of the Committee inter alia includes the following: -

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the approved activities.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

**Composition, Name of members, Number of meetings, Chairperson and attendance of the Corporate Social Responsibility Committee during the financial year 2021-22:**

Name of Members	Member/Chairman	No of Meetings held	No. of Meetings attended
Mr. Arup Kumar Banerjee	Chairman	2	2
Mr. Hari Ram Agarwal	Member	2	2
Mr. Manoj Kumar Vijay	Member	2	2

During the year under review 2 (Two) meetings were held on the following dates: -

22<sup>nd</sup> July, 2021 & 31<sup>st</sup> March, 2022.

## 8) General Body Meetings

- Location and time where last three AGMs were held:

AGM	For the year ended	Date	Venue of the AGM	Time
39 <sup>th</sup>	2020-2021	06.08.2021	Meeting conducted through VC/OAVM as per MCA Circulars.	12:45 P.M
38 <sup>th</sup>	2019-2020	04.09.2020	Meeting conducted through VC/OAVM as per MCA Circulars.	12:45 P.M
37 <sup>th</sup>	2018-2019	26.07.2019	Club Ecovista Eco Space (Business Park), Premises No. 2F/11, Action Area II Rajarhat, New Town, Kolkata - 700 156.	11.30 A.M

- Whether any special resolution passed in the previous three AGMs : Yes
- 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
- Whether any special resolution is proposed to be conducted through postal ballot : No
- 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: NA

## 9) Disclosure:

- 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 Standalone 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](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 2021-22 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 2021-2022.
- 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](http://www.ifbagro.in). No personnel have 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 2021-22 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 31<sup>st</sup> March, 2022. All Independent Directors were present at the meeting.
- i. Code of Conduct for Board members and Senior Management  
The Board of Directors has laid down the 'Code of Conduct' for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management Personnel have affirmed compliance with the code of conduct. The Code is available on the Company's Official website under the weblink: [https://www.ifbagro.in/assets/pdf/code\\_of\\_conduct\\_IFB\\_Agro.pdf](https://www.ifbagro.in/assets/pdf/code_of_conduct_IFB_Agro.pdf).
- j. Familiarisation Programme for Independent Director  
The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. The programmes/presentations also familiarizes the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business operates, business model of the Company etc. through various programmes.  
The familiarisation programme is available on the Company's official website of the following link: [https://www.ifbagro.in/assets/pdf/Familiarisation\\_Programme.pdf](https://www.ifbagro.in/assets/pdf/Familiarisation_Programme.pdf).  
Whenever new Non-executive and Independent Directors are inducted on the Board they are introduced to our Company's culture through appropriate session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.  
The appointment letters of Independent Directors has been placed on the Company's website at [https://www.ifbagro.in/assets/images/investor\\_relations/StAppointmentLetter.pdf](https://www.ifbagro.in/assets/images/investor_relations/StAppointmentLetter.pdf)
- k. The Company has adopted Policy for determining 'material' subsidiaries which has been placed on the website of the Company under the web link [https://www.ifbagro.in/assets/images/investor\\_relations/Policy\\_Material\\_Subsiary.pdf](https://www.ifbagro.in/assets/images/investor_relations/Policy_Material_Subsiary.pdf).
- l. The Company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate risk.

- m. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year 2021-22.
- n. The Company has received a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/ Ministry of Corporate Affairs or any such Statutory authority.
- o. During the year Board had accepted all mandatory recommendation made by the Committees.
- p. Total fees for all services paid by the Company and its subsidiary on a consolidated basis a sum of ₹ 33 Lakhs to M/s. B S R & Co LLP, Statutory Auditors for the financial year ended 31.03.2022.
- q. The Company has in place a Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) covering all women employees of the Company. The Internal Complaints Committee (ICC) is set up for the purpose of providing protection against the sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

The status of complaints is as given below:

Particulars	Nos.
Complaints received during the year ended March 31, 2022	Nil
Complaints resolved during the year ended March 31, 2022	Nil
Complaints pending as on March 31, 2022	Nil

- r. The Company and its subsidiary have not given any Loans & advances in the nature of loans to firms/Companies in which the Directors are interested.
- s. 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.
- t. This Corporate Governance Report of the Company for the financial year 2021-2022 as on 31<sup>st</sup> March, 2022 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

## 10) 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](http://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. As required under Regulation 46 of the Listing Regulations, all the requisite disclosures are also displayed on the Company's website [www.ifbagro.in](http://www.ifbagro.in)

**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.

**11) General Shareholder information:**

- i) 40<sup>th</sup> AGM date, time and venue : 29<sup>th</sup> July, 2022, at 12.30 PM (The meeting is to be conducted through VC/OAVM pursuant to the MCA Circulars as there is no requirement to have a venue for the AGM)
- ii) Financial year : 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.
- iii) Book closure date : 23<sup>rd</sup> July, 2022 to 29<sup>th</sup> July, 2022.
- iv) Dividend Payment date : Not Applicable.
- v) Listing on Stock Exchanges :

Names & address of the Stock Exchanges and Stock Codes:

Name & address of the Exchange	ISIN	Stock Code
BSE Ltd. ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.	INE 076C01018	507438
National Stock Exchange of India Limited, "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	INE 076C01018	IFBAGRO EQ

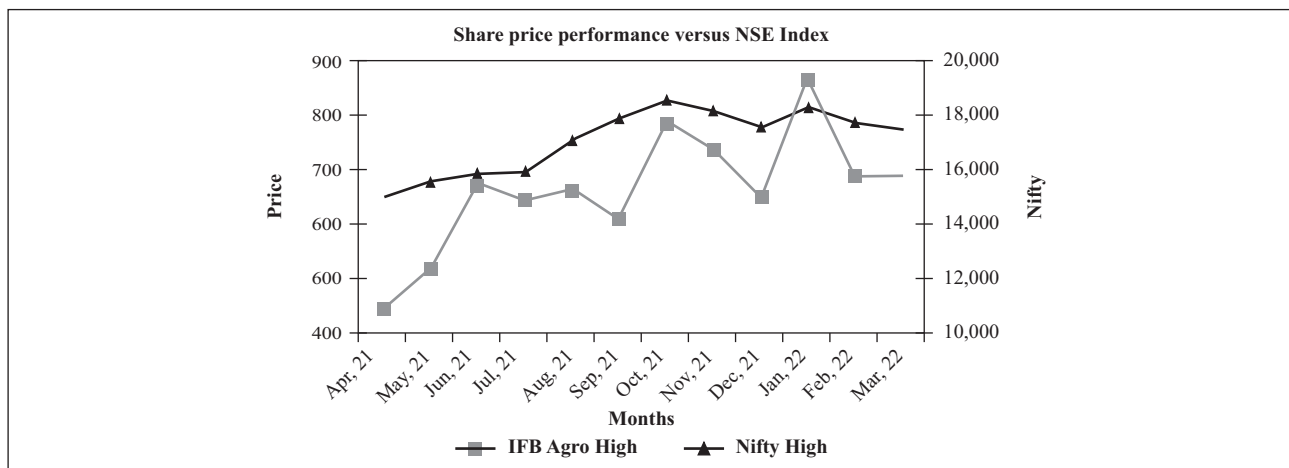
- vi) Listing Fees to Stock Exchange : Listing Fees as applicable has been paid.

- 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 2021-22.

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2021	445.45	384.00	445.00	389.00
May, 2021	526.30	401.20	519.90	405.70
June, 2021	674.10	462.00	673.90	462.05
July, 2021	645.85	559.10	646.00	557.25
August, 2021	660.05	494.60	663.90	495.40
September, 2021	609.90	530.15	609.85	530.00
October, 2021	759.00	560.20	789.00	563.25
November, 2021	742.00	594.00	739.00	592.60
December, 2021	650.90	572.30	652.00	571.85
January, 2022	866.25	624.00	867.00	625.00
February, 2022	788.00	509.30	691.00	510.00
March, 2022	689.25	512.25	690.80	513.30

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.

The Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form.

In compliance with Regulation 40(9) of the Listing Regulations all certificates have been issued within 30 days of the date of transfer, sub-division, consolidation, renewal and exchange of endorsement of calls/ allotment monies as applicable during FY 2021-22.

SEBI vide circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 had laid down common and simplified norms for processing Investor's Service request by RTAs and norms for furnishing PAN, KYC details and nomination. As per the above said circular the shareholders holding physical securities are required to mandatory furnish PAN, KYC details and Nomination by holders and are also required to link PAN with Aadhaar. The said circular stipulates that folios wherein the required documents are not made available on or before April 1, 2023 shall be frozen by RTA. The Company had sent relevant communication to all physical holders along with relevant Forms to enable the



shareholders to update the PAN, KYC and other relevant details with RTA/Company in line with the SEBI directives. The PAN, KYC and other relevant documents are being processed by RTA on receipt from the shareholders. The relevant Forms are also made available on the company's website at [www.ifbagro.in](http://www.ifbagro.in).

Members are advised to registered their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

xi) Distribution of Shareholding & Shareholding Pattern

(a) *Distribution of Shareholding as on 31 March 2022.*

Range		No. of Shareholders	% of total	No. of Shares	% of total
From	To				
1	500	11758	96.14	850667	9.08
501	1000	247	2.02	185575	1.98
1001	2000	114	0.93	163259	1.74
2001	3000	34	0.28	77388	0.83
3001	4000	20	0.16	70708	0.76
4001	5000	15	0.12	66432	0.71
5001	10000	17	0.14	126372	1.35
10001	9999999	25	0.21	7826710	83.55
	<b>TOTAL</b>	<b>12230</b>	<b>100.00</b>	<b>9367111</b>	<b>100.00</b>

b) *Shareholding Pattern as on 31 March 2022*

Particulars	No. of Shares	% of total	% Dematerialised
Indian Promoters	6088680	65.00	65.00
Mutual Funds/UTI	9000	0.10	0.00
Foreign Portfolio Investor	36896	0.39	0.39
Banks, Financial Institutions & Insurance companies	95850	1.02	0.00
Indian Public	2210229	23.60	20.82
Custodian/DR Holder	500	0.01	0.00
Trust	500	0.01	0.01
Clearing Members	25332	0.27	0.27
Non Resident Indians	75287	0.80	0.55
Private Corporate Bodies	766559	8.18	8.13
Employee	17793	0.19	0.00
LLP	301	0.00	0.00
HUF	40184	0.43	0.43
<b>Total</b>	<b>9367111</b>	<b>100.00</b>	<b>95.60</b>

xii) Dematerialization of shares:

As on 31<sup>st</sup> March 2022, 95.60% of the company's total shares representing 8954965 shares were held in dematerialized form and the balance 4.40% representing 412146 shares were held in physical form.

- xiii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : The Company has not issued, any GDRs/ADRs/Warrants or any convertible instruments.
- xiv) Commodity price risk/ foreign exchange risk and hedging activities. : The Company is exposed to the foreign exchange risk for import of Capital Goods and export of finished goods and engages in foreign currency hedging with banks by way of currency forward contracts in order to protect its foreign currency exposure from exchange fluctuations in terms of the foreign exchange risk management policy of the Company.
- xv) Credit Rating : India Ratings and Research has given credit rating of different instruments. The details of Credit Ratings are available on the website of the Company.

xvi) Plant Locations :

**Owned Plants**

- Distillery Plant – Noorpur, P.S. Diamond Harbour, South 24-Parganas, West Bengal - 743 368
- IMIL Bottling Plant – 1) Panagarh, Dist. Burdwan, West Bengal - 713 148  
2) Dankuni, Dist. Hooghly, West Bengal - 712 306
- Marine Product Processing Plant – IFB Agro Industries Limited, Plot No.IND-5, Sector-1 East Calcutta Township, Kolkata - 700 107
- Marine Preprocessing Centre – Village & P.O. – Dakshin Kalamdan, Dist. – Purba Medinipur- 721430

**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  
4) Farinni Eleven UP, 5/3A, Chetla Road, Kolkata- 700027  
5) Ranjit Kumar Dandapat C.S.Bottling Plant cum warehouse, Kandergeria, Plot No. 17 &21, J.L.No.- 190, Khaitan No.-85, Burapat Anandapur, Paschim Medinipur - 721260.  
6) Urbashi Fervour, Debi Thakurbari, P.S. Rajganj, Talmahat, Jalpaiguri- 735133  
7) Srilab Breweries Pvt Ltd, Plot No. 7P &8, Tatisilwai Industrial Estate, Phase – II, Tatisilwai, Ranchi, Jharkhand - 835103
- Marine Processing Plant – Essex Marine Private Limited,  
Vill: Kuliatta, P.O. & P.S. Ramnagar, Dist: Purba Midnapore, West Bengal-721441
- Marine Feed Plant 1. Jeco Feed Chem  
Klipcon Complex Jaladhulagori, NH-6, Sankrail, Howrah-711302  
2. New Hope Kolkata Animal Feed Private Limited  
Plot A5, Rishi Bankim Industrial Park, Malancha,  
P.S. Bizpur, Naihati, 24 Parganas (North) 743165  
3. Deepak Nexgen Foods And Feeds Private Limited  
Rs No. 67/2, Koyyru Road, Bommuluru (Village), Bapulapadu(Mandal),  
Hanuman Junction (Post), Krishna District, Andhra Pradesh- 521105

4. Eila Lifesciences Private Limited  
Unit -1, 7-4-115, Survey No 258 & 259 Gaganpahad, Rajendra Nagar Mandal  
Ranga Reddy (District), Hyderabad, Telangana -500052

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](mailto:complianceifbagro@ifbglobal.com)  
Website : [www.ifbagro.in](http://www.ifbagro.in)

## 12. 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](http://www.ifbagro.in). Hence, financial results are not sent 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 Chairperson and the Managing Director or the Chief Executive Officer.**

The Company has separate posts for Chairperson, Managing Director and the Chief Executive Officer. The Chairperson is a non-executive Director and he is not related to Managing Director/Chief Executive officer.

### v) **Reporting of Internal Auditor**

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

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](mailto:complianceifbagro@ifbglobal.com)

Website : [www.ifbagro.in](http://www.ifbagro.in)

Date :30 May 2022

Bikramjit Nag

*Joint Executive Chairman*

(DIN: 00827155)

Amitabha Mukhopadhyay

*Managing Director*

(DIN: 01806781)

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

To the Members of  
**IFB Agro Industries Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 8 November 2019 and addendum to the engagement letter dated 23 May 2022.
2. We have examined the compliance of conditions of Corporate Governance by **IFB Agro Industries Limited** ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### **Management's Responsibility**

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### **Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

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

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

**Restriction on use**

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

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership Number: 055757  
ICAI UDIN: 22055757AJVZUV5093

Place: Kolkata  
Date: 30 May 2022

**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, Amitabha Mukhopadhyay, Managing Director and Rahul Choudhary, Chief Financial Officer are responsible for the finance function, certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31 March 2022 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 2022 which are fraudulent, illegal or violative to Company's code of conduct.
- c) We accept our responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the audit committee and steps have taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year under reference.
  - iii) We are not aware of any instance of fraud during the year, with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Amitabha Mukhopadhyay  
*Managing Director*  
(DIN: 01806781)

Rahul Choudhary  
*Chief Financial Officer*

Place : Kolkata  
Date : 30 May 2022

**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 2022.

For IFB Agro Industries Limited

Amitabha Mukhopadhyay  
*Managing Director*  
(DIN: 01806781)

Place : Kolkata  
Date : 30 May, 2022



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Part C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Members of  
IFB Agro Industries Ltd  
Plot No IND-5, Sector-1  
East Calcutta Township  
Kolkata-700 107

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IFB Agro Industries Ltd (CIN: L01409WB1982PLC034590) and having its Registered Office at Plot No IND-5, Sector-1, East Calcutta Township, Kolkata 700 017 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Bijon Bhushan Nag	00756995	19/02/1982
2.	Mr. Bikramjit Nag	00827155	14/10/1997
3.	Mr. Arup Kumar Banerjee	00336225	28/07/2001
4.	Mr. Sudip Kumar Mukherji	02764262	29/10/2009
5.	Mr. Hari Ram Agarwal	00256614	02/06/2008
6.	Mr. Manoj Kumar Vijay	00075792	02/06/2008
7.	Mr. Amitabha Kumar Nag	00117546	26/07/2003
8.	Mrs. Runu Chakraborty	08463092	27/05/2019
9.	Mr. Malaykumar Mohindrachandra Das	00408084	30/12/2021
10.	Mr. Amitabha Mukhopadhyay	01806781	01/11/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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  
Unique Code: P2017WB064500

**S. K. Patnaik**  
Partner

FCS No.: 5699, C.P. No.: 7117  
Peer Review Cert. No. 1688/2022  
UDIN: F005699D000414657

Place: Kolkata  
Date: 30<sup>th</sup> May 2022

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

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of IFB Agro Industries Limited (the “Company”), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Description of Key Audit Matter

#### Impairment of trade receivables

See note 8 and 37 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2022, loss allowance for trade receivables of marine segment is ₹ 1,276 lakhs as against the total loss allowance of the Company of ₹ 1,277 lakhs.</p> <p>The Company provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Company's historical default rates determined through a provision matrix and is adjusted for forward-looking information specific to the debtors and economic environment. This assessment involves significant judgement and hence, is considered to be a Key Audit Matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain audit evidence:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the Company's processes and controls relating to the determination of expected credit losses of trade receivables.</li> <li>2. Tested the design, implementation and operating effectiveness of key controls associated with determination of expected credit losses of trade receivables.</li> <li>3. Verified the inputs used in the provision matrix and evaluated the estimates for forward looking adjustments to the matrix.</li> <li>4. Assessed the adequacy of the Company's disclosures on the trade receivables and the related risks under credit risk, in Note 8 and Note 37 to the standalone financial statements and the compliance with relevant accounting standards.</li> </ol>

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

### **Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d)
    - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
  - e) The Company has neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Place: Kolkata  
Date: 30 May 2022

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No.: 055757  
ICAI UDIN: 22055757AJVYSC1048

**Annexure A to the Independent Auditors' report on the standalone financial statements of IFB Agro Industries Limited for the year ended 31 March 2022**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) In our opinion and according to the information and explanations given to us, the Company did not have any intangible assets. Accordingly, the provisions of paragraph (i) (a) (B) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for, except for one leasehold land as detailed in Note 3(a)(ii) to the standalone financial statements.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company and no material discrepancies were observed except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (INR in lakhs)	Amount as reported in the quarterly return/ statement (INR in lakhs)	Amount of difference (INR in lakhs)	Whether return/ statement subsequently rectified
			[A]	[B]	[C] = [A-B]	
June 2021	ICICI Bank Limited,	Inventory	11,721	11,297	424	No
Sep. 2021	HDFC Bank Limited,	Inventory	13,523	13,214	309	No
Dec. 2021	Federal Bank Limited	Inventory	10,088	9,764	324	No



(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee and granted loans to companies and other parties in respect of which the requisite information is as below. The Company has not provided any security or granted advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year and has not made investments, provided guarantee and granted loans to limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or stood guarantee as below:

Particulars	Guarantees (INR in lakhs)	Loans (INR in Lakhs)
Aggregate amount during the year		
– Subsidiary*	720	-
– Others (loans to employees)	-	17
Balance outstanding as at balance sheet date		
– Subsidiary*	720	-
– Others (loans to employees)	-	16

