Notes to standalone financial statements for the year ended 31 March 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Summary of significant accounting policies and other explanatory informations:

1A Background

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

These standalone financial statements are approved by the Company's Board of Directors on 17 June 2021.

1B Basis of Preparation

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

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

(b) Historical Cost Convention

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

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

(c) Accounting estimates and judgements

Preparation of financial statements requires the use of judgements, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates 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 14 and 27.

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 23 and 31.

Impairment of assets:

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

Classification of leases:

Refer note 2 (m) for details.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Estimation of provisions and contingencies:

Refer note 2 (n), 17 and 30(a) for details.

Recognition of deferred tax assets:

Refer note 2 (o) for details.

Fair value measurements:

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Refer note 34 (c) for details.

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

2 Significant accounting policies

(a) Revenue recognition

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

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

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

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

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

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

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

Sale of goods:

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

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

Revenue is measured based on the transaction price i.e. the consideration to which the 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.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

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

De-recognition:

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

Intangible assets

(i) Recognition and measurement

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

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

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

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.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

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

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

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

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

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Termination benefits

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

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

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

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

(m) Leases

As a lessee

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

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

As a lessor

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

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

(n) Provisions, contingent liabilities and contingent assets

Provisions:

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

Notes to standalone financial statements for the year ended 31 March 2021 *(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 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

3 (a) Property, plant and equipment

	Owned assets						Leased assets	
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Land	Total
Gross Block (refer note (i) below)								
Balance as at 31 March 2019	1,074	2,574	14,737	84	196	158	438	19,261
Additions	6	51	486	17	44	19	61	684
Less: Disposal	-	48	160	0	7	23	-	238
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	**-**	**-**	**1**	**0**	**1**	**1**	**-**	**3**
Balance as at 31 March 2021	**1,080**	**3,122**	**15,600**	**115**	**267**	**172**	**499**	**20,855**
Accumulated Depreciation and Impairment (refer note (i) below)								
Balance as at 31 March 2019	-	647	4,885	34	135	84	25	5,810
Charge for the year	-	240	1,429	15	42	28	16	1,770
Less: Disposal/adjustments	-	1	69	0	6	17	-	93
Less: Impairment reversal	-	43	18	-	-	-	-	61
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**	**0**	**1**	**1**	**-**	**2**
Balance as at 31 March 2021	**-**	**1,011**	**7,456**	**63**	**207**	**112**	**57**	**8,906**
Net Block								
Balance as at 31 March 2020	1,080	1,734	8,836	52	62	59	458	12,281
Balance as at 31 March 2021	**1,080**	**2,