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any security or granted any advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security during the year that would attract provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to investments made and guarantee provided. The Company has not given any loan or provided any security that would attract provisions of Section 186 of the Act.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, provisions of clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, provisions of clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Employees' State Insurance, Duty of Customs, Duty of excise, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities though there has been delays in few cases of Provident fund and Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Sales-tax, Income-Tax, Duty of Customs, Duty of excise, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount in INR lakhs	Amount Paid Under Protest (in INR lakhs)	Period to which the amount relates	Forum where dispute is pending
The Bengal Excise Act, 1909	State excise duty	1,192	-	2010-11 to 2016-17	West Bengal Taxation Tribunal
West Bengal Molasses Control Act, 1973	State excise duty	58	15	2003-2006 2008 and	High Court of Calcutta
West Bengal Sales Tax Act, 1994	Sales tax	241	-	2017-18	Senior Joint Commissioner of Commercial Taxes, West Bengal
Central Sales Tax, 1956	Central Sales Tax	52	-	2017-18	Senior Joint Commissioner of Commercial Taxes, West Bengal
Income Tax Act, 1961	Income Tax and penalty	959	-	2016-17	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	59	-	2017-18	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provision of clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Place: Kolkata  
Date: 30 May 2022

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No.: 055757  
ICAI UDIN: 22055757AJVYSC1048

**Annexure B to the Independent Auditors' report on the standalone financial statements of IFB Agro Industries Limited for the year ended 31 March 2022****Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

[Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

**Opinion**

We have audited the internal financial controls with reference to financial statements of IFB Agro Industries Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

Place: Kolkata  
Date: 30 May 2022

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No.: 055757  
ICAI UDIN: 22055757AJVYSC1048



## Standalone Balance sheet as at 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	14,469	11,949
Capital work-in-progress	3 (b)	71	1,004
Intangible assets under development	3 (d)	157	84
Financial assets			
- Investments	4 (a)	6,821	4,482
- Other financial assets	5 (a)	6	31
Current tax assets (net)		216	199
Other non-current assets	6 (a)	277	707
<b>Total non-current assets</b>		<b>22,017</b>	<b>18,456</b>
<b>Current assets</b>			
Inventories	7	6,537	6,662
Financial assets			
- Investments	4 (b)	3,284	2,045
- Trade receivables	8	6,812	10,371
- Cash and cash equivalents	9 (a)	16,035	10,231
- Bank balances other than above	9 (b)	192	149
- Loans	10	16	15
- Other financial assets	5 (b)	50	222
Other current assets	6 (b)	4,015	5,058
<b>Total current assets</b>		<b>36,941</b>	<b>34,753</b>
<b>Total assets</b>		<b>58,958</b>	<b>53,209</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	937	937
Other equity	12	49,341	44,167
<b>Total equity</b>		<b>50,278</b>	<b>45,104</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	13 (a)	1,500	-
- Lease Liabilities		54	54
- Other financial liabilities	14 (a)	240	240
Provisions	15 (a)	131	-
Deferred tax liabilities (net)	16	1,036	888
Other non-current liabilities	17 (a)	28	30
<b>Total non-current liabilities</b>		<b>2,989</b>	<b>1,212</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	13 (b)	500	-
- Lease Liabilities		7	7
- Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		255	357
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,345	3,989
- Other financial liabilities	14 (b)	574	591
Provisions	15 (b)	189	189
Current tax liabilities, net		72	42
Other current liabilities	17 (b)	749	1,718
<b>Total current liabilities</b>		<b>5,691</b>	<b>6,893</b>
<b>Total liabilities</b>		<b>8,680</b>	<b>8,105</b>
<b>Total equity and liabilities</b>		<b>58,958</b>	<b>53,209</b>

The accompanying notes 1 to 44 form an integral part of these standalone financial statements.

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

**Joint Executive Chairman**  
**Managing Director**  
**Chief Financial Officer**  
**Company Secretary**  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Standalone Statement of profit and loss for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	19	227,725	169,345
Other income	20	1,536	1,631
<b>Total income</b>		<b>229,261</b>	<b>170,976</b>
<b>Expenses</b>			
Cost of materials consumed	21	53,473	34,413
Purchases of stock-in-trade	22	15,086	8,898
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(752)	2,492
Excise duty on sale of goods		126,716	99,973
Employee benefits expense	24	5,299	4,417
Finance costs	25	55	7
Depreciation and amortisation expenses	26	1,696	1,482
Other expenses	27	20,183	13,513
<b>Total expenses</b>		<b>221,756</b>	<b>165,195</b>
<b>Profit before exceptional items and tax</b>		<b>7,505</b>	<b>5,781</b>
Exceptional items [(income)/Expense]	28	702	-
<b>Profit before taxes</b>		<b>6,803</b>	<b>5,781</b>
<b>Tax expenses</b>	29 (a)		
Current tax		1,681	1,293
Deferred tax		(212)	(212)
		<b>1,469</b>	<b>1,081</b>
<b>Profit after tax</b>		<b>5,334</b>	<b>4,700</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Changes in fair value of equity instruments		(171)	1,910
Remeasurement of post-employment benefit obligations		(24)	37
Tax relating to these items	29 (b)	35	(288)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(160)</b>	<b>1,659</b>
<b>Total comprehensive income for the year</b>		<b>5,174</b>	<b>6,359</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per share (₹)	30	56.94	50.18

The accompanying notes 1 to 44 form an integral part of these standalone financial statements.

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

Joint Executive Chairman  
Managing Director  
Chief Financial Officer  
Company Secretary  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Standalone Statement of cash flows for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>6,803</b>	5,781
Adjustment for:		
Depreciation and amortisation expenses	1,696	1,482
Bad debts written-off	227	298
Writeback of loss allowance on trade receivables (net)	(123)	(329)
Net gain arising on sale of financial assets measured at fair value through profit and loss (FVTPL)	(545)	(355)
Net gain on remeasurement of financial assets measured at FVTPL	(133)	(45)
Net (gain)/loss arising on remeasurement of derivatives at FVTPL	(9)	(116)
Amortisation of capital subsidy	(2)	(2)
(Gain)/ loss on sale of property, plant and equipment, net	(51)	0
Liabilities no longer required written back	(27)	(112)
Unrealised forex (gain)/loss	(12)	1
Interest income	(42)	(39)
Write off of property, plant and equipment (including capital work-in-progress)	10	0
Finance costs	55	7
Provision for diminution in value of investments in subsidiary	702	-
<b>Operating profit before working capital changes:</b>	<b>8,549</b>	6,571
Adjustment for:		
(Increase)/decrease in inventories	125	2,177
(Increase)/decrease in trade receivables	3,467	(3,864)
(Increase)/decrease in loans	(1)	3
(Increase)/decrease in other financial assets	206	(76)
(Increase)/decrease in other non-financial assets	1,051	(2,058)
Increase/(decrease) in trade payables	(746)	1,070
Increase/(decrease) in provisions	131	(4)
Increase/(decrease) in other financial liabilities	88	31
Increase/(decrease) in other non-financial liabilities	(942)	719
<b>Cash generated from operations</b>	<b>11,928</b>	4,569
Income taxes paid (net of refund)	(1,273)	(748)
<b>Net cash generated from operating activities (A)</b>	<b>10,655</b>	3,821
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress and intangible assets under development)	(3,101)	(1,697)
Proceeds from sale of property, plant and equipment	80	1
Investments made in equity shares of wholly owned subsidiary measured at cost	(213)	-
Purchase of mutual funds measured at FVTPL	(124,302)	(92,879)
Redemption of mutual funds measured at FVTPL	123,847	99,244
(Increase)/decrease in other bank balance	(47)	(48)
Investment in tax free bonds at amortised cost	(489)	-
Sale of tax free bonds at amortised cost	383	-
Investment in equity shares measured at FVTOCI	(450)	-
Investment in preference shares measured at FVTOCI	(2,550)	-
Interest received	46	31
<b>Net cash generated from investing activities (B)</b>	<b>(6,796)</b>	4,652

## Standalone Statement of cash flows for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
<b>C. Cash flow from financing activities</b>			
Proceeds from of long term borrowings		2,000	-
Finance costs		(49)	(5)
Lease payments		(6)	(5)
<b>Net cash generated from financing activities</b>	<b>(C)</b>	<b>1,945</b>	<b>(10)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>5,804</b>	<b>8,463</b>
Cash and cash equivalents as at the beginning of the year		10,231	1,768
<b>Cash and cash equivalents as at the end of the year [refer note 10(a)]</b>		<b>16,035</b>	<b>10,231</b>

### Notes:

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

	As at 31 March 2022	As at 31 March 2021
<b>Term loans</b>		
Opening balance of borrowings	-	-
Received during the year	2,000	-
Repayment during the year	-	-
Changes on account of foreign currency fluctuations	-	-
Changes on account of fair value measurement	-	-
	<b>2,000</b>	<b>-</b>

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Standalone Statement of changes in equity for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

### (A) Equity

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	937	937
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>937</b>	<b>937</b>

### (B) Other equity

	Reserves and surplus				Total
	Securities premium	General reserves	Retained earnings	Equity Instruments through OCI	
Balance as at 31 March 2020	3,194	285	32,642	1,687	37,808
Profit after tax	-	-	4,700	-	4,700
Items of other comprehensive income, net of tax:					
- Remeasurements of post-employment benefit obligations	-	-	24	-	24
- Changes in fair value of equity instruments	-	-	-	1,635	1,635
Balance as at 31 March 2021	3,194	285	37,366	3,322	44,167
Profit after tax	-	-	5,334	-	5,334
Items of other comprehensive income, net of tax:					
- Remeasurements of post-employment benefit obligations	-	-	(15)	-	(15)
- Changes in fair value of equity instruments	-	-	-	(145)	(145)
<b>Balance as at 31 March 2022</b>	<b>3,194</b>	<b>285</b>	<b>42,685</b>	<b>3,177</b>	<b>49,341</b>

Refer note 12 for nature and purpose of reserve

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Notes to standalone financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

### Summary of significant accounting policies and other explanatory informations:

#### 1A Background

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

These standalone financial statements are approved by the Company's Board of Directors on 30 May 2022.

#### 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 year.

##### (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 are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

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

##### *Income tax:*

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

##### *Useful life of property, plant and equipment:*

Refer note 2 (b) for details.

##### *Measurement of defined benefit obligations:*

The cost of defined benefits includes gratuity and compensated absences. The present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The same are disclosed in notes 24 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), 15 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 2022 (Contd.)

(All amounts in ₹ lakhs, 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 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:

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment - For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit & Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets - Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 103 - Business Combination - Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

None of the amendments notified by MCA, which are applicable from April 1, 2022, are expected to have material impact on the financial statements of the Company.

## 2 Significant accounting policies

### (a) Revenue recognition

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

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

- i) Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
- iii) Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- v) Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

### Sale of goods:

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

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

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

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

## (b) Property, plant and equipment

### Recognition and initial measurement:

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

### Capital work-in-progress:

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

### Subsequent measurement (depreciation and useful lives):

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

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

Freehold land is carried at historical cost.

### De-recognition:

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

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

**Intangible assets****(i) Recognition and measurement**

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

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

**(ii) Subsequent expenditure**

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

**(iii) Amortisation**

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

**(c) Impairment of non-financial assets**

Assessment for impairment is done at each balance sheet date when there is an indication that a non-financial asset may be impaired. For the purpose of assessing impairment, smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets/groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the 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 exist, 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 investment, 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.

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 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 (FVTOCI):** 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 (FVTOCI). Changes in fair value of such instruments are recognized through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and recognized in other income.
- (iii) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in statement of profit and loss in the period in which it arises.

### Equity instruments:

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

### Investments in mutual funds:

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

### Interest income:

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

### Dividend income:

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

### Impairment:

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

For trade receivables only, the Company applies the simplified approach required by Ind AS 109 which allows 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.

### Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and to settle the liability simultaneously.

### 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.

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

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-recognized 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**

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*Borrowings*

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

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

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

*Derivatives*

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

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

**(f) Government grants and subsidies**

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

*Income from export incentives:*

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

**(g) Borrowing costs**

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

**(h) Inventories**

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

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

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

### (i) Cash and cash equivalents

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

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

### (j) Assets held for sale

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

### (k) Foreign currency transactions

#### Functional currency and presentation currency:

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

Transactions and balances with value below the rounding off norm adopted by the Company have been reflected as '0' in the relevant notes to these financial statements.

#### 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

#### Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and is expensed as the related service is provided. A liability is recognised for the amount expected to be paid eg, under short term cash bonus, if the Company has the present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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

#### Defined benefit plans and other long term benefits:

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

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



**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

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****As a lessee**

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

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

**As a lessor**

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

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

**(n) Provisions, contingent liabilities and contingent assets****Provisions:**

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

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### Contingent liabilities:

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

### Contingent assets:

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

### (o) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable (receivable) in respect of taxable income (loss) for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

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) Spirit, spirituous beverages and allied products
- (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 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**3 (a) Property, plant and equipment**

	Owned assets						Leased assets	
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Land	Total
<b>Gross Block (refer note (i) below)</b>								
Balance as at 31 March 2020	1,080	2,577	15,063	101	233	154	499	19,707
Additions	-	545	538	14	35	19	-	1,151
Less: Disposal/Adjustments	-	-	1	0	1	1	-	3
Balance as at 31 March 2021	1,080	3,122	15,600	115	267	172	499	20,855
Additions	-	357	3,818	16	57	5	-	4,253
Less: Disposal/Adjustments	-	-	29	3	8	3	-	43
<b>Balance as at 31 March 2022</b>	<b>1,080</b>	<b>3,479</b>	<b>19,389</b>	<b>128</b>	<b>316</b>	<b>174</b>	<b>499</b>	<b>25,065</b>
<b>Accumulated Depreciation and Impairment (refer note (i) below)</b>								
Balance as at 31 March 2020	-	843	6,227	49	171	95	41	7,426
Charge for the year	-	168	1,229	14	37	18	16	1,482
Less: Disposal/adjustments	-	-	-	0	1	1	-	2
Balance as at 31 March 2021	-	1,011	7,456	63	207	112	57	8,906
Charge for the year	-	244	1,361	14	42	19	16	1,696
Less: Disposal/adjustments	-	-	2	1	2	1	-	6
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>1,255</b>	<b>8,815</b>	<b>76</b>	<b>247</b>	<b>130</b>	<b>73</b>	<b>10,596</b>
<b>Net Block</b>								
Balance as at 31 March 2021	1,080	2,111	8,144	52	60	60	442	11,949
<b>Balance as at 31 March 2022</b>	<b>1,080</b>	<b>2,224</b>	<b>10,574</b>	<b>52</b>	<b>69</b>	<b>44</b>	<b>426</b>	<b>14,469</b>

**Notes:**

- The Company had adopted the carrying cost as on the date of transition to Ind AS as its deemed cost as at 1 April 2016 and accordingly adjusted its gross block and accumulated depreciation and impairment.
- The Company's marine product processing plant at Kolkata has been erected on land obtained under long term lease of ninety-nine years, valid upto 9 August 2093 through license from Kolkata Metropolitan Development Authority, for which formal lease deed is yet to be executed by the lessor. The gross book value as at **31 March 2022: ₹66 lakhs** (31 March 2021: ₹66 lakhs) and net block as at **31 March 2022: ₹61 lakhs** (31 March 2021: ₹62 lakhs).
- Plant and equipment includes electrical equipment and installations and laboratory equipment.
- 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.
- Right of Use includes lands acquired under long term lease ranging from 30-99 years. It represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortized over the period of lease. Net block as at **31 March 2022: ₹374 lakhs** (31 March 2021: ₹386 lakhs).
- Right of Use includes land taken on lease for a period of 20 years. The details of values recorded and corresponding depreciation charge are given as under:

	Leasehold land	
	31 March 2022	31 March 2021
<b>Gross Block as at the beginning of the year</b>	<b>61</b>	<b>61</b>
Add: Additions during the year	-	-
Less: Disposal during the year	-	-
<b>Gross Block as at the end of the year</b>	<b>61</b>	<b>61</b>
<b>Accumulated Depreciation as at the beginning of the year</b>	<b>5</b>	<b>3</b>
Add: Charge for the year	3	2
<b>Accumulated Depreciation as at the end of the year</b>	<b>8</b>	<b>5</b>
<b>Net block as at the end of the year</b>	<b>53</b>	<b>56</b>

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>3(b) Capital work-in-progress (CWIP)</b>		
Opening balance as at the beginning of the year	1,004	382
Additions made during the year	3,159	1,621
Capitalised during the year	(4,090)	(999)
Adjustments	(2)	-
Closing balance as at the end of the year	71	1,004

### 3(c) For capital work-in-progress (CWIP) ageing schedules are as follows:

Capital Work-in-progress	Amount of CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
As on 31st March 2022	71	-	-	-	71
As on 31st March 2021	1,002	-	2	-	1,004
<b>Projects temporarily suspended</b>					
As on 31st March 2022	-	-	-	-	-
As on 31st March 2021	-	-	-	-	-

Note: As on dates there are no capital work-in-progress which are overdue or has exceeded its original cost.

### 3(d) Intangible assets under development

Opening balance as at the beginning of the year	84	63
Additions made during the year	73	21
Closing balance as at the end of the year	157	84

### 3(e) For Intangible assets under development ageing schedules are as follows:

Intangible assets under development	Amount of intangible assets under development for a period of				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
As on 31st March 2022	73	21	63	-	157
As on 31st March 2021	21	63	-	-	84
<b>Projects temporarily suspended</b>					
As on 31st March 2022	-	-	-	-	-
As on 31st March 2021	-	-	-	-	-

Note: Intangible assets under development represents SAP project, implementation of which is delayed and likely to be completed in next one year.

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022		As at 31 March 2021	
	Nos.	Amount	Nos.	Amount
<b>4 Investments</b>				
<b>(a) Non-current</b>				
<b>Investments in equity instruments (Subsidiary)</b>				
<b>Unquoted</b>				
<i>(Measured at cost)</i>				
IFB Agro Marine FZE [(Face value AED 1.50 lacs per share (31 March 2021: AED 1.50 lacs per share), fully paid-up)]	25	702	18	489
Less: Provision for impairment in value of investments (Refer note 28)		(702)		-
		<u>-</u>		<u>489</u>
<b>Investments in equity instruments (others)</b>				
<b>Quoted</b>				
<i>(Designated at fair value through other comprehensive income (FVTOCI))</i>				
IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)	172,733	1,798	172,733	1,920
		<u>1,798</u>		<u>1,920</u>
<b>Unquoted</b>				
<i>(Designated at fair value through other comprehensive income)</i>				
CPL Projects Limited (Face value ₹ 10 per share, fully paid-up)	90,000	3	90,000	3
Zenith Investments Limited (Face value ₹ 10 per share, fully paid-up)	260,000	3	260,000	3
Asansol Bottling and Packaging Company Private Limited (Face value ₹ 100 per share, fully paid-up)	23,900	373	23,900	382
Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	145,000	70	145,000	86
IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	955,998	1,574	955,998	1,599
IFB Refrigeration Limited (Face value ₹ 10 per share, fully paid-up)	4,500,000	450	-	-
		<u>2,473</u>		<u>2,073</u>
		<u>4,271</u>		<u>4,482</u>
<b>Investments in preference shares</b>				
<b>Unquoted</b>				
<i>(Designated at fair value through other comprehensive income)</i>				
IFB Refrigeration Limited (5%, Compulsorily convertible non-cumulative preference share, Face value ₹ 10 per share, fully paid-up) (Refer note (ii))	25,500,000	2,550	-	-
		<u>2,550</u>		<u>-</u>

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 4 Investments (cont'd)

	As at 31 March 2022	As at 31 March 2021
<b>Other disclosures for non-current investments:</b>		
(a) Aggregate amount of quoted investments and market value thereof	1,798	1,920
(b) Aggregate amount of unquoted investments	5,725	2,562
(c) Aggregate amount of impairment in value of investments	(702)	-
	<u>6,821</u>	<u>4,482</u>

#### Notes:

- (i) 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. 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.
- (ii) During the year, the Company has invested in 25,500,000 numbers of 5%, compulsorily convertible non-cumulative preference shares (CCCPS) of IFB Refrigeration Limited, a promoter group company. Each CCCPS will be converted to one equity share of ₹ 10 each at par within a period of twelve months from the date of issue (i.e. 03 March, 2022).

	As at 31 March 2022		As at 31 March 2021	
	Nos.	Amount	Nos.	Amount
<b>(b) Current</b>				
<b>Investments in bonds</b>				
<i>(Measured at amortised cost)</i>				
7.22% Indian Railway Finance Corporation Limited Tax Free (S-83) (06 December 2022), of ₹ 10, 00, 000 each, fully paid up	10	106	-	-
		<u>106</u>		<u>-</u>
<b>Investments in mutual funds</b>				
<b>Unquoted</b>				
<i>(Measured at fair value through profit and loss)</i>				
ICICI Prudential Equity Arbitrage Fund -Direct-Growth	5,416,812.57	1,587	3,642,102.04	1,022
Kotak Equity Arbitrage Fund -Direct- Growth	5,025,280.10	1,591	3,379,725.30	1,023
		<u>3,178</u>		<u>2,045</u>
<b>Other disclosures for current investments:</b>				
(a) Aggregate amount of investments in bonds		106		-
(b) Aggregate amount of unquoted investments in mutual funds		3,178		2,045
(c) Aggregate amount of impairment in value of investments		-		-
		<u>3,284</u>		<u>2,045</u>



**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
<b>5 Other financial assets</b>		
<b>(a) Non-current</b>		
<i>(Unsecured, considered good)</i>		
Security deposits	5	5
Bank deposits with remaining maturity more than 12 months (*)	<u>1</u>	<u>26</u>
	<u>6</u>	<u>31</u>
(*) Bank deposits are under lien with various Government authorities.		
<b>(b) Current</b>		
<i>(Unsecured, considered good)</i>		
Security deposit	40	15
Derivative instruments	9	-
Insurance and other claim receivable	1	98
Other advances	-	109
	<u>50</u>	<u>222</u>
<b>6 Other assets</b>		
<b>(a) Non-current</b>		
<i>(Unsecured, considered good)</i>		
Capital advances	14	412
Advances other than capital advances:		
- Amount deposited with government authorities	263	263
- Advance to service provider	0	0
Excess amount paid for defined benefit plans	-	18
Excess amount paid for other long-term employee benefit	-	14
	<u>277</u>	<u>707</u>
<b>(b) Current</b>		
<i>(Unsecured, considered good)</i>		
Advances other than capital advances:		
- Advance to vendors	1,037	468
- Advance to tie-up manufacturing units	130	100
- Prepaid expenses	461	478
Balances with government authorities (State Excise Duty, GST, etc)	1,611	3,650
Export incentives receivable	776	362
	<u>4,015</u>	<u>5,058</u>

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>7 Inventories</b>		
<i>(valued at lower of cost and net realisable value)</i>		
Raw materials (including packing materials) (##)	3,021	3,235
Work-in-progress	129	127
Finished goods (**)	2,606	2,543
Stock-in-trade	429	375
Stores and spares	352	382
	6,537	6,662

(##) includes stock in transit ₹123 lakhs (31 March 2021: ₹13 lakhs)

(\*\*) finished goods includes finished goods in transit as on 31 March 2022 : ₹ nil (31 March 2021: ₹331 lakhs).

Note: The cost of inventories recognised as an expense during the year is disclosed under note 21,22 and 23. The cost of inventories recognised as an expense includes nil (31 March 2021: ₹ 132 lakhs) in respect of write-downs of inventory to its net realisable value.

	As at 31 March 2022	As at 31 March 2021
<b>8 Trade receivables</b>		
Considered good, secured	1,582	988
Considered good, unsecured	6,481	10,757
Trade receivables, credit impaired	26	26
	8,089	11,771
Less: Loss allowance	1,277	1,400
	6,812	10,371
<b>Movement in allowance for doubtful debts during the year is as follows:</b>		
Balance at the beginning of the year	1,400	1,729
Add: Loss allowance (net)	(123)	(329)
	1,277	1,400

### Trade Receivables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from the date of transactions					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
<b>As at 31 March 2022</b>						
(i) Undisputed Trade Receivables- considered good	6,812	151	47	1,052	1	8,063
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	26	26
<b>Total</b>	6,812	151	47	1,052	27	8,089

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**8 Trade receivables (Contd.)**

Particulars	Outstanding for following periods from the date of transactions					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
<b>As at 31 March 2021</b>						
(i) Undisputed Trade Receivables- considered good	10,370	75	200	1,059	41	11,745
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	26	-	26
<b>Total</b>	<b>10,370</b>	<b>75</b>	<b>200</b>	<b>1,085</b>	<b>41</b>	<b>11,771</b>

Note: There is no unbilled due from debtors as on 31 March 2022 (31 March 2021: nil)

	As at 31 March 2022	As at 31 March 2021
<b>9 Cash and bank balances</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	20	18
Balances with banks		
- In current accounts	180	433
Bank deposits with original maturity less than 3 months	15,835	9,780
	<u>16,035</u>	<u>10,231</u>
<b>(b) Bank balances other than above</b>		
Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months (*)	188	141
Accrued interest on bank deposits	4	8
	<u>192</u>	<u>149</u>

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

**10 Loans**
*(Unsecured, considered good)*

Loan to employees	16	15
	<u>16</u>	<u>15</u>

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
<b>11 Equity share capital</b>				
<b>Authorized share capital</b>				
Equity shares of ₹ 10 each	<b>12,000,000</b>	<b>1,200</b>	12,000,000	1,200
	<b>12,000,000</b>	<b>1,200</b>	12,000,000	1,200
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	<b>9,367,111</b>	<b>937</b>	9,367,111	937
	<b>9,367,111</b>	<b>937</b>	9,367,111	937

**(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. 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 2022		As at 31 March 2021	
	Number	Percentage	Number	Percentage
IFB Automotive Private Limited	<b>3,602,900</b>	<b>38.46</b>	3,602,900	38.46
Nurpur Gases Private Limited	<b>785,543</b>	<b>8.39</b>	785,543	8.39
SICGIL India Limited (*)	<b>683,100</b>	<b>7.29</b>	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.

**(e) Shareholding of promoter**

**Shares by promoters at the end of the year**

Sl. No.	Promoter Name	No. of Shares			% Change during the year
		31 March 2022	31 March 2021	% of total shares	
1	Mr. Bijon Bhushan Nag	<b>237,509</b>	237,509	2.54%	-
2	Mrs. Preombada Nag	<b>1,315</b>	1,315	0.01%	-
3	Mr. Bikramjit Nag	<b>1,000</b>	1,000	0.01%	-
4	Asansol Bottling & Packaging Company Private Limited	<b>307,197</b>	307,197	3.28%	-
5	IFB Automotive Private Limited	<b>3,602,900</b>	3,602,900	38.46%	-
6	Lupin Agencies Private Limited	<b>385,300</b>	385,300	4.11%	-
7	Nurpur Gases Private Limited	<b>785,543</b>	785,543	8.39%	-
8	Windsor Marketiers Private Limited	<b>382,916</b>	382,916	4.09%	-
9	Zim Properties Private Limited	<b>385,000</b>	385,000	4.11%	-
	<b>Total</b>	<b>6,088,680</b>	6,088,680	65.00%	-

Note: There is no change in the number of shares held by the promoters during the year ended 31 March 2022 and 31 March 2021.

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>12 Other equity</b>		
<b>(a) Other reserves</b>		
Securities premium	3,194	3,194
General reserve	285	285
Retained earnings	42,685	37,366
<b>(b) Other comprehensive income</b>	3,177	3,322
	<u>49,341</u>	<u>44,167</u>

**Nature and purpose of reserves:**
**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Section 52 of the Companies Act, 2013.

**General reserve**

General reserve has been created out of profits earned by the Company in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Movement in the retained earnings during the year is as given below:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	37,366	32,642
Add: Profit for the year	5,334	4,700
Add/less: Remeasurement gain/(loss) of post-employment benefit obligations and taxes there on	(15)	24
<b>Balance at the end of the year</b>	<u>42,685</u>	<u>37,366</u>

**Other comprehensive income**

The Company has elected to recognize changes in fair value of certain investments in equity instruments in other comprehensive income. The changes are accumulated within "Equity instruments through OCI" under other comprehensive income.

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

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3,322	1,687
Add: movement in OCI during the year, net	(160)	1,659
Add/less: Remeasurement loss/(gain) of post-employment benefit obligations and taxes there on	15	(24)
<b>Balance at the end of the year</b>	<u>3,177</u>	<u>3,322</u>

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>13 Borrowings</b>		
<b>(a) Non-current</b>		
<i>Secured</i>		
<b>Term loans</b>		
Term loan from bank	2,000	-
Less: Current maturities of long term borrowings (refer note 13(b))	500	-
	<u>1,500</u>	<u>-</u>
<b>Term loan from bank</b>		
Term loan from bank of Rs. 2,000 lakhs (31st March 2021: Nil) is secured by an exclusive charge on the plant and machinery purchased out of this loan. The interest rate is determined on the basis of repo rate plus 2.70% spread.		
The term loan is repayable in 48 months after repayment holiday of 12 months commencing from the date of disbursal of the facility by way of quarterly instalments of ₹ 125 lakhs (Rupees one crore twenty five lakhs only) each.		
<b>(b) Current</b>		
<i>Secured</i>		
Current maturities of borrowings (refer note 13(a))	500	-
	<u>500</u>	<u>-</u>
<b>14 Other financial liabilities</b>		
<b>(a) Non-current</b>		
Security deposits (*)	240	240
	<u>240</u>	<u>240</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>(b) Current</b>		
Security deposits repayable on demand	25	37
Creditors for property, plant and equipments (#)	115	219
Derivative instruments	-	1
Dues to employees	434	334
	<u>574</u>	<u>591</u>

(#) Creditors for property, plant and equipments include 31 March 2022 : ₹7 lakhs (31 March 2021: ₹33 lakhs) dues to micro and small enterprises.



**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
<b>15 Provisions</b>		
<b>(a) Non-current</b>		
<b>Provision for employee benefits:</b>		
Provision for compensated absences (Ref note 33)	44	-
Provision for gratuity (Ref note 33)	87	-
	<u>131</u>	<u>-</u>
<b>(b) Current</b>		
Provision for legal matters (*)	189	189
	<u>189</u>	<u>189</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 period is as follows:**

	189	189
Balance at the beginning of the period	189	189
Add: provisions during the period	-	-
Less: provisions reversed / paid during the year	-	-
Balance at the end of the period	<u>189</u>	<u>189</u>

**16 Deferred taxes assets / liabilities (net)**

Deferred tax liabilities	1,763	1,729
Less: Deferred tax assets	727	841
	<u>1,036</u>	<u>888</u>

	As at 31 March 2021	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2022
<b>Deferred tax liabilities:</b>				
On property, plant and equipment	1,330	14	-	1,344
On fair valuation of equity instruments through OCI	383	-	(26)	357
On fair valuation of investments in mutual funds	16	46	-	62
	<u>1,729</u>	<u>60</u>	<u>(26)</u>	<u>1,763</u>
<b>Deferred tax assets:</b>				
On provision for doubtful debts	489	(43)	-	446
On deferred revenue income	12	(1)	-	11
On provision for impairment in value of investment	-	164	-	164
On temporary differences	17	-	-	17
	<u>518</u>	<u>120</u>	<u>-</u>	<u>638</u>

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**16 Deferred taxes assets / liabilities (net) (Cond.)**

	As at 31 March 2021	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2022
<b>Deferred tax assets:</b>				
On unutilised MAT credits	323	(152)	386	89
	<u>323</u>	<u>(152)</u>	<u>386</u>	<u>89</u>
	As at 31 March 2020	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2021
<b>Deferred tax liabilities:</b>				
On property, plant and equipment	1,494	(164)	-	1,330
On fair valuation of equity instruments through OCI	108	-	275	383
On fair valuation of investments in mutual funds	2	14	-	16
On excess amount paid for other long-term employee benefit	-	-	-	-
	<u>1,604</u>	<u>(150)</u>	<u>275</u>	<u>1,729</u>
<b>Deferred tax assets:</b>				
On provision for doubtful debts	604	(115)	-	489
On deferred revenue income	11	1	-	12
On temporary differences	17	-	-	17
	<u>632</u>	<u>(114)</u>	<u>-</u>	<u>518</u>
	As at 31 March 2020	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2021
<b>Deferred tax assets:</b>				
On unutilised MAT credits	491	(176)	344	323
	<u>491</u>	<u>(176)</u>	<u>344</u>	<u>323</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 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
<b>17 Other liabilities</b>		
<b>(a) Non-current</b>		
Deferred revenue income (*)	28	30
	<u>28</u>	<u>30</u>
<p>(*) Deferred revenue income represents capital subsidy of ₹ 50 lakhs received by the Company on 30 December 2016 from Ministry of New and Renewable Energy (MNRE), Government of India, in respect of its 2.5 MW co-generative power plant commissioned on 28 March 2014. An amount of ₹ 2 lakhs (31 March 2021: ₹ 2 lakhs) has been recognized as income for the current year.</p>		
<b>(b) Current</b>		
Advance from customers (#)	257	188
Statutory dues	464	1,503
Other accruals	28	27
	<u>749</u>	<u>1,718</u>
<p>(#) 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.</p>		
<b>18 Trade payables</b>		
<b>(a) Dues of micro and small enterprises</b>	255	357
Dues of creditors other than micro and small enterprises	3,345	3,989
	<u>3,600</u>	<u>4,346</u>
<b>(b) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.</b>		
<b>Principal and interest amount remaining unpaid:</b>		
- Principal amount(#)	303	503
- Interest (*)	-	-
a) the amount of interest paid by the Company in terms of section 16 under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
b) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
c) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
d) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

**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.

(#) Principal Amount due includes capital creditors: **31 March 2022: ₹ 7 lakhs** (31 March 2021: ₹ 33 lakhs) due to micro and small enterprise.

(\*) Interest paid/payable by the Company has been waived off by the concerned suppliers.

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**18 (c) Ageing schedule of trade payables:**

	Outstanding for following periods from transaction date				Total
	Less than 1 year	1-2 years	1-3 years	More than 3 years	
<u>As at 31 March 2022</u>					
(i) MSME	255	-	-	-	255
(ii) Others	1,796	196	8	8	2,008
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>2,051</b>	<b>196</b>	<b>8</b>	<b>8</b>	<b>2,263</b>
Unbilled trade receivables					<b>1,337</b>
					<b>3,600</b>
<u>As at 31 March 2021</u>					
(i) MSME	357	-	-	-	357
(ii) Others	1,863	78	4	8	1,953
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>2,220</b>	<b>78</b>	<b>4</b>	<b>8</b>	<b>2,310</b>
Unbilled trade receivables					<b>2,036</b>
					<b>4,346</b>

*(This space is intentionally left blank)*

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	<b>Year ended 31 March 2022</b>	Year ended 31 March 2021
<b>19 Revenue from operations</b>		
Sale of products (inclusive of excise duty)(*)	226,390	168,522
Other operating revenue		
- Scrap sales	106	165
- Export incentives	1,171	628
- Others	58	30
	<u>227,725</u>	<u>169,345</u>
(*) refer to note 43		
<b>Details of sale of products (inclusive of excise duty)</b>		
<b>Manufactured products</b>		
-Spirit, spirituous beverages and allied products		
(i) Spirit and spirituous beverages	176,218	142,929
(ii) Others	5,032	3,827
-Marine		
(i) Marine products	27,537	11,658
(ii) Others	506	341
<b>Traded products</b>		
-Spirit, spirituous beverages and allied products		
Others	11	30
-Marine		
Marine feed and other allied products	17,086	9,737
	<u>226,390</u>	<u>168,522</u>
<b>20 Other income</b>		
<b>Interest income:</b>		
- Financial assets measured at amortised costs	42	39
<b>Other gains and losses</b>		
- Net gain arising on sale of financial assets measured at FVTPL	545	355
- Net gain arising on measurement of derivatives at FVTPL	9	116
- Net gain arising on remeasurement of financial assets measured at FVTPL	133	45
<b>Others</b>		
- Rental income	388	348
- Net gain on foreign currency transactions and translations (net)	118	-
- Recovery of bad debts	4	4
- Liabilities no longer required written back	27	112
- Writeback of loss allowance on trade receivables (net)	123	329
- Gain on sale of property, plant and equipment (net)	51	-
- Insurance claim received	63	262
- Other miscellaneous income	33	21
	<u>1,536</u>	<u>1,631</u>

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>21 Cost of materials consumed</b>		
<b>Raw material consumed (including packing materials)</b>		
Opening stock	3,235	2,945
Add: Purchases	53,259	34,703
Less: Closing stock	3,021	3,235
	<u>53,473</u>	<u>34,413</u>
<b>22 Purchases of stock-in-trade</b>		
Marine food and feed supplements	15,076	8,871
Others	10	27
	<u>15,086</u>	<u>8,898</u>
<b>23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Stock at the beginning of the period (including stock-in-transit)</b>		
Finished goods	2,543	4,992
Work-in-progress	127	184
Stock-in-trade	375	356
	<u>3,045</u>	<u>5,532</u>
<b>Stock at the end of the period (including stock-in-transit)</b>		
Finished goods	2,606	2,543
Work-in-progress	129	127
Stock-in-trade	429	375
	<u>3,164</u>	<u>3,045</u>
Difference in excise duty on finished goods	(633)	5
	<u>(752)</u>	<u>2,492</u>
<b>24 Employee benefits expense</b>		
Salaries, wages and bonus	4,738	3,712
Contribution to provident funds and other funds	359	454
Staff welfare expenses	202	251
	<u>5,299</u>	<u>4,417</u>
<b>25 Finance costs</b>		
Interest on financial liabilities carried at amortised costs (*)	49	5
Interest expense on lease liabilities	6	2
	<u>55</u>	<u>7</u>

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



**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>26 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment	1,696	1,482
	<u>1,696</u>	<u>1,482</u>
<b>27 Other expenses</b>		
Advertisement and sales promotion expenses	630	740
Consumption of stores and spares	574	540
Power and fuel	4,483	3,321
Rent	1,301	939
Repair and maintenance:		
- Buildings	12	90
- Plant and Machinery	307	221
- Others	100	140
Insurance	510	337
Rates and taxes	334	816
Legal and professional expenses	439	341
Office expenses	930	777
Travel and conveyance expenses	305	198
Auditor's remuneration (refer note a)	33	29
Freight outward	3,293	1,797
Contract charges	3,651	2,416
Corporate Social Responsibility ('CSR') expenditure (refer note b)	95	83
Write off of property, plant and equipment	10	0
Bad debts written off	227	298
Loss on foreign currency transactions and translations, net	-	64
Directors sitting fees (#)	19	10
Miscellaneous expenses (*)	2,930	356
	<u>20,183</u>	<u>13,513</u>
(#) Directors sitting fees represents amount inclusive of Goods & Service tax of ₹ 1 lakh on 31 March 2022 (31 March 2021: nil)		
(*) Miscellaneous expenses includes ₹ 2,400 lakhs (31 March 2021: nil) contribution to electoral bonds.		
<b>(a) Auditors' remuneration</b>		
Statutory audit (including Limited Reviews)	30	26
Other services	2	1
Out of pocket expenses	1	2
	<u>33</u>	<u>29</u>
<b>(b) Details of Corporate Social Responsibility (CSR) expenditure</b>		
Gross amount required to be spent by the Company during the year.	85	80
Amount spent during the year:		
Construction / acquisition of any assets	-	-
Purposes other than above	95	83
Shortfall at the end of the year	NA	NA
Nature of CSR activities,	Eradicating hunger, malnutrition, sanitation, promoting healthcare & safe drinking water, promoting education & livelihood enhancement and rural development	

The Company has a carried forward amount of ₹ 13 lakhs as on 31st March 2022 (₹ 3 lakhs for financial year 20-21 and ₹ 10 lakhs for financial year 2021-22) on account of excess amount spent on CSR.

None of the expenditure towards corporate social responsibility are related party transactions.

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>28 Exceptional items [(income)/expense]</b>		
Provision for diminution in value of investments in subsidiary (Refer note below)	702	-
	<u>702</u>	<u>-</u>
Note: During the year, in accordance with IND AS 36 -'Impairment of Assets', the Company based on its assessment of business performance of its subsidiary, IFB Agro Marine FZE has provided ₹ 702 lakhs for diminution in its value of investments in equity shares.		
<b>29 Tax expenses</b>		
<b>(a) Income tax in the statement of profit and loss:</b>		
<b>Current tax</b>		
Income tax charge for the year	1,681	1,293
	<u>1,681</u>	<u>1,293</u>
<b>Deferred tax</b>		
Deferred tax for the year	(60)	(36)
Unused tax credit entitlement (MAT credit entitlement) for the year	-	-
Unused tax credit entitlement (MAT credit entitlement) for earlier years	(152)	(176)
	<u>(212)</u>	<u>(212)</u>
<b>(b) Income tax recognised in other comprehensive income comprises:</b>		
<b>Current tax</b>		
On remeasurement of post-employment benefit obligations	(9)	13
	<b>(A)</b> <u>(9)</u>	<u>13</u>
<b>Deferred tax</b>		
On fair value gains on investments in equity instruments	(26)	275
	<b>(B)</b> <u>(26)</u>	<u>275</u>
	<b>(A) + (B)</b> <u>(35)</u>	<u>288</u>
<b>(c) Reconciliation of income tax expense and the accounting profit for the year:</b>		
Profit before tax	6,803	5,781
Enacted tax rates (%)	34.94%	34.94%
Income tax expense calculated at corporate tax rate	2,377	2,020
Deductions under chapter VIA of the Income Tax Act, 1961	(893)	(748)
Impact on account of non-deductible expenses	33	29
Income exempted from tax	(2)	-
Adjustment of tax relating to earlier years	(152)	(176)
Additional allowances under the Income Tax Act, 1961	-	(16)
Difference in opening written down value of property, plant and equipment as per Income tax	26	(25)
Impact of lower tax rate on certain items	82	-
Other adjustments	(2)	(3)
<b>Total income tax expense as per the statement of profit and loss</b>	<u>1,469</u>	<u>1,081</u>
<b>30 Earnings per equity share (EPS)</b>		
Net profit attributable to equity shareholders (in ₹ lakhs)	5,334	4,700
Weighted average number of equity shares outstanding during the year	9,367,111	9,367,111
Face value per share (in ₹)	10	10
Earnings per share (in ₹):		
- Basic earnings per equity share	56.94	50.18
- Diluted earnings per equity share	56.94	50.18

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 31 Leases

#### (a) Leases as a Lessee

##### (i) Right of use assets

The Company has acquired lands on lease. Certain lease land acquired by the Company are recorded under property, plant and equipment (separately from other owned assets) at an amount equal to the entire lease rentals paid upfront (including initial direct costs) at the time of initiation of this lease. Such lease arrangement range over a period of 30-99 years. Other lease arrangements of land whose payment are to be made on periodic basis has been recognised as 'Right of use assets' for the purpose on Ind AS 116, Leases. These lease land arrangement range over a period of 20 years.

##### Reconciliation of liabilities from financing activities

	As at 31 March 2022	As at 31 March 2021
Opening Balance	61	63
Interest expenses recognised during the year	6	4
Lease payments reflected in the Statement of Cash Flow	(6)	(6)
Closing Lease liability	61	61

##### (ii) Short term / Low value leases

The Company has entered into lease arrangements in respect of factory lands, office premises, other buildings and manufacturing facilities which are for a period generally ranging from 11 months to 6 years. All such lease arrangements are cancellable by giving a short notice of 3 to 6 months. But these are usually renewable on mutually agreed terms. All these arrangements are considered as short term lease or leases of low-value assets for the purpose of Ind AS 116, Leases and are not recognised as Right of use assets. The expenses incurred for short term lease during **31 March 2022: ₹1,301 lakhs** (31 March 2021: ₹939 lakhs) included in Rent under Note 27 other expenses.

#### (b) Leases as lessor

The Company entered into operating leases on its office premises, plant and machinery.

Rental income recognised by the Company during the financial year 2021-22 ₹ **388 lakhs** (2020-21 is ₹ 348 lakhs).

All the agreement entered into are short term in nature and are cancellable at a notice within three to six months, therefor the maturity analysis of lease payments are not reported here.

### 32 Contingent liabilities and commitments

#### (a) Contingent liabilities

##### Particulars

	As at 31 March 2022	As at 31 March 2021
--	------------------------	------------------------

##### Claims against the Company not acknowledged as debts:

(a) Income tax demand under appeal	887	-
(b) State Excise demands for various years primarily for excess shortage/wastage of spirit.	1,192	1,192
(c) Kolkata Port Trust (KoPT) - Dispute relating to valuation of rent for rest house at Noorpur.	95	95

##### Note:

Pending issuance of any show cause notice or demand in pursuance to the search conducted by the Directorate General of Goods and Services Tax Intelligence Unit (DGGI) on 26 June 2020 under section 67(2) of the Central Goods and Services Act, 2017, in respect of the alleged misclassification in respect to sale of Distillers Dried Grain Soluble (DDGS), the company has paid a sum of ₹ **225 lakhs** under protest.

#### (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 2022	As at 31 March 2021
Capital commitments for property, plant and equipment (net of capital advances given)	37	1,761
Capital commitment for intangible assets under development	174	225

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 33 Disclosure in accordance with Ind AS-19 on Employee benefits expense

#### (a) Post-employment benefits plan:

Retirement benefit plans of the Company comprising of Gratuity, Superannuation and Provident Fund consists of both defined benefit plan and defined contribution plan. Other long term employee benefits includes compensated absences subject to certain limits and rules. Gratuity, Superannuation and compensated absences plans are funded through investments in Life Insurance Corporation of India (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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Present value of obligation	1,441	1,272	1,097	974
Fair value of plan assets	1,354	1,290	1,053	988
<b>Net (assets)/liabilities recognized</b>	<b>87</b>	<b>(18)</b>	<b>44</b>	<b>(14)</b>

#### (ii) Movement in present value of obligation:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	1,272	1,204	974	927
Current service cost	81	91	98	98
Interest cost	76	75	56	57
Acquisitions (credit)/cost	-	2	-	(2)
Actuarial (gain)/loss arising from assumption changes	(45)	29	(39)	26
Actuarial (gain)/loss arising from experience adjustments	81	(63)	100	(51)
Benefits paid (including benefits directly paid by the Company)	(24)	(66)	(92)	(81)
<b>Balance at end of the year</b>	<b>1,441</b>	<b>1,272</b>	<b>1,097</b>	<b>974</b>

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**(iii) Movement in present value of plan assets:**

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	1,290	1,271	988	923
Interest income on plan assets	77	79	59	59
Employer contribution	-	2	-	4
Return on plan assets lesser than discount rate	11	4	6	2
Benefits paid	(24)	(66)	-	-
<b>Balance at end of the year</b>	<b>1,354</b>	<b>1,290</b>	<b>1,053</b>	<b>988</b>

**(iv) Components of net cost**

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Recognised in profit and loss</b>				
- Current service costs	81	91	98	98
- Net interest on net defined benefit liability / (asset)	(1)	(4)	(4)	(2)
- Immediate recognition of actuarial (gains) / losses	-	-	56	(27)
	<b>80</b>	<b>87</b>	<b>150</b>	<b>69</b>
<b>Recognised in other comprehensive income</b>				
- Actuarial (gains) / losses	25	(37)	-	-
	<b>25</b>	<b>(37)</b>	<b>-</b>	<b>-</b>

**(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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Actuarial (gain)/loss arising from assumption changes	(45)	29	-	-
Actuarial (gain)/loss arising from experience adjustments	81	(63)	-	-
Return on plan assets lesser than discount rate	(11)	(4)	-	-
<b>Net impact on other comprehensive income before tax</b>	<b>25</b>	<b>(38)</b>	<b>-</b>	<b>-</b>

(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 (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 IndAS 19 are set by reference to market conditions at the valuation date.

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate (per annum)	6.50%	6.00%	6.40%	6.00%
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)	10	10	Not applicable	Not applicable
Expected rate of return on plan assets	7.02%	6.84%	6.63%	6.55%

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### (ix) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate - Decrease by 1%	94	81	81	73
Discount rate - Increase by 1%	(82)	(70)	(71)	(63)
Salary escalation rate - Decrease by 1%	(82)	(70)	(70)	(62)
Salary escalation rate - Increase by 1%	91	79	79	71

#### 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 gratuity plan and compensated absences plan is 6 and 7 years respectively. 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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Year 1	43	430	70	247
Year 2	136	65	138	73
Year 3	591	102	326	94
Year 4	170	105	141	90
Year 5	79	75	90	77
Beyond 5 years	772	602	691	561

Expected employer contribution in Gratuity plan for the period ending 31 March 2023 is ₹104 lakhs (31 March 2022: ₹81 lakhs).

Expected employer contribution in Compensated absences plan for the period ending 31 March 2023 is ₹130 lakhs (31 March 2022: ₹98 lakhs).

### (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 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

**34 Related party disclosures**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures:

**(a) List of related parties**
**(i) Parties where control exists (subsidiary)**

Name of the Company	Country of incorporation	31 March 2022	31 March 2021
IFB Agro Marine (FZE) (Wholly owned subsidiary w.e.f. 20 April 2017)	U.A.E	100%	100%

**(ii) Key management personnel**
**Whole-time directors**

Mr. Bikramjit Nag, Joint Executive Chairman

Mr. Arup Kumar Banerjee, Vice Chairman

Mr. Amitabha Mukhopadhyay, Managing Director (w.e.f 01 November 2021)

**Non-whole-time directors**

Mr. Bijon Bhushan Nag, Chairman

Mr. Amitabha Kumar Nag, Non-executive Director

Mr. Sudip Kumar Mukherji, Independent Director

Mr. Hari Ram Agarwal, Independent Director

Mr. Manoj Kumar Vijay, Independent Director

Mr. Malaykumar Mohindrachandra Das, Independent Director (w.e.f 30 December 2021)

Dr. Runu Chakraborty, Independent Woman Director

**Executive officers**

Mr. Rahul Choudhary, Chief Financial Officer

Mr. Ritesh Agarwal, Company Secretary

Mr. Santanu Ghosh, Chief Executive Officer - Distillery Business

Mr. Debasis Ghosh, Chief Executive Officer - IMIL Business

Mr. Soumitra Chakraborty, Chief Executive Officer - Marine Business

Mr. Rana Chatterjee, Chief Finance Officer- Alcohol (Distillery & IMIL) Business

Mr. Siddhartha Basu, Chief Finance Officer - Marine Business

**(iii) Other key management personnel**

Mr. Goutam Bhattacharya, Vice President - Information Technology

Mr. Alok De, Assistant Vice President- HR and Corporate Relations

Mr. Chinmaya Mishra, General Manager- Plant Operations & Project (Distillery)

Mr. Debojyoti Bandopadhyay, General Manager- CO2 Operations

Mr. Sanjoy Bhattacharya, Unit Head-IMIL Panagarh Unit

Mr. T.K Aich, Plant Manager IMIL Dankuni Unit

Mr. Yashwant Kumar, Plant Manager - Marine

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

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

**Name of the entity**

Travel Systems Limited  
Nurpur Gases Private Limited  
IFB Industries Limited

(v) **Post employment benefit plans**

**Name of the entity**

IFB Agro Industries Limited Employees Gratuity Fund  
IFBAIL Employees Super Annuation Fund

(b) **Transactions with related parties**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products</b>		
IFB Industries Limited	2	5
<b>Sale of duty scripts</b>		
IFB Industries Limited	76	-
<b>Rental income:</b>		
Travel Systems Limited	9	8
IFB Industries Limited	72	68
Nurpur Gases Private Limited	24	24
<b>Purchase of property, plant and equipment:</b>		
IFB Industries Limited	8	4
Travel Systems Limited	0	-
<b>Purchase of Material:</b>		
Nurpur Gases Private Limited	2,345	968
<b>Other expenses:</b>		
IFB Industries Limited	11	10
Travel Systems Limited	25	8
<b>Reimbursement of Expenses:</b>		
IFB Agro Marine FZE	2	2
<b>Staff welfare Expenses:</b>		
Relatives of key management personnel and other key management personnel	4	2
<b>Investment in Equity Shares</b>		
IFB Agro Marine (FZE)	213	-
<b>Contribution of funds to post employment benefit fund:</b>		
IFB Agro Industries Limited Employees Gratuity Fund	0	2
IFBAIL Employees Super Annuation Fund	101	212

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Remuneration to key management personnel and other key management personnel</b>		
<b>Short-term employee benefits</b>		
Mr. Bikramjit Nag	148	120
Mr. Arup Kumar Banerjee	276	244
Mr. Amitabha Mukhopadhyay	64	-
Others	705	549
<b>Post-employment benefits (*)</b>		
Mr. Bikramjit Nag	2	2
Mr. Arup Kumar Banerjee	3	3
Mr. Amitabha Mukhopadhyay	1	-
Others	22	31
(*) This does not include amounts in respect of gratuity and compensated absences as the same are determined on actuarial basis for the Company.		
<b>Sitting fees to non-executive directors (inclusive of taxes)</b>	<b>19</b>	<b>10</b>
<b>(e) Balances of related parties:</b>		
<b>Other payables:</b>		
IFB Industries Limited	74	72
Nurpur Gases Private Limited	-	66
<b>Remuneration Payable:</b>		
Mr. Bikramjit Nag	75	50
Mr. Arup Kumar Banerjee	75	50
<b>Security deposit outstanding:</b>		
IFB Industries Limited	8	8
<b>(d) Terms and conditions of transactions with related parties</b>		
Purchase and sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors/customers.		
<b>(e)</b> HDFC Bank Ltd. has issued a SBLC of ₹ 720 lakhs (in respect of loan taken by its subsidiary, IFB Marine FZE) out of the borrowing limits sanctioned by the bank.		

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 35 Segment reporting

#### (a) Basis of segmentation:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

#### (b) Reportable segment

#### Product

Spirit, spirituous beverages and allied products

Spirit, spirituous beverages and allied products

Marine

Marine product processing for sale in export and domestic markets and marine feed trading.

Particulars	Year ended 31 March 2022				Year ended 31 March 2021			
	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total
<b>i) Segment revenues:</b>								
a) Revenue from operations- external	181,336	46,389	-	227,725	146,842	22,503	-	169,345
Inter-segment revenue from operations	105	-	-	105	110	1	-	111
Less: Eliminations	(105)	-	-	(105)	(110)	(1)	-	(111)
				<u>227,725</u>				<u>169,345</u>
b) Other income	162	316	1,058	1,536	267	615	749	1,631
<b>ii) Segment results</b>								
Profit before interest, tax and depreciation	9,449	1,177	(1,370)	9,256	8,905	(512)	(1,123)	7,270
Depreciation	1,326	283	87	1,696	1,263	127	92	1,482
Finance cost	45	10	-	55	-	5	2	7
Exceptional item	-	-	702	702	-	-	-	-
<b>Profit before tax</b>	<b>8,078</b>	<b>884</b>	<b>(2,159)</b>	<b>6,803</b>	<b>7,642</b>	<b>(644)</b>	<b>(1,217)</b>	<b>5,781</b>
Tax expense				1,469				1,081
<b>Profit after tax</b>				<u>5,334</u>				<u>4,700</u>
<b>iii) Revenue from external customers</b>								
India	181,273	22,336	-	203,609	146,761	12,909	-	159,670
Outside India	63	24,053	-	24,116	81	9,594	-	9,675
	<u>181,336</u>	<u>46,389</u>	<u>-</u>	<u>227,725</u>	<u>146,842</u>	<u>22,503</u>	<u>-</u>	<u>169,345</u>
<b>iv) Capital expenditure</b>	<b>3,162</b>	<b>111</b>	<b>120</b>	<u>3,393</u>	<b>1,167</b>	<b>588</b>	<b>39</b>	<u>1,794</u>

#### Note:

As per the West Bengal Excise Policy, sale of IMIL product is to West Bengal Beverages Corporation Limited (BEVCO) upto 16 February, 2022. Hence more than 10% of the total sale is to a single customer. Since 17 February 2022 it is to a sole distributor.

#### v) Other information

Particulars	Year ended 31 March 2022				Year ended 31 March 2021			
	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
Segment assets	21,663	9,197	28,098	58,958	28,181	6,164	18,864	53,209
Segment liabilities	5,215	1,403	2,062	8,680	5,033	1,464	1,608	8,105

#### vi) Geographical information

Particulars	As at 31 March 2022			As at 31 March 2021		
	within India	outside India	Total	within India	outside India	Total
Non current assets other than financial assets and tax assets.	14,974	-	14,974	13,726	-	13,726

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**36 Fair value measurement**
**(a) Category wise classification of financial instruments**

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>A Financial assets:</b>			
<b>(i) Measured at fair value through profit or loss (FVTPL)</b>			
Investments in unquoted mutual funds	4 (b)	3,178	2,045
Derivative instruments	5 (b)	9	-
<b>(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)</b>			
Investments in quoted equity instruments (refer note (i) below)	4 (a)	1,798	1,920
Investments in unquoted equity instruments (refer note (i) below)	4 (a)	2,473	2,073
Investments in unquoted preference shares (refer note (i) below)	4 (a)	2,550	-
<b>(iii) Carried at amortised cost (refer note (ii) below)</b>			
Cash and cash equivalents	9 (a)	16,035	10,231
Other bank balance	9 (b)	192	149
Bank deposits (with remaining maturity of more than 12 months)	5 (a)	1	26
Loans to employees	10	16	15
Security deposits	5 (a) & (b)	45	20
Trade receivables	8	6,812	10,371
Insurance and other claim receivable	5 (b)	1	98
Other advances	5 (b)	-	109
Investment in bonds	4 (b)	106	-
<b>(iv) Measured at cost</b>			
Investment in equity shares of subsidiary Company (net of impairment)	4 (a)	-	489
<b>Total financial assets</b>		<b>33,216</b>	<b>27,546</b>
<b>B. Financial liabilities</b>			
<b>(i) Measured at amortized cost</b>			
Borrowings (including current maturities)	14 (a) & 15 (b)	2,000	-
Lease Liabilities		61	61
Trade payables	18	3,600	4,346
Securities deposits (repayable on demand)	14 (a) (b)	265	277
Creditors for property, plant and equipments	14 (b)	115	219
Dues to employees	14 (b)	434	334
<b>(ii) Measured at fair value through profit or loss (FVTPL)</b>			
Derivative instruments	14 (b)	-	1
<b>Total financial liabilities</b>		<b>6,475</b>	<b>5,238</b>

**Notes:**

- (i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Company has chosen to measure these investments in quoted/unquoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the statement of profit and loss may not be indicative of the performance of the Company.
- (ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, security deposits, trade receivables, other 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 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

**As at 31 March 2022:**

Particulars	Level 1	Level 2	Level 3
<b>(i) Measured at fair value through profit or loss (FVTPL)</b>			
Investments in unquoted mutual funds	3,178	-	-
Derivative instruments	-	9	-
<b>(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)</b>			
Investments in quoted equity instruments	1,798	-	-
Investments in unquoted equity instruments	-	-	2,473

As at 31 March 2021:

Particulars	Level 1	Level 2	Level 3
<b>(i) Measured at fair value through profit or loss (FVTPL)</b>			
Investments in unquoted mutual funds	2,045	-	-
Derivative instruments	-	-	-
<b>(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)</b>			
Investments in quoted equity instruments	1,920	-	-
Investments in unquoted equity instruments	-	-	2,073
<b>(c) Computation of fair values</b>			

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.

There was no transfer of financial assets or liabilities measured at fair value between level 1 and level 2 or transfer into or out of level 3 during the year ended 31 March 2022 and 31 March 2021.

### (d) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values and significant unobservable inputs used in Level 3 fair value measurements.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows	(a) Risk adjusted discount rate (b) Growth rate	The estimated fair value would increase (decrease) if: - the estimated growth were higher (lower); - the risk-adjusted discount rates were lower (higher).

### (e) Fair value of assets and liabilities measured at cost/amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, advance to manufacturing units, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

## 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 analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of it's Board of Directors.

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### (a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

#### (i) Trade receivables

Customer credit risks 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 generally secured through letter of credit.

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 9. 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, denominated in USD. Foreign exchange exposures are managed by the central treasury department in accordance with the overall policy parameters approved by the Board of Directors. Trade receivables are hedged by entering into forward contracts (to sell USD) with authorized banks that matches the timings of the forecasted receipts.

Carrying amount of Company's financial assets and liabilities denominated in foreign currency (USD) as at the Balance Sheet date is as under:

	As at 31 March 2022		As at 31 March 2021	
	USD (lakhs)	₹	USD (lakhs)	₹
<b>Financial assets</b>				
Trade Receivables	21	1564	9	662
Forward Contracts (derivative used to hedge trade receivables)	37	2,842	-	-
<b>Financial liabilities</b>				
Trade payable	1	76	-	-
Forward Contracts (derivative used to hedge trade receivables)	-	-	10	732

#### 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 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March 2022	31 March 2021
	Gain / (Loss)	Gain / (Loss)
INR appreciates by 5%	(57)	4
INR depreciates by 5%	57	(4)

### (ii) Interest rate risk management

The Company is debt-free and the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and debt mutual funds. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

### (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	As at
	31 March 2022	31 March 2021
	Gain / (Loss)	Gain / (Loss)
NAV of mutual funds appreciates by 1%	32	20
NAV of mutual funds declines by 1%	(32)	(20)

### (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.

**Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

Contractual maturity of financial liabilities	Upto 1 year	1 year to 5 year	More than 5 year	Total
<b>As at 31 March 2022</b>				
Trade payables	3,600	-	-	3,600
Lease liability	7	34	95	136
Other financial liabilities	574	240	-	814
<b>As at 31 March 2021</b>				
Trade payables	4,346	-	-	4,346
Lease liability	7	27	109	143
Other financial liabilities	591	240	-	831

**(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 as and when required to meet its working capital requirements. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

38 No proceedings has been initiated or pending against the company in the financial year 2020-21 and financial year 2021-22 for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**39 Details of differences between quarterly returns of current assets filed with banks in comparison with the books of accounts**

Quarter	Particulars of Securities Provided	Amount as per Books of Accounts	Amount as reported in the quarterly return/statement	Amount of Difference**
June 2021	Trade receivables	14,752	14,715	37
	Inventory	11,721	11,297	424
	Trade payables for goods	2,640	2,561	79
September 2021	Trade receivables	12,047	12,003	44
	Inventory	13,523	13,214	309
	Trade payables for goods	4,424	4,467	(43)
December 2021	Trade receivables	8,260	8,216	44
	Inventory	10,088	9,764	324
	Trade payables for goods	3,288	3,384	(96)
March 2022	Trade receivables	8,089	8,089	-
	Inventory	6,536	6,536	-
	Trade payables for goods	1,974	1,974	-
June 2020	Trade receivables	5,688	5,753	(65)
	Inventory	8,385	7,367	1,018
	Trade payables for goods	1,849	1,849	-
September 2020	Trade receivables	10,191	10,128	63
	Inventory	8,808	8,478	330
	Trade payables for goods	1,951	1,951	-
December 2020	Trade receivables	10,275	10,454	(179)
	Inventory	8,033	7,658	375
	Trade payables for goods	1,969	1,969	-
March 2021	Trade receivables	11,771	11,738	33
	Inventory	6,662	6,382	280
	Trade payables for goods	2,056	1,971	85

\* The quarterly return/statement has been submitted to ICICI Bank Limited, HDFC Bank Limited and Federal Bank Limited

\*\* Discrepancies are mainly due to provisions / accruals and reclassifications / adjustments, not considered while submitting details to the banks.

## Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**40** The Company has not been declared wilful defaulter by any bank or financial institution or lender in the financial year 2020-21 and financial year 2021-22.

**41** The Company has no transactions during the financial year 2020-21 and 2021-22 with the Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

<b>42 Ratios</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>Variance</b>
<b>Liquidity Ratio</b>			
i Current Ratio (times) : (Current assets/current liabilities) <i>Reason for variance : Improved realisation from customers and investment in liquid Mutual funds.</i>	<b>6.49</b>	5.04	29%
<b>Solvency Ratios</b>			
ii Debt-Equity Ratio (times) : (Borrowings/shareholder's equity) <i>Reason for variance : Term loan borrowed during the year.</i>	<b>0.04</b>	0.00	100%
iii Debt Service Coverage Ratio (times) : (Net operating income/debt service) (Net operating income = Profit after tax+ depreciation +interest cost + Impairment provision on subsidiary) (debt service=interest on term loan + payment of lease interest) <i>Reason for variance : Higher interest due to term loan borrowed.)</i>	<b>141.58</b>	884.14	-84%
<b>Utilization Ratios</b>			
iv Inventory Turnover Ratio (times) : (cost of goods sold/average value of inventory) <i>Reason for variance : Better management of inventory</i>	<b>22.78</b>	11.08	106%
v Trade receivable turnover ratio (times) : (net credit sales/ average accounts receivable) <i>Reason for variance : Decrease in period end receivables as compared to increase in sales</i>	<b>26.51</b>	20.10	32%
vi Trade payable turnover ratio (times) : (net credit purchase/average accounts payable) <i>Reason for variance : Increase in credit purchases</i>	<b>17.20</b>	11.44	50%
vii Net Capital turnover ratio (Net annual sales/working capital)	<b>7.29</b>	6.08	20%
<b>Profitability ratios</b>			
viii Return on Equity Ratio (%) : (Net income/ Average shareholder's equity)	<b>11%</b>	11%	0%
ix Net profit ratio (%) : (Net profit/net revenue from operation) (Net revenue from operation is net off excise duty on sales of goods)	<b>5%</b>	7%	-22%
x Return on capital employed (%) : (Earning before interest and tax / (tangible networth+debt+deferred tax liability+deferred income))	<b>10%</b>	10%	5%
xi Return on investment (Return on investment/cost of investment) (for the above disclosure the Company has considered return on current investment only as non current investments are held for long term strategic purpose) <i>Reason for variance: Primarily due to fair valuation</i>	<b>26%</b>	8%	226%

**43** Revenue from sale of products is net of variable consideration components amounting to **Rs.1,426 lakhs** (31 March 2021: Rs.1,425 lakhs)

### **44 Impact of Covid-19 pandemic**

The Company has taken into account all the possible impacts of known events arising from COVID -19 pandemic in the preparation of the financial statements including but not limited to its assessment on liquidity and going concern, recoverable values of its properties, plant and equipment and the net realizable value of other assets. On the basis of the present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these standalone financial results. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*

Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

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

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of IFB Agro Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements of the subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditor on separate financial statements of component audited by him, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

#### Impairment of trade receivables

See note 8 and 36 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2022, loss allowance for trade receivables of marine segment is ₹ 1,294 lakhs as against the total loss allowance of ₹ 1,295 lakhs.</p> <p>The Holding Company provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Company's historical default rates determined through a provision matrix and is adjusted for forward-looking information specific to the debtors and economic environment. This assessment involves significant judgement and hence, is considered to be a Key Audit Matter</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain audit evidence:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the Holding Company's processes and controls relating to the determination of expected credit losses of trade receivables.</li> <li>2. Tested the design, implementation and operating effectiveness of key controls associated with determination of expected credit losses of trade receivables.</li> <li>3. Verified the inputs used in the provision matrix and evaluated the estimates for forward looking adjustments to the matrix.</li> <li>4. Assessed the adequacy of the Company's disclosures on the trade receivables and the related risks under credit risk, in Note 8 and Note 36 to the consolidated financial statements and the compliance with relevant accounting standards.</li> </ol>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon”**

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

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

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

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Matters**

- (a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 54 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 136 lakhs and net cash inflows (before consolidation adjustments) amounting to ₹75 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

The subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards



applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
  - a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
  - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
  - c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022.
  - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the



Holding Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Holding Company have neither declared nor paid any dividend during the year.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Place: Kolkata  
Date: 30 May 2022

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No.: 055757  
ICAI UDIN: 22055757AJVYSC1048

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**Annexure A to the Independent Auditors' report on the standalone financial statements of IFB Agro Industries Limited for the year ended 31 March 2022**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

The information as required to be furnished under Clause 3(xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") is as follow:

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks except for clause (ii)(b).

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No.: 055757  
ICAI UDIN: 22055757AJVZCA2091

Place: Kolkata  
Date: 30 May 2022

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**Annexure B to the Independent Auditors' report on the consolidated financial statements of IFB Agro Industries Limited for the year ended 31 March 2022**

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

[Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of IFB Agro Industries Limited ("the Holding Company").

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial controls with Reference to Consolidated financial statements**

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

### **Inherent Limitations of Internal Financial controls with Reference to Consolidated financial statements**

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

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

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No.: 055757  
ICAI UDIN: 22055757AJVZCA2091

Place: Kolkata  
Date: 30 May 2022

## Consolidated balance sheet as at 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	14,478	11,958
Capital work-in-progress	3 (b)	71	1,004
Intangible assets under development	3 (d)	157	84
Financial assets			
- Investments	4 (a)	6,821	3,993
- Other financial assets	5 (a)	16	31
Current tax assets (net)		216	199
Other non-current assets	6 (a)	277	707
<b>Total non-current assets</b>		<b>22,036</b>	<b>17,976</b>
<b>Current assets</b>			
Inventories	7	6,537	6,662
Financial assets			
- Investments	4 (b)	3,284	2,045
- Trade receivables	8	6,824	10,557
- Cash and cash equivalents	9 (a)	16,042	10,238
- Bank balances other than above	9 (b)	192	149
- Loans	10	16	16
- Other financial assets	5 (b)	56	237
Other current assets	6 (b)	4,025	5,070
<b>Total current assets</b>		<b>36,976</b>	<b>34,974</b>
<b>Total assets</b>		<b>59,012</b>	<b>52,950</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	937	937
Other equity	12	49,183	43,496
<b>Total equity</b>		<b>50,120</b>	<b>44,433</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	13 (a)	1,500	-
- Lease Liabilities		54	54
- Other financial liabilities	14 (a)	240	240
Provisions	15 (a)	131	-
Deferred tax liabilities (net)	16	1,036	888
Other non-current liabilities	17 (a)	28	30
<b>Total non-current liabilities</b>		<b>2,989</b>	<b>1,212</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	13 (b)	674	242
- Lease Liabilities		7	7
- Trade payables	18		
-total outstanding dues of micro enterprises and small enterprises		255	357
-total outstanding dues of creditors other than micro enterprises and small enterprises		3,345	4,123
- Other financial liabilities	14 (b)	606	627
Provisions	15 (b)	189	189
Current tax liabilities, net		72	42
Other current liabilities	17 (b)	755	1,718
<b>Total current liabilities</b>		<b>5,903</b>	<b>7,305</b>
<b>Total liabilities</b>		<b>8,892</b>	<b>8,517</b>
<b>Total equity and liabilities</b>		<b>59,012</b>	<b>52,950</b>

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W -100022  
**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

Joint Executive Chairman  
Managing Director  
Chief Financial Officer  
Company Secretary  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Consolidated statement of profit and loss for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	19	227,861	170,126
Other income	20	1,576	1,686
<b>Total income</b>		<b>229,437</b>	<b>171,812</b>
<b>Expenses</b>			
Cost of materials consumed	21	53,473	34,413
Purchases of stock-in-trade	22	15,167	9,571
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(752)	2,492
Excise duty on sale of goods		126,716	99,973
Employee benefits expense	24	5,450	4,550
Finance costs	25	66	17
Depreciation and amortisation expenses	26	1,698	1,484
Other expenses	27	20,296	13,593
<b>Total expenses</b>		<b>222,114</b>	<b>166,093</b>
<b>Profit before taxes</b>		<b>7,323</b>	<b>5,719</b>
<b>Tax expenses</b>			
	28 (a)		
Current tax		1,681	1,293
Deferred tax		(212)	(212)
		<b>1,469</b>	<b>1,081</b>
<b>Profit after tax</b>		<b>5,854</b>	<b>4,638</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Changes in fair value of equity instruments		(171)	1,910
Remeasurement of post-employment benefit obligations		(24)	37
Tax relating to these items	28 (b)	35	(288)
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Exchange difference in translating the financial statement of foreign operations		(7)	6
<b>Total other comprehensive income for the year, net of tax</b>		<b>(167)</b>	<b>1,665</b>
<b>Total comprehensive income for the year</b>		<b>5,687</b>	<b>6,303</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per share (₹)	29	62.50	49.51

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Consolidated statement of cash flows for the Year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	7,323	5,719
Adjustment for:		
Depreciation and amortisation expenses	1,698	1,484
Bad debts written-off	227	298
Allowance for doubtful debts	-	-
Writeback of loss allowance on trade receivables (net)	(104)	(329)
Net gain arising on sale of financial assets measured at fair value through profit and loss FVTPL	(545)	(355)
Net gain on remeasurement of financial assets measured at FVTPL	(133)	(45)
Net (gain)/loss arising on remeasurement of derivatives at FVTPL	(9)	(116)
Amortisation of capital subsidy	(2)	(2)
(Gain)/ loss on sale of property, plant and equipment, net	(51)	(1)
Liabilities no longer required written back	(27)	(112)
Unrealised forex (gain)/loss	(12)	1
Interest income	(42)	(39)
Dividend income	-	-
Write off of property, plant and equipment (including capital work in progress)	10	-
Finance costs	66	17
<b>Operating profit before working capital changes:</b>	<b>8,399</b>	<b>6,520</b>
Adjustment for:		
(Increase)/decrease in inventories	125	2,177
(Increase)/decrease in trade receivables	3,622	(3,939)
(Increase)/decrease in loans	-	8
(Increase)/decrease in other financial assets	205	(81)
(Increase)/decrease in other non-financial assets	1,053	(2,061)
Increase/(decrease) in trade payables	(880)	1,007
Increase/(decrease) in provisions	131	(4)
Increase/(decrease) in other financial liabilities	84	51
Increase/(decrease) in other non-financial liabilities	(936)	699
<b>Cash generated from operations</b>	<b>11,803</b>	<b>4,377</b>
Income taxes paid (net of refund)	(1,273)	(748)
<b>Net cash generated from operating activities (A)</b>	<b>10,530</b>	<b>3,629</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress and intangible assets under development)	(3,103)	(1,698)
Proceeds from sale of property, plant and equipment	80	2
Purchase of mutual funds measured at FVTPL	(124,302)	(92,879)
Redemption of mutual funds measured at FVTPL	123,847	99,244
(Increase)/decrease in other bank balance	(47)	(48)
Investment in tax free bonds at amortised cost	(489)	-
Sale of tax free bonds at amortised cost	383	-
Investment in equity shares measured at FVTOCI	(450)	-
Investment in preference shares measured at FVTOCI	(2,550)	-
Interest received	46	31
<b>Net cash generated from investing activities (B)</b>	<b>(6,585)</b>	<b>4,652</b>

## Consolidated statement of cash flows for the Year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
<b>C. Cash flow from financing activities</b>			
Proceeds from of long term borrowings		2,000	-
Finance costs		(60)	(15)
Lease payments		(6)	(5)
<b>Net cash generated from financing activities</b>	(C)	<u>1,934</u>	<u>(20)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(A+B+C)	<u>5,879</u>	<u>8,261</u>
Cash and cash equivalents as at the beginning of the year		9,996	1,729
Effect of exchange rate fluctuation		(7)	6
<b>Cash and cash equivalents as at the end of the year [refer note 10(a)]</b>		<u>15,868</u>	<u>9,996</u>
<b>Cash and cash equivalent compromise:</b>			
Cash and cash equivalents (Note 10(a))		16042	10,238
Bank overdraft		(174)	(242)
		<u>15868</u>	<u>9,996</u>

### Notes:

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

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Term loans</b>		
Opening balance of borrowings	-	-
Received during the year	2,000	-
Repayment during the year	-	-
Changes on account of foreign currency fluctuations	-	-
Changes on account of fair value measurement	-	-
	<u>2,000</u>	<u>-</u>

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)



## Consolidated statement of changes in equity for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

### (A) Equity

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	937	937
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>937</b>	<b>937</b>

### (B) Other equity

	Reserves and surplus			Other Comprehensive Income		Total
	Securities premium	General reserves	Retained earnings	Equity Instruments through OCI	Foreign currency translation reserve	
Balance as at 31 March 2020	3,194	285	32,036	1,687	(9)	37,193
Profit after tax	-	-	4,638	-	-	4,638
Items of other comprehensive income, net of tax:						
- Remeasurements of post-employment benefit obligations	-	-	24	-	-	24
- Changes in fair value of equity instruments	-	-	-	1,635	-	1,635
- Exchange difference on translation of foreign operations	-	-	-	-	6	6
Balance as at 31 March 2021	3,194	285	36,698	3,322	(3)	43,496
Profit after tax	-	-	5,854	-	-	5,854
Items of other comprehensive income, net of tax:						
- Remeasurements of post-employment benefit obligations	-	-	(15)	-	-	(15)
- Changes in fair value of equity instruments	-	-	-	(145)	-	(145)
- Exchange difference on translation of foreign operations	-	-	-	-	(7)	(7)
<b>Balance as at 31 March 2022</b>	<b>3,194</b>	<b>285</b>	<b>42,537</b>	<b>3,177</b>	<b>(10)</b>	<b>49,183</b>

Refer to note 12 for nature and purpose of reserve.

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

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
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**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Notes to Consolidated financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

### Summary of significant accounting policies and other explanatory informations:

#### 1A Group's background

The consolidated financial statements comprise the financial statements of IFB Agro Industries Limited ('the Parent Company') and its subsidiary (collectively, the Group) for the year ended 31 March 2022.

The Parent is a Company limited by shares, incorporated and domiciled in India. The registered office of the Parent Company is located at Plot No. IND-5, Sector-I, East Kolkata Township, Kolkata - 700 107, India. The corporate identification number (CIN) of the holding company is L01409WB1982PLC034590.

The details of the subsidiary company is as follows:

Name of subsidiary	Country of incorporation	% holding as at 31 March 2022	% holding as at 31 March 2021
IFB Agro Marine FZE	Sharjah, UAE	100%	100%

The Group is primarily engaged in the business of manufacturing alcohol, bottling of branded alcoholic beverages, processed marine foods both for domestic and export markets and sale of feed.

These consolidated financial statements are approved by the Parent Company's Board of Directors on 30 May 2022.

#### 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 year.

##### (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 are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

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

###### Income tax:

The Parent's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Refer note 16 and 28.

###### Useful life of property, plant and equipment:

Refer note 2 (b) for details.

###### Measurement of defined benefit obligations:

The cost of defined benefits includes gratuity and compensated absences. The present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The same are disclosed in notes 24 and 32.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### *Impairment of assets:*

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

### *Classification of leases:*

Refer note 2 (l) for details.

### *Estimation of provisions and contingencies:*

Refer note 2 (m), 15 and 31(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 34 (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) 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.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the Parent Company's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### e. Recent accounting pronouncements:

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment - For items produced during testing/trial phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit & Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets - Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 103 - Business Combination - Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

None of the amendments notified by MCA, which are applicable from April 1, 2022, are expected to have material impact on the financial statements of the Company.

## 2 Significant accounting policies

### (a) Revenue recognition

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

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

- i) Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
- iii) Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- v) Recognise revenue when (or as) the Group satisfies a performance obligation at a point in time or over time.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### Sale of goods:

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

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

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

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

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

### Tie-up manufacturing arrangements:

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

## (b) Property, plant and equipment

### Recognition and initial measurement:

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

### Capital work-in-progress:

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

### Subsequent measurement (depreciation and useful lives):

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

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

Freehold land is carried at historical cost.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, 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 consolidated statement of profit and loss, when the asset is de-recognized.

### Intangible assets

#### (i) Recognition and measurement

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

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

#### (ii) Subsequent expenditure

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

#### (iii) Amortisation

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

### (c) Impairment of non-financial assets

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

### (d) Financial instruments

#### (A) Financial assets

##### Classification:

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

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

(ii) those subsequently measured at amortized cost.

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

##### Measurement:

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



## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 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 (FVTOCI):** 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 (FVTOCI). Changes in fair value of such instruments are recognized through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the consolidated statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to consolidated statement of profit and loss and recognized in other income.
- (iii) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in consolidated statement of profit and loss in the period in which it arises.

### Equity instruments:

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

### Interest income:

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

### Dividend income:

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

### Investments in mutual funds:

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

### Impairment:

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

For trade receivables only, the Group applies the simplified approach required by Ind AS 109 which allows 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.

### Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and to settle the liability simultaneously.

### 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.



## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

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-recognized 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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 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.

#### Income from export incentives:

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

### (f) Borrowing costs

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

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, 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.

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 original maturity less than three months) which can be readily converted to known amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents. Accordingly time deposits with banks, having original maturity less than three months, is considered as cash equivalent.

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

### (i) Assets held for sale

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

### (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 with value below the rounding off norm adopted by the Group have been reflected as '0' in the relevant notes to these financial statements.

#### 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

#### Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and is expensed as the related service is provided. A liability is recognised for the amount expected to be paid eg, under short term cash bonus, if the Group has the present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably

#### 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.

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

**Defined benefit plans and other long term benefits:**

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

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

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

**Termination benefits**

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

- (i) when the Group can no longer withdraw the offer of those benefits; or
- (ii) when the Group recognizes a restructuring cost within the scope of Ind AS 37.

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

**(l) Leases****As a lessee**

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

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

**As a lessor**

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

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

Effective 1 April 2019, the Group has adopted Ind AS -116 'Leases' using the modified retrospective approach. This has resulted in recognition of 'right-of-use' asset and lease liability as on 01 April 2019. The adoption of the standard did not have any material impact on consolidated financial statements.

### (m) Provisions, contingent liabilities and contingent assets

#### Provisions:

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

#### Contingent liabilities:

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

#### Contingent assets:

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

### (n) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable (receivable) in respect of taxable income (loss) for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

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).

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

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) Spirit, spirituous beverages and allied products
- (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.

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## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, 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	Land	
<b>Gross Block (refer note (i) below)</b>								
Balance as at 31 March 2020	1,080	2,577	15,078	101	233	154	499	19,722
Additions	-	545	539	14	35	19	-	1,152
Less: Disposal/Adjustments	-	-	1	0	1	1	-	3
Balance as at 31 March 2021	1,080	3,122	15,616	115	267	172	499	20,871
Additions	-	357	3,818	18	57	5	-	4,255
Less: Disposal/Adjustments	-	-	29	3	8	3	-	43
<b>Balance as at 31 March 2022</b>	<b>1,080</b>	<b>3,479</b>	<b>19,405</b>	<b>130</b>	<b>316</b>	<b>174</b>	<b>499</b>	<b>25,083</b>
<b>Accumulated Depreciation and Impairment (refer note (i) below)</b>								
Balance as at 31 March 2020	-	843	6,232	49	171	95	41	7,431
Charge for the year	-	168	1,231	14	37	18	16	1,484
Less: Disposal/adjustments	-	-	-	0	1	1	-	2
Less: Impairment reversal	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	1,011	7,463	63	207	112	57	8,913
Charge for the year	-	244	1,361	16	42	19	16	1,698
Less: Disposal/adjustments	-	-	2	1	2	1	-	6
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>1,255</b>	<b>8,822</b>	<b>78</b>	<b>247</b>	<b>130</b>	<b>73</b>	<b>10,605</b>
<b>Net Block</b>								
Balance as at 31 March 2021	1,080	2,111	8,153	52	60	60	442	11,958
<b>Balance as at 31 March 2022</b>	<b>1,080</b>	<b>2,224</b>	<b>10,583</b>	<b>52</b>	<b>69</b>	<b>44</b>	<b>426</b>	<b>14,478</b>

#### Notes:

- The Parent Company had adopted the carrying cost as on the date of transition to Ind AS as its deemed cost as at 1 April 2016 and accordingly adjusted its gross block and accumulated depreciation and impairment.
- Plant and equipment includes electrical equipment and installations and laboratory equipment.
- The Parent 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.
- Right of Use includes lands acquired under long term lease ranging from 30-99 years. It represents payments made and costs incurred in connection with acquisition of leasehold rights and are being amortized over the period of lease. Net block as at **31 March 2022: Rs.374 lakhs** (31 March 2021: Rs.386 lakhs).
- Right of Use includes land taken on lease for a period of 20 years. The details of values recorded and corresponding depreciation charge are given as under:

	Leasehold land	
	31 March 2022	31 March 2021
<b>Gross Block as at the beginning of the year</b>	<b>61</b>	61
<b>Gross Block as at the end of the year</b>	<b>61</b>	61
<b>Accumulated Depreciation as at the beginning of the year</b>	<b>5</b>	3
Add: Charge for the year	3	2
<b>Accumulated Depreciation as at the end of the year</b>	<b>8</b>	5
<b>Net block as at the end of the year</b>	<b>53</b>	56

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
<b>3 (b) Capital work-in-progress (CWIP)</b>		
Opening balance as at the beginning of the year	1,004	382
Additions made during the year	3,159	1,621
Capitalised during the year	(4,090)	(999)
Adjustments	(2)	-
Closing balance as at the end of the year	<u>71</u>	<u>1,004</u>

**3 (c) For capital work-in-progress (CWIP) ageing schedules are as follows:**

Capital Work-in-progress	Amount of CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
<b><u>Projects in progress</u></b>					
As on 31st March 2022	71	-	-	-	71
As on 31st March 2021	1,002	-	2	-	1,004
<b><u>Projects temporarily suspended</u></b>					
As on 31st March 2022	-	-	-	-	-
As on 31st March 2021	-	-	-	-	-

Note: As on dates there are no capital work-in-progress which are overdue or has exceeded its original cost.

**3 (d) Intangible assets under development**

Opening balance as at the beginning of the year	84	63
Additions made during the year	73	21
Closing balance as at the end of the year	<u>157</u>	<u>84</u>

**3 (e) For Intangible assets under development ageing schedules are as follows:**

Intangible assets under development	Amount of intangible assets under development for a period of				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
<b><u>Projects in progress</u></b>					
As on 31st March 2022	73	21	63	-	157
As on 31st March 2021	21	63	-	-	84
<b><u>Projects temporarily suspended</u></b>					
As on 31st March 2022	-	-	-	-	-
As on 31st March 2021	-	-	-	-	-

Note: Intangible assets under development represents SAP project, implementation of which is delayed and likely to be completed in next one year.



**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022		As at 31 March 2021	
	Nos.	Amount	Nos.	Amount
<b>4 Investments</b>				
<b>(a) Non-current</b>				
<b>Investments in equity instruments (others)</b>				
<b>Quoted</b>				
<i>(Designated at fair value through other comprehensive income (FVTOCI))</i>				
IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)	172,733	1,798	172,733	1,920
		<u>1,798</u>		<u>1,920</u>
<b>Unquoted</b>				
<i>(Designated at fair value through other comprehensive income)</i>				
CPL Projects Limited (Face value ₹ 10 per share, fully paid-up)	90,000	3	90,000	3
Zenith Investments Limited (Face value ₹ 10 per share, fully paid-up)	260,000	3	260,000	3
Asansol Bottling and Packaging Company Private Limited (Face value ₹ 100 per share, fully paid-up)	23,900	373	23,900	382
Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	145,000	70	145,000	86
IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	955,998	1,574	955,998	1,599
IFB Refrigeration Limited (Face value ₹ 10 per share, fully paid-up)	4,500,000	450	-	-
		<u>2,473</u>		<u>2,073</u>
		<u>4,271</u>		<u>3,993</u>
<b>Investments in preference shares</b>				
<b>Unquoted</b>				
<i>(Designated at fair value through other comprehensive income)</i>				
IFB Refrigeration Limited (5%, Compulsorily convertible non-cumulative preference share, Face value ₹ 10 per share, fully paid-up) (Refer note (ii))	25,500,000	2,550	-	-
		<u>2,550</u>		<u>-</u>
<b>Other disclosures for non-current investments:</b>				
(a) Aggregate amount of quoted investments and market value thereof		1,798		1,920
(b) Aggregate amount of unquoted investments		5,023		2,073
(c) Aggregate amount of impairment in value of investments		-		-
		<u>6,821</u>		<u>3,993</u>

**Notes:**

- 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. 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.
- During the year, the Company has invested in 25,500,000 numbers of 5%, compulsorily convertible non-cumulative preference shares (CCCPS) of IFB Refrigeration Limited, a promoter group company. Each CCCPS will be converted to one equity share of ₹ 10 each at par within a period of twelve months from the date of issue (i.e 03 March 2022).

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022		As at 31 March 2021	
	Nos.	Amount	Nos.	Amount
<b>(b) Current</b>				
<b>Investments in bonds</b>				
<i>(Measured at amortised cost)</i>				
7.22% Indian Railway Finance Corporation Limited Tax Free (S-83) (06 December 2022), of Rs. 10, 00, 000 each, fully paid up	10	106	-	-
		<u>106</u>		<u>-</u>
<b>Investments in mutual funds</b>				
Unquoted				
<i>(Measured at fair value through profit and loss)</i>				
ICICI Prudential Equity Arbitrage Fund -Direct-Growth	5,416,812.57	1,587	3,642,102.04	1,022
Kotak Equity Arbitrage Fund -Direct- Growth	5,025,280.10	1,591	3,379,725.30	1,023
		<u>3,178</u>		<u>2,045</u>
<b>Other disclosures for current investments:</b>				
(a) Aggregate amount of investments in bonds		106		-
(b) Aggregate amount of unquoted investments in mutual funds		3,178		2,045
(c) Aggregate amount of impairment in value of investments		-		-
		<u>3,284</u>		<u>2,045</u>
			As at 31 March 2022	As at 31 March 2021
<b>5 Other financial assets</b>				
<b>(a) Non-current</b>				
<i>(Unsecured, considered good)</i>				
Security deposits		5		5
Bank deposits with remaining maturity more than 12 months (*)		11		26
		<u>16</u>		<u>31</u>
(*) Bank deposits are under lien with various Government authorities.				
<b>(b) Current</b>				
<i>(Unsecured, considered good)</i>				
Security deposit		46		15
Derivative instruments		9		-
Insurance and other claim receivable		1		98
Other advances		-		124
		<u>56</u>		<u>237</u>

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>6 Other assets</b>		
<b>(a) Non-current</b>		
<i>(Unsecured, considered good)</i>		
Capital advances	14	412
Advances other than capital advances:		
- Amount deposited with government authorities	263	263
- Advance to service provider	0	0
Excess amount paid for defined benefit plans	-	18
Excess amount paid for other long-term employee benefit	-	14
	<u>277</u>	<u>707</u>
<b>(b) Current</b>		
<i>(Unsecured, considered good)</i>		
Advances other than capital advances:		
- Advance to vendors	1,037	468
- Advance to tie-up manufacturing units	130	100
- Prepaid expenses	465	484
Balances with government authorities (State Excise Duty, GST, etc)	1,617	3,656
Export incentives receivable	776	362
	<u>4,025</u>	<u>5,070</u>
<b>7 Inventories</b>		
<i>(valued at lower of cost and net realisable value)</i>		
Raw materials (including packing materials) (##)	3,021	3,235
Work-in-progress	129	127
Finished goods (**)	2,606	2,543
Stock-in-trade	429	375
Stores and spares	352	382
	<u>6,537</u>	<u>6,662</u>

(##) includes stock in transit ₹123 lakhs (31 March 2021: ₹13 lakhs)

(\*\*) finished goods includes finished goods in transit as on 31 March 2022 : ₹ nil (31 March 2021: ₹331 lakhs).

Note: The cost of inventories recognised as an expense during the year is disclosed under note 21,22 and 23. The cost of inventories recognised as an expense includes nil (31 March 2021: ₹ 132 lakhs) in respect of write-downs of inventory to its net realisable value.

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
<b>8 Trade receivables</b>		
Considered good, secured	1,582	988
Considered good, unsecured	6,511	10,943
Trade receivables, credit impaired	26	26
	<u>8,119</u>	<u>11,957</u>
Less: Loss allowance	1,295	1,400
	<u>6,824</u>	<u>10,557</u>
<b>Movement in allowance for doubtful debts during the year is as follows:</b>		
Balance at the beginning of the year	1,400	1,729
Add: Loss allowance (net)	(105)	(329)
	<u>1,295</u>	<u>1,400</u>

**Trade Receivables ageing schedule as on 31 March 2022**

Particulars	Outstanding for following periods from the date of transactions					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
<b>As at 31 March 2022</b>						
(i) Undisputed Trade Receivables- considered good	6,813	170	47	1,052	1	8,083
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	26	26
<b>Total</b>	<u>6,813</u>	<u>170</u>	<u>47</u>	<u>1,052</u>	<u>27</u>	<u>8,109</u>
<b>As at 31 March 2021</b>						
(i) Undisputed Trade Receivables- considered good	10,555	76	200	1,059	41	11,931
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	26	-	26
<b>Total</b>	<u>10,555</u>	<u>76</u>	<u>200</u>	<u>1,085</u>	<u>41</u>	<u>11,957</u>

Note: There is no unbilled due from debtors as on 31 March 2022 (31 March 2021: nil)

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>9 Cash and bank balances</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	20	18
Balances with banks		
- In current accounts	187	440
Bank deposits with original maturity less than 3 months	15,835	9,780
	<u>16,042</u>	<u>10,238</u>
<b>(b) Bank balances other than above</b>		
Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months (*)	188	141
Accrued interest on bank deposits	4	8
	<u>192</u>	<u>149</u>
(*) Bank deposits are under lien with various Government authorities.		

## 10 Loans

(Unsecured, considered good)

	As at 31 March 2022	As at 31 March 2021
Loan to employees	16	16
	<u>16</u>	<u>16</u>

## 11 Equity share capital

### Authorized share capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each	12,000,000	1,200	12,000,000	1,200
	<u>12,000,000</u>	<u>1,200</u>	<u>12,000,000</u>	<u>1,200</u>

### Issued, subscribed and fully paid up

Equity shares of ₹ 10 each	9,367,111	937	9,367,111	937
	<u>9,367,111</u>	<u>937</u>	<u>9,367,111</u>	<u>937</u>

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**(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. 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 2022		As at 31 March 2021	
	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.

**(e) Shareholding of promoter**

**Shares by promoters at the end of the year**

Sl. No.	Promoter Name	No. of Shares			% Change during the year
		31 March 2022	31 March 2021	% of total shares	
1	Mr. Bijon Bhushan Nag	237,509	237,509	2.54%	-
2	Mrs. Preombada Nag	1,315	1,315	0.01%	-
3	Mr. Bikramjit Nag	1,000	1,000	0.01%	-
4	Asansol Bottling & Packaging Company Private Limited	307,197	307,197	3.28%	-
5	IFB Automotive Private Limited	3,602,900	3,602,900	38.46%	-
6	Lupin Agencies Private Limited	385,300	385,300	4.11%	-
7	Nurpur Gases Private Limited	785,543	785,543	8.39%	-
8	Windsor Marketiers Private Limited	382,916	382,916	4.09%	-
9	Zim Properties Private Limited	385,000	385,000	4.11%	-
	<b>Total</b>	<b>6,088,680</b>	<b>6,088,680</b>	<b>65.00%</b>	<b>-</b>

Note: There is no change in the number of shares held by the promoters during the year ended 31 March 2022 and 31 March 2021.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>12 Other equity</b>		
<b>(a) Other reserves</b>		
Securities premium	3,194	3,194
General reserve	285	285
Retained earnings	42,537	36,698
<b>(b) Other comprehensive income</b>	3,177	3,322
<b>(c) Foreign currency translation reserve</b>	(10)	(3)
	<u>49,183</u>	<u>43,496</u>

### Nature and purpose of reserves:

#### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Section 52 of the Companies Act, 2013.

#### General reserve

General reserve has been created out of profits earned by the Company in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

#### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Movement in the retained earnings during the year is as given below:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	36,698	32,036
Add: Profit for the year	5,854	4,638
Add/less: Remeasurement gain/(loss) of post-employment benefit obligations and taxes there on	(15)	24
<b>Balance at the end of the year</b>	<u>42,537</u>	<u>36,698</u>

#### Other comprehensive income

The Company has elected to recognize changes in fair value of certain investments in equity instruments in other comprehensive income. The changes are accumulated within "Equity instruments through OCI" under other comprehensive income.

Movement in the other comprehensive income (including foreign currency translation reserve) during the year is as given below:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3,319	1,678
Add: movement in OCI during the year, net	(152)	1,641
<b>Balance at the end of the year</b>	<u>3,167</u>	<u>3,319</u>



**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
<b>13 Borrowings</b>		
<b>(a) Non-current</b>		
Secured		
<b>Term loans</b>		
Term loan from bank	2,000	-
Less: Current maturities of long term borrowings (refer note 13(b))	500	-
	<u>1,500</u>	<u>-</u>
<b>Term loan from bank</b>		
Term loan from bank of Rs. 2,000 lakhs (31st March 2021: Nil) is secured by an exclusive charge on the plant and machinery purchased out of this loan. The interest rate is determined on the basis of repo rate plus 2.70% spread.		
The term loan is repayable in 48 months after repayment holiday of 12 months commencing from the date of disbursement of the facility by way of quarterly instalments of Rs. 125 lakhs (Rupees one crore twenty five lakhs only) each.		
<b>(b) Current</b>		
Overdraft Balance (unsecured)	174	242
Current maturities of borrowings (refer note 13(a))	500	-
	<u>674</u>	<u>242</u>
<b>14 Other financial liabilities</b>		
<b>(a) Non-current</b>		
Security deposits (*)	240	240
	<u>240</u>	<u>240</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>(b) Current</b>		
Security deposits repayable on demand	25	37
Creditors for property, plant and equipments (#)	115	219
Derivative instruments	-	1
Dues to employees	466	370
	<u>606</u>	<u>627</u>

(#) Creditors for property, plant and equipments include **31 March 2022 : ₹7 lakhs** (31 March 2021: ₹33 lakhs) dues to micro and small enterprises.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>15 Provisions</b>		
<b>(a) Non-current</b>		
<b>Provision for employee benefits:</b>		
Provision for compensated absences (Ref note 32)	44	-
Provision for gratuity (Ref note 32)	87	-
	<u>131</u>	<u>-</u>
<b>(b) Current</b>		
Provision for legal matters (*)	189	189
	<u>189</u>	<u>189</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 period is as follows:

	189	189
Balance at the beginning of the period	189	189
Add: provisions during the period	-	-
Less: provisions reversed / paid during the year	-	-
Balance at the end of the period	<u>189</u>	<u>189</u>

## 16 Deferred taxes assets / liabilities (net)

	1,763	1,729
Deferred tax liabilities	1,763	1,729
Less: Deferred tax assets	727	841
	<u>1,036</u>	<u>888</u>

	As at 31 March 2021	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2022
<b>Deferred tax liabilities:</b>				
On property, plant and equipment	1,330	14	-	1,344
On fair valuation of equity instruments through OCI	383	-	(26)	357
On fair valuation of investments in mutual funds	16	46	-	62
	<u>1,729</u>	<u>60</u>	<u>(26)</u>	<u>1,763</u>
<b>Deferred tax assets:</b>				
On provision for doubtful debts	489	(43)	-	446
On deferred revenue income	12	(1)	-	11
On temporary differences	17	164	-	181
	<u>518</u>	<u>120</u>	<u>-</u>	<u>638</u>

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**16 Deferred taxes assets / liabilities (net) (Cond.)**

	As at 31 March 2021	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2022
<b>Deferred tax assets:</b>				
On unutilised MAT credits	323	(152)	386	89
	<u>323</u>	<u>(152)</u>	<u>386</u>	<u>89</u>
	As at 31 March 2020	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2021
<b>Deferred tax liabilities:</b>				
On property, plant and equipment	1,494	(164)	-	1,330
On fair valuation of equity instruments through OCI	108	-	275	383
On fair valuation of investments in mutual funds	2	14	-	16
On excess amount paid for other long-term employee benefit	-	-	-	-
	<u>1,604</u>	<u>(150)</u>	<u>275</u>	<u>1,729</u>
<b>Deferred tax assets:</b>				
On provision for doubtful debts	604	(115)	-	489
On deferred revenue income	11	1	-	12
On temporary differences	17	-	-	17
	<u>632</u>	<u>(114)</u>	<u>-</u>	<u>518</u>
	As at 31 March 2020	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2021
<b>Deferred tax assets:</b>				
On unutilised MAT credits	491	(176)	344	323
	<u>491</u>	<u>(176)</u>	<u>344</u>	<u>323</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 Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>17 Other liabilities</b>		
<b>(a) Non-current</b>		
Deferred revenue income (*)	28	30
	<u>28</u>	<u>30</u>
(*) Deferred revenue income represents capital subsidy of ₹ 50 lakhs received by the Company on 30 December 2016 from Ministry of New and Renewable Energy (MNRE), Government of India, in respect of its 2.5 MW co-generative power plant commissioned on 28 March 2014. An amount of ₹ 2 lakhs (31 March 2021: ₹ 2 lakhs) has been recognized as income for the current year.		
<b>(b) Current</b>		
Advance from customers (#)	257	188
Statutory dues	464	1,503
Other accruals	34	27
	<u>755</u>	<u>1,718</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.		
<b>18 Trade payables</b>		
<b>(a) Dues of micro and small enterprises</b>	255	357
Dues of creditors other than micro and small enterprises	3,345	4,123
	<u>3,600</u>	<u>4,480</u>
<b>(b) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.</b>		
<b>Principal and interest amount remaining unpaid:</b>		
- Principal amount(#)	303	503
- Interest (*)	-	-
a) the amount of interest paid by the Company in terms of section 16 under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
b) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
c) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
d) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

### 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.

(#) Principal Amount due includes capital creditors: **31 March 2022: ₹ 7 lakhs** (31 March 2021: ₹ 33 lakhs) due to micro and small enterprise.

(\*) Interest paid/payable by the Company has been waived off by the concerned suppliers.

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**18 (c) Ageing schedule of trade payables:**

	Outstanding for following periods from transaction date				Total
	Less than 1 year	1-2 years	1-3 years	More than 3 years	
<u>As at 31 March 2022</u>					
(i) MSME	255	-	-	-	255
(ii) Others	1,796	196	8	8	2,008
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>2,051</b>	<b>196</b>	<b>8</b>	<b>8</b>	<b>2,263</b>
Unbilled trade receivables					<b>1,337</b>
					<b>3,600</b>
<u>As at 31 March 2021</u>					
(i) MSME	357	-	-	-	357
(ii) Others	1,996	78	4	8	2,086
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>2,353</b>	<b>78</b>	<b>4</b>	<b>8</b>	<b>2,443</b>
Unbilled trade receivables					<b>2,037</b>
					<b>4,480</b>

*This space is intentionally left blank*

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>19 Revenue from operations</b>		
Sale of products (inclusive of excise duty) (*)	226,473	169,303
Other operating revenue		
- Scrap sales	106	165
- Export incentives	1,171	628
- Others	111	30
	<u>227,861</u>	<u>170,126</u>
(*) refer to note 41		
<b>Details of sale of products (inclusive of excise duty)</b>		
<b>Manufactured products</b>		
- Spirit, spirituous beverages and allied products		
(i) Spirit and spirituous beverages	176,218	142,929
(ii) Others	5,032	3,827
-Marine		
(i) Marine products	27,537	11,658
(ii) Others	506	341
<b>Traded products</b>		
-Spirit, spirituous beverages and allied products		
Others	11	30
-Marine		
(i) Marine products	83	781
(ii) Marine feed and other allied products	17,086	9,737
	<u>226,473</u>	<u>169,303</u>
<b>20 Other income</b>		
<b>Interest income:</b>		
- Financial assets measured at amortised costs	42	39
<b>Other gains and losses</b>		
- Net gain arising on sale of financial assets measured at FVTPL	545	355
- Net gain arising on measurement of derivatives at FVTPL	9	116
- Net gain arising on remeasurement of financial assets measured at FVTPL	133	45
<b>Others</b>		
- Rental income	388	348
- Net gain on foreign currency transactions and translations (net)	118	-
- Recovery of bad debts	4	4
- Liabilities no longer required written back	27	112
- Writeback of loss allowance on trade receivables (net)	104	329
- Gain on sale of property, plant and equipment (net)	51	-
- Insurance claim received	63	262
- Other miscellaneous income	92	76
	<u>1,576</u>	<u>1,686</u>

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>21 Cost of materials consumed</b>		
<b>Raw material consumed (including packing materials)</b>		
Opening stock	3,235	2,945
Add: Purchases	53,259	34,703
Less: Closing stock	3,021	3,235
	<u>53,473</u>	<u>34,413</u>
<b>22 Purchases of stock-in-trade</b>		
Marine food and feed supplements	15,157	9,547
Others	10	24
	<u>15,167</u>	<u>9,571</u>
<b>23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Stock at the beginning of the period (including stock-in-transit)</b>		
Finished goods	2,543	5,348
Work-in-progress	127	184
Stock-in-trade	375	-
	<u>3,045</u>	<u>5,532</u>
<b>Stock at the end of the period (including stock-in-transit)</b>		
Finished goods	2,606	2,543
Work-in-progress	129	127
Stock-in-trade	429	375
	<u>3,164</u>	<u>3,045</u>
Difference in excise duty on finished goods	(633)	5
	<u>(752)</u>	<u>2,492</u>
<b>24 Employee benefits expense</b>		
Salaries, wages and bonus	4,876	3,842
Contribution to provident funds and other funds (Refer note 32)	369	454
Staff welfare expenses	205	254
	<u>5,450</u>	<u>4,550</u>
<b>25 Finance costs</b>		
Interest on financial liabilities carried at amortised costs (*)	60	15
Interest expense on lease liabilities	6	2
	<u>66</u>	<u>17</u>

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



## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>26 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment	1,698	1,484
	<u>1,698</u>	<u>1,484</u>
<b>27 Other expenses</b>		
Advertisement and sales promotion expenses	630	740
Consumption of stores and spares	574	540
Power and fuel	4,483	3,321
Rent	1,312	950
Repair and maintenance:		
- Buildings	12	90
- Plant and Machinery	307	221
- Others	100	139
Insurance	511	337
Rates and taxes	334	816
Legal and professional expenses	440	346
Office expenses	975	796
Travel and conveyance expenses	352	226
Auditor's remuneration (refer note a)	33	29
Freight outward	3,293	1,797
Contract charges	3,651	2,416
Corporate Social Responsibility ('CSR') expenditure (refer note b)	95	83
Write off of property, plant and equipment	10	-
Bad debts written off	227	298
Loss on foreign currency transactions and translations, net	-	64
Directors sitting fees (#)	19	10
Miscellaneous expenses (*)	2,938	374
	<u>20,296</u>	<u>13,593</u>
(#) Directors sitting fees represents amount inclusive of Goods & Service tax of ₹ 1 lakh on 31 March 2022 (31 March 2021: nil)		
(*) Note: Miscellaneous expenses includes ₹ 2,400 lakhs (as on 31 March 2021: ₹ Nil) through electoral bonds.		
<b>(a) Auditors' remuneration</b>		
Statutory audit (including Limited Reviews)	30	26
Other services	2	1
Out of pocket expenses	1	2
	<u>33</u>	<u>29</u>
<b>(b) Details of Corporate Social Responsibility (CSR) expenditure</b>		
Gross amount required to be spent by the Company during the year.	85	80
Amount spent during the year:		
Construction / acquisition of any assets	-	-
Purposes other than above	95	83
Shortfall at the end of the year	NA	NA
Nature of CSR activities,	Eradicating hunger, malnutrition, sanitisation, promoting healthcare & safe drinking water, promoting education & livelihood enhancement and rural development	

The Company has a carried forward amount of ₹ 13 lakhs as on 31st March 2022 (₹ 3 lakhs for financial year 20-21 and ₹ 10 lakhs for financial year 2021-22) on account of excess amount spent on CSR.

None of the expenditure towards corporate social responsibility are related party transactions.

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>28 Tax expenses</b>		
<b>(a) Income tax in the statement of profit and loss:</b>		
<b>Current tax</b>		
Income tax charge for the year	1,681	1,293
	<u>1,681</u>	<u>1,293</u>
<b>Deferred tax</b>		
Deferred tax for the year	(60)	(36)
Unused tax credit entitlement (MAT credit entitlement) for the year	-	-
Unused tax credit entitlement (MAT credit entitlement) for earlier years	(152)	(176)
	<u>(212)</u>	<u>(212)</u>
<b>(b) Income tax recognised in other comprehensive income comprises:</b>		
<b>Current tax</b>		
On remeasurement of post-employment benefit obligations	(9)	13
	<u>(A) (9)</u>	<u>13</u>
<b>Deferred tax</b>		
On fair value gains on investments in equity instruments	(26)	275
	<u>(B) (26)</u>	<u>275</u>
	<u>(A) + (B) (35)</u>	<u>288</u>
<b>(c) Reconciliation of income tax expense and the accounting profit for the year:</b>		
Profit before tax	7,323	5,719
Enacted tax rates (%)	34.94%	34.94%
Income tax expense calculated at corporate tax rate	2,559	1,998
Impact due to consolidation of losses of the subsidiary entity	64	22
Deductions under chapter VIA of the Income Tax Act, 1961	(893)	(748)
Impact on account of non-deductible expenses	33	29
Income exempted from tax	(2)	-
Adjustment of tax relating to earlier years	(152)	(176)
Additional allowances under the Income Tax Act, 1961	-	(16)
Difference in opening written down value of property, plant and equipment as per Income tax	26	(25)
Other adjustments	(166)	(3)
<b>Total income tax expense as per the statement of profit and loss</b>	<u>1,469</u>	<u>1,081</u>

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>29 Earnings per equity share (EPS)</b>		
Net profit attributable to equity shareholders (in ₹ lakhs)	5,854	4,638
Weighted average number of equity shares outstanding during the year	9,367,111	9,367,111
Face value per share (in ₹)	10	10
Earnings per share (in ₹):		
- Basic earnings per equity share	62.50	49.51
- Diluted earnings per equity share	62.50	49.51
<b>30 Leases</b>		
<b>(a) Leases as a Lessee</b>		
<b>(i) Right of use assets</b>		
The Company has acquired lands on lease. Certain lease land acquired by the Company are recorded under property, plant and equipment (separately from other owned assets) at an amount equal to the entire lease rentals paid upfront (including initial direct costs) at the time of initiation of this lease. Such lease arrangement range over a period of 30-99 years. Other lease arrangements of land whose payment are to be made on periodic basis has been recognised as 'Right of use assets' for the purpose on Ind AS 116, Leases. These lease land arrangement range over a period of 20 years.		
<b>Reconciliation of liabilities from financing activities</b>		
Opening Balance	61	63
Interest expenses recognised during the year	6	4
Lease payments reflected in the Statement of Cash Flow	(6)	(6)
Closing Lease liability	61	61
<b>(ii) Short term / Low value leases</b>		
The Company has entered into lease arrangements in respect of factory lands, office premises, other buildings and manufacturing facilities which are for a period generally ranging from 11 months to 6 years. All such lease arrangements are cancellable by giving a short notice of 3 to 6 months. But these are usually renewable on mutually agreed terms. All these arrangements are considered as short term lease or leases of low-value assets for the purpose of Ind AS 116, Leases and are not recognised as Right of use assets. The expenses incurred for short term lease during <b>31 March 2022: ₹ 1,301 lakhs</b> (31 March 2021: ₹939 lakhs) included in Rent under Note 27 other expenses.		
<b>(b) Leases as lessor</b>		
The Company entered into operating leases on its office premises, plant and machinery.		
Rental income recognised by the Company during the financial year 2021-22 ₹ <b>388 lakhs</b> (2020-21 is ₹ 348 lakhs).		
All the agreement entered into are short term in nature and are cancellable at a notice within three to six months, therefor the maturity analysis of lease payments are not reported here.		
<b>31 Contingent liabilities and commitments</b>		
<b>(a) Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
<b>(a)</b> Income tax demand under appeal	887	-
<b>(b)</b> State Excise demands for various years primarily for excess shortage/wastage of spirit.	1,192	1,192
<b>(c)</b> Kolkata Port Trust (KoPT) - Dispute relating to valuation of rent for rest house at Noorpur.	95	95
<b>Note:</b>		
Pending issuance of any show cause notice or demand in pursuance to the search conducted by the Directorate General of Goods and Services Tax Intelligence Unit (DGGI) on 26 June 2020 under section 67(2) of the Central Goods and Services Act, 2017, in respect of the alleged misclassification in respect to sale of Distillers Dried Grain Soluble (DDGS), the company has paid a sum of <b>Rs 225 lakhs</b> under protest.		
<b>(b) Commitments</b>		
Estimated amount of capital contracts remaining to be executed and not provided for as on the balance sheet date are:		
Capital commitments for property, plant and equipment (net of capital advances given)	37	1,761
Capital commitment for intangible assets under development	174	225

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

**32 Disclosure in accordance with Ind AS-19 on Employee benefits expense**
**(a) Post-employment benefits plan:**

Retirement benefit plans of the Company comprising of Gratuity, Superannuation and Provident Fund consists of both defined benefit plan and defined contribution plan. Other long term employee benefits includes compensated absences subject to certain limits and rules. Gratuity, Superannuation and compensated absences plans are funded through investments in Life Insurance Corporation of India (LICI). Provident fund for all employees are managed through government administrated funds. Gratuity and Superannuation fund is managed by a Board of Trustees who are responsible for overall management of the fund and acts in accordance with the provisions of the respective trust deeds and rules, and in the best interest of the plan participants. The trustees do a periodic review of the solvency of the fund and play a role in long term investments, risk management and funding strategy.

**(b) Defined contribution plans**

The Provident Fund and Superannuation Fund has been classified as defined contribution plan as the Company has an obligation to pay a fixed amount to the government administered fund and Life Insurance Corporation of India (LICI) respectively and has no further obligation if the assets of such funds are not enough to meet all the employee obligations provided under such plans.

**(c) Defined benefit plans**

Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the balance sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method. Board of Trustees administers the contributions made to the gratuity fund and such amounts are solely invested with Life Insurance Corporation of India (LICI).

**(d) Other long-term employee benefits**

The Company provides for encashment of accumulated leaves standing at the credit of its employees at the time of their exit by way of retirement (on superannuation or otherwise), death or disability, subject to certain limits and rules framed by the Company. Liability is provided based on the number of days of unutilized leave at each balance sheet date based on actuarial valuation done by a certified actuary using projected unit credit method. The Company had funded such plan with Life Insurance Corporation of India (LICI).

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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Present value of obligation	1,441	1,272	1,097	974
Fair value of plan assets	1,354	1,290	1,053	988
<b>Net (assets)/liabilities recognized</b>	<b>87</b>	<b>(18)</b>	<b>44</b>	<b>(14)</b>

**(ii) Movement in present value of obligation:**

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	1,272	1,204	974	927
Current service cost	81	91	98	98
Interest cost	76	75	56	57
Acquisitions (credit)/cost	-	2	-	(2)
Actuarial (gain)/loss arising from assumption changes	(45)	29	(39)	26
Actuarial (gain)/loss arising from experience adjustments	81	(63)	100	(51)
Benefits paid (including benefits directly paid by the Company)	(24)	(66)	(92)	(81)
<b>Balance at end of the year</b>	<b>1,441</b>	<b>1,272</b>	<b>1,097</b>	<b>974</b>

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### (iii) Movement in present value of plan assets:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	1,290	1,271	988	923
Interest income on plan assets	77	79	59	59
Employer contribution	-	2	-	4
Return on plan assets lesser than discount rate	11	4	6	2
Benefits paid	(24)	(66)	-	-
<b>Balance at end of the year</b>	<b>1,354</b>	<b>1,290</b>	<b>1,053</b>	<b>988</b>

### (iv) Components of net cost

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Recognised in profit and loss</b>				
- Current service costs	81	91	98	98
- Net interest on net defined benefit liability / (asset)	(1)	(4)	(4)	(2)
- Immediate recognition of actuarial (gains) / losses	-	-	56	(27)
	<b>80</b>	<b>87</b>	<b>150</b>	<b>69</b>
<b>Recognised in other comprehensive income</b>				
- Actuarial (gains) / losses	25	(37)	-	-
	<b>25</b>	<b>(37)</b>	<b>-</b>	<b>-</b>

### (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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Actuarial (gain)/loss arising from assumption changes	(45)	29	-	-
Actuarial (gain)/loss arising from experience adjustments	81	(63)	-	-
Return on plan assets lesser than discount rate	(11)	(4)	-	-
<b>Net impact on other comprehensive income before tax</b>	<b>25</b>	<b>(38)</b>	<b>-</b>	<b>-</b>

(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 (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 IndAS 19 are set by reference to market conditions at the valuation date.

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate (per annum)	6.50%	6.00%	6.40%	6.00%
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)	10	10	Not applicable	Not applicable
Expected rate of return on plan assets	7.02%	6.84%	6.63%	6.55%

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

**(ix) Sensitivity analysis**

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate - Decrease by 1%	94	81	81	73
Discount rate - Increase by 1%	(82)	(70)	(71)	(63)
Salary escalation rate - Decrease by 1%	(82)	(70)	(70)	(62)
Salary escalation rate - Increase by 1%	91	79	79	71

**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 gratuity plan and compensated absences plan is 6 and 7 years respectively. 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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Year 1	43	430	70	247
Year 2	136	65	138	73
Year 3	591	102	326	94
Year 4	170	105	141	90
Year 5	79	75	90	77
Beyond 5 years	772	602	691	561

Expected employer contribution in Gratuity plan for the period ending 31 March 2023 is ₹104 lakhs (31 March 2022: ₹81 lakhs).

Expected employer contribution in Compensated absences plan for the period ending 31 March 2023 is ₹130 lakhs (31 March 2022: ₹98 lakhs).

**(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 Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 33 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures:

#### (a) List of related parties

##### (i) Key management personnel

###### Whole-time directors

Mr. Bikramjit Nag, Joint Executive Chairman

Mr. Arup Kumar Banerjee, Vice Chairman

Mr. Amitabha Mukhopadhyay, Managing Director (w.e.f 01 November 2021)

###### Non-whole-time directors

Mr. Bijon Bhushan Nag, Chairman

Mr. Amitabha Kumar Nag, Non-executive Director

Mr. Sudip Kumar Mukherji, Independent Director

Mr. Hari Ram Agarwal, Independent Director

Mr. Manoj Kumar Vijay, Independent Director

Mr. Malaykumar Mohinchandra Das, Independent Director (w.e.f. 30 December 2021)

Dr. Runu Chakraborty, Independent Woman Director

###### Executive officers

Mr. Rahul Choudhary, Chief Financial Officer

Mr. Ritesh Agarwal, Company Secretary

Mr. Santanu Ghosh, Chief Executive Officer - Distillery Business

Mr. Debasis Ghosh, Chief Executive Officer - IMIL Business

Mr. Soumitra Chakraborty, Chief Executive Officer - Marine Business

Mr. Rana Chatterjee, Chief Finance Officer - Alcohol (Distillery & IMIL) Business

Mr. Siddhartha Basu, Chief Finance Officer - Marine Business

##### (ii) Other key management personnel

Mr. Goutam Bhattacharya, Vice President - Information Technology

Mr. Alok De, Assistant Vice President - HR and Corporate Relations

Mr. Chinmaya Mishra, General Manager - Plant Operations & Project (Distillery)

Mr. Debojyoti Bandopadhyay, General Manager - CO2 Operations

Mr. Sanjoy Bhattacharya, Unit Head - IMIL Panagarh Unit

Mr. T.K Aich, Plant Manager - IMIL Dankuni Unit

Mr. Yashwant Kumar, Plant Manager - Marine



**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**(iii) Enterprises over which KMP or relatives of KMP exercise control/significant influence:**
**Name of the entity**

Travel Systems Limited

Nurpur Gases Private Limited

IFB Industries Limited

**(iv) Post employment benefit plans**
**Name of the entity**

IFB Agro Industries Limited Employees Gratuity Fund

IFBAIL Employees Super Annuation Fund

**(b) Transactions with related parties**
**Particulars**
**Period ended  
31 March 2022**

 Period ended  
31 March 2021

**Sale of products**

IFB Industries Limited

2

5

**Sale of duty scripts**

IFB Industries Limited

76

-

**Other income**

IFB Industries Limited

54

-

**Rental income:**

Travel Systems Limited

9

8

IFB Industries Limited

72

68

Nurpur Gases Private Limited

24

24

**Purchase of property, plant and equipment:**

IFB Industries Limited

8

4

Travel Systems Limited

0

-

**Purchase of Material:**

Nurpur Gases Private Limited

2,345

968

**Other expenses:**

IFB Industries Limited

11

10

Travel Systems Limited

25

8

**Staff welfare Expenses:**

Relatives of key management personnel and other key management personnel

4

2

**Contribution of funds to post employment benefit fund:**

IFB Agro Industries Limited Employees Gratuity Fund

0

2

IFBAIL Employees Super Annuation Fund

101

212

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Remuneration to key management personnel and other key management personnel</b>		
<b>Short-term employee benefits</b>		
Mr. Bikramjit Nag	148	120
Mr. Arup Kumar Banerjee	276	244
Mr. Amitabha Mukhopadhyay	64	-
Others	705	549
<b>Post-employment benefits (*)</b>		
Mr. Bikramjit Nag	2	2
Mr. Arup Kumar Banerjee	3	3
Mr. Amitabha Mukhopadhyay	1	-
Others	22	31
<b>Sitting fees to non-executive directors (inclusive of taxes)</b>	<b>19</b>	<b>10</b>

(\*) This does not include amounts in respect of gratuity and compensated absences as the same are determined on actuarial basis for the Company.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(c) Balances of related parties:</b>		
<b>Other payables:</b>		
IFB Industries Limited	74	72
Nurpur Gases Private Limited	-	66
<b>Other receivables:</b>		
IFB Industries Limited	9	-
<b>Remuneration Payable:</b>		
Mr. Bikramjit Nag	75	50
Mr. Arup Kumar Banerjee	75	50
<b>Security deposit outstanding:</b>		
IFB Industries Limited	8	8

### (d) Terms and conditions of transactions with related parties

Purchase and sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors/customers.

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**
*(All amounts in ₹ lakhs, unless otherwise stated)*
**34 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**

Spirit, spirituous beverages and allied products

**Product**

Spirit, spirituous beverages and allied products

Marine

Marine product processing for sale in export and domestic markets and marine feed trading.

Particulars	Year ended 31 March 2022				Year ended 31 March 2021			
	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total
<b>i) Segment revenues:</b>								
a) Revenue from operations- external	181,336	46,525	-	227,861	146,842	23,284	-	170,126
Inter-segment revenue from operations	105	-	-	105	110	1	-	111
Less: Eliminations	(105)	-	-	(105)	(110)	(1)	-	(111)
				<u>227,861</u>				<u>170,126</u>
b) Other income	162	356	1,058	1,576	267	670	749	1,686
<b>ii) Segment results</b>								
Profit before interest, tax and depreciation	9,449	1,008	(1,370)	9,087	8,905	(562)	(1,123)	7,220
Depreciation	1,326	285	87	1,698	1,263	129	92	1,484
Finance cost	45	21	-	66	-	15	2	17
<b>Profit before tax</b>	<b>8,078</b>	<b>702</b>	<b>(1,457)</b>	<b>7,323</b>	<b>7,642</b>	<b>(706)</b>	<b>(1,217)</b>	<b>5,719</b>
Tax expense				1,469				1,081
<b>Profit after tax</b>				<u>5,854</u>				<u>4,638</u>
<b>iii) Revenue from external customers</b>								
India	181,273	22,336	-	203,609	146,761	12,909	-	159,670
Outside India	63	24,189	-	24,252	81	10,375	-	10,456
	<u>181,336</u>	<u>46,525</u>	<u>-</u>	<u>227,861</u>	<u>146,842</u>	<u>23,284</u>	<u>-</u>	<u>170,126</u>
<b>iv) Capital expenditure</b>	<b>3,162</b>	<b>111</b>	<b>120</b>	<b>3,393</b>	<b>1,167</b>	<b>589</b>	<b>39</b>	<b>1,795</b>

**Note:**

As per the West Bengal Excise Policy, sale of IMIL product is to West Bengal Beverages Corporation Limited (BEVCO) upto 16 February, 2022. Hence more than 10% of the total sale is to a single customer. Since 17 February 2022 it is to a sole distributor.

**v) Other information**

Particulars	Year ended 31 March 2022				Year ended 31 March 2021			
	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total
Segment assets	21,663	9,251	28,098	59,012	28,181	5,905	18,864	52,950
Segment liabilities	5,215	1,615	2,062	8,892	5,033	1,876	1,608	8,517

**vi) Geographical information**

Particulars	As at 31 March 2022			As at 31 March 2021		
	within India	outside India	Total	within India	outside India	Total
Non current assets other than financial assets and tax assets.	14,974	9	14,983	13,726	9	13,735

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 35 Fair value measurement

#### (a) Category wise classification of financial instruments

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>A Financial assets:</b>			
<b>(i) Measured at fair value through profit or loss (FVTPL)</b>			
Investments in unquoted mutual funds	4 (b)	3,178	2,045
Derivative instruments	5 (b)	9	-
<b>(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)</b>			
Investments in quoted equity instruments (refer note (i) below)	4 (a)	1,798	1,920
Investments in unquoted equity instruments (refer note (i) below)	4 (a)	2,473	2,073
Investments in unquoted preference shares (refer note (i) below)	4 (a)	2,550	-
<b>(iii) Carried at amortised cost (refer note (ii) below)</b>			
Cash and cash equivalents	9 (a)	16,042	10,238
Other bank balance	9 (b)	192	149
Bank deposits (with remaining maturity of more than 12 months)	5 (a)	11	26
Loans to employees	10	16	16
Security deposits	5 (a) (b)	51	20
Trade receivables	8	6,824	10,557
Insurance and other claim receivable	5 (b)	1	98
Other advances	5 (b)	-	124
Investment in bonds	4 (b)	106	-
<b>Total financial assets</b>		<b>33,251</b>	<b>27,266</b>
<b>B. Financial liabilities</b>			
<b>(i) Measured at amortized cost</b>			
Borrowings (including current maturities)	14 (a) 15 (b)	2,174	242
Lease Liabilities		61	61
Trade payables	18	3,600	4,480
Securities deposits (repayable on demand)	14 (a) (b)	265	277
Creditors for property, plant and equipments	14 (b)	115	219
Dues to employees	14 (b)	466	370
<b>(ii) Measured at fair value through profit or loss (FVTPL)</b>			
Derivative instruments	14 (b)	-	1
<b>Total financial liabilities</b>		<b>6,681</b>	<b>5,650</b>

#### Notes:

- (i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Company has chosen to measure these investments in quoted/unquoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the statement of profit and loss may not be indicative of the performance of the Company.
- (ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, security deposits, trade receivables, other 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 Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

**As at 31 March 2022:**

Particulars	Level 1	Level 2	Level 3
<b>(i) Measured at fair value through profit or loss (FVTPL)</b>			
Investments in unquoted mutual funds	3,178	-	-
Derivative instruments	-	9	-
<b>(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)</b>			
Investments in quoted equity instruments	1,798	-	-
Investments in unquoted equity instruments	-	-	2,473
As at 31 March 2021:			
Particulars	Level 1	Level 2	Level 3
<b>(i) Measured at fair value through profit or loss (FVTPL)</b>			
Investments in unquoted mutual funds	2,045	-	-
Derivative instruments	-	-	-
<b>(ii) Designated at fair value through Other Comprehensive Income (FVTOCI)</b>			
Investments in quoted equity instruments	1,920	-	-
Investments in unquoted equity instruments	-	-	2,073

**(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.

There was no transfer of financial assets or liabilities measured at fair value between level 1 and level 2 or transfer into or out of level 3 during the year ended 31 March 2022 and 31 March 2021.

**(d) Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 3 fair values and significant unobservable inputs used in Level 3 fair value measurements.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows	(a) Risk adjusted discount rate (b) Growth rate	The estimated fair value would increase (decrease) if: - the estimated growth were higher (lower); - the risk-adjusted discount rates were lower (higher).

**(e) Fair value of assets and liabilities measured at cost/amortized cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, advance to manufacturing units, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

### 36 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 analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of it's Board of Directors.

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### (a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

#### (i) Trade receivables

Customer credit risks 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 generally secured through letter of credit.

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 9. 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, denominated in USD. Foreign exchange exposures are managed by the central treasury department in accordance with the overall policy parameters approved by the Board of Directors. Trade receivables are hedged by entering into forward contracts (to sell USD) with authorized banks that matches the timings of the forecasted receipts.

Carrying amount of Company's financial assets and liabilities denominated in foreign currency (USD) as at the Balance Sheet date is as under:

	As at 31 March 2022		As at 31 March 2021	
	USD (lakhs)	₹	USD (lakhs)	₹
<b>Financial assets</b>				
Trade Receivables	21	1564	9	662
Forward Contracts (derivative used to hedge trade receivables)	37	2,842	-	-
<b>Financial liabilities</b>				
Trade payable	1	76	-	-
Forward Contracts (derivative used to hedge trade receivables)	-	-	10	732

## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### 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.

Particulars	As at	As at
	31 March 2022	31 March 2021
	Gain / (Loss)	Gain / (Loss)
INR appreciates by 5%	(57)	4
INR depreciates by 5%	57	(4)

### (ii) Interest rate risk management

The Company is debt-free and the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and debt mutual funds. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

### (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	As at
	31 March 2022	31 March 2021
	Gain / (Loss)	Gain / (Loss)
NAV of mutual funds appreciates by 1%	32	20
NAV of mutual funds declines by 1%	(32)	(20)

### (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.



## Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

Contractual maturity of financial liabilities	Upto 1 year	1 year to 5 year	More than 5 year	Total
<b>As at 31 March 2022</b>				
Trade payables	3,600	-	-	3,600
Lease liability	7	34	95	136
Other financial liabilities	606	240	-	846
<b>As at 31 March 2021</b>				
Trade payables	4,480	-	-	4,480
Lease liability	7	27	109	143
Other financial liabilities	627	240	-	867

### (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 as and when required to meet its working capital requirements. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

37 No proceedings has been initiated or pending against the company in the financial year 2020-21 and financial year 2021-22 for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

### 38 Details of differences between quarterly returns of current assets filed with banks in comparison with the books of accounts

Quarter	Particulars of Securities Provided	Amount as per Books of Accounts	Amount as reported in the quarterly return/statement	Amount of Difference**
June 2021	Trade receivables	14,752	14,715	37
	Inventory	11,721	11,297	424
	Trade payables for goods	2,640	2,561	79
September 2021	Trade receivables	12,047	12,003	44
	Inventory	13,523	13,214	309
	Trade payables for goods	4,424	4,467	(43)
December 2021	Trade receivables	8,260	8,216	44
	Inventory	10,088	9,764	324
	Trade payables for goods	3,288	3,384	(96)
March 2022	Trade receivables	8,089	8,089	-
	Inventory	6,536	6,536	-
	Trade payables for goods	1,974	1,974	-
June 2020	Trade receivables	5,688	5,753	(65)
	Inventory	8,385	7,367	1,018
	Trade payables for goods	1,849	1,849	-
September 2020	Trade receivables	10,191	10,128	63
	Inventory	8,808	8,478	330
	Trade payables for goods	1,951	1,951	-
December 2020	Trade receivables	10,275	10,454	(179)
	Inventory	8,033	7,658	375
	Trade payables for goods	1,969	1,969	-
March 2021	Trade receivables	11,771	11,738	33
	Inventory	6,662	6,382	280
	Trade payables for goods	2,056	1,971	85

\* The quarterly return/statement has been submitted to ICICI Bank Limited, HDFC Bank Limited and Federal Bank Limited

\*\* Discrepancies are mainly due to provisions / accruals and reclassifications / adjustments, not considered while submitting details to the banks.

**Notes to Consolidated financial statements for the year ended 31 March 2022 (Contd.)**

(All amounts in ₹ lakhs, unless otherwise stated)

39 The Company has not been declared wilful defaulter by any bank or financial institution or lender in the financial year 2020-21 and financial year 2021-22.

40 The Company has no transactions during the financial year 2020-21 and 2021-22 with the Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

41 Revenue from sale of products is net of variable consideration components amounting to ₹1,426 lakhs (31 March 2021: ₹1,425 lakhs).

**42 Impact of Covid-19 pandemic**

The Company has taken into account all the possible impacts of known events arising from COVID -19 pandemic in the preparation of the financial statements including but not limited to its assessment on liquidity and going concern, recoverable values of its properties, plant and equipment and the net realizable value of other assets. On the basis of the present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these standalone financial results. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

43 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
<b>For the year ended 31 March 2022</b>								
<b>Parent Company:</b>								
- IFB Agro Industries Limited	100.32%	50,278	91.12%	5,334	95.81%	(160)	90.98%	5,174
<b>Foreign subsidiary Company:</b>								
- IFB Agro Marine FZE	-0.32%	(159)	-3.11%	(182)	0.00%	-	-3.20%	(182)
Adjustment arising out of consolidation	0.00%	1	11.99%	702	4.19%	(7)	12.22%	695
<b>Total</b>	<b>100.00%</b>	<b>50,120</b>	<b>100.00%</b>	<b>5,854</b>	<b>100.00%</b>	<b>(167)</b>	<b>100.00%</b>	<b>5,687</b>

For the year ended 31 March 2021

**Parent Company:**

- IFB Agro Industries Limited 101.51% 45,104 101.34% 4,700 99.64% 1,659 100.89% 6,359

**Foreign subsidiary Company:**

- IFB Agro Marine FZE -0.41% (182) -1.34% (62) 0.00% - -0.79% (50)

Adjustment arising out of consolidation -1.10% (489) 0.00% - 0.36% 6 -0.10% (6)

**Total** 100.00% 44,433 100.00% 4,638 100.00% 1,665 100.00% 6,303

**Note:**

The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2022 and 31 March 2021.

As per our report of even date.

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

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757  
Kolkata, 30 May 2022

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

*Joint Executive Chairman*  
*Managing Director*  
*Chief Financial Officer*  
*Company Secretary*  
Kolkata/Goa, 30 May 2022

**Bikramjit Nag** (DIN: 00827155)  
**Amitabha Mukhopadhyay** (DIN: 01806781)  
**Rahul Choudhary**  
**Ritesh Agarwal** (ACS : 17266)

## Ten Years' Standalone Financial Summary

₹ in Lakhs

	IGAAP					Ind AS				
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue from Operations (net)	46,232.08	50,688.55	59,505.35	62,131.41	116,760.20	149,967.33	173,204.33	188,841.83	169,345	227,725
PBDIT	5,071.69	6,988.42	4,470.22	5,918.44	6,301.59	6,785.28	5,957.36	3,753.51	7,270	8,554
PBIT	3,948.31	6,058.80	2,607.95	3,748.21	4,269.01	4,641.74	4,087.96	1,983.37	5,788	6,858
PBT	3,910.17	6,021.96	2,590.81	3,611.98	4,115.08	4,383.65	3,793.72	1,804.75	5,781	6,803
PAT	2,620.02	4,167.54	1,557.45	2,932.54	3,268.16	3,157.18	3,320.79	2,346.70	4,700	5,334
Net Fixed Assets	7,185.46	9,694.20	11,803.12	14,463.98	14,055.63	13,498.45	13,452.20	12,281.50	11,949	14,469
Net Working Capital	8,693.95	9,676.90	11,428.58	15,406.71	17,361.46	18,838.50	20,750.35	23,377.41	27,860	31,250
Long term borrowing	-	-	-	4,342.75	3,081.99	1,900.56	-	-	-	1,500
Earnings per Share	29.09	44.49	16.63	31.31	34.89	33.70	35.45	25.05	50.18	56.94
Book Value per Share	174.98	219.97	236.60	267.91	323.85	367.59	399.66	413.62	481.51	536.75
Free Cash Flow	1,383.62	(670.98)	1,341.20	(9,267.47)	275.53	1,959.35	4,528.57	(514.94)	8,473.00	3,859.38
PBDIT %	10.97%	13.79%	7.51%	9.53%	5.40%	4.52%	3.44%	1.99%	4.29%	3.76%
Return on Capital Employed	24.66%	31.23%	10.93%	12.08%	12.03%	12.35%	10.55%	5.11%	12.89%	10.40%
Return on Net Worth	16.63%	20.23%	7.03%	11.69%	10.77%	9.17%	8.87%	6.06%	10.42%	10.61%
Asset Turnover Ratio	6.43	5.23	5.04	4.30	8.31	11.11	12.88	15.38	14.17	15.74
Working Capital Cycle (days)	21.25	14.46	30.12	29.38	9.45	10.06	6.58	13.02	0.33	2.14

Note: Revenue from Operations (net) for the Financial Year 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 include excise duty amounting to ₹ 32,766.20 Lakhs, ₹ 61,057.56 Lakhs, ₹ 80,722.81 Lakhs, ₹ 92,566.10 Lakhs, ₹ 99,973 Lakhs and ₹ 1,26,716 Lakhs respectively.



NOTES



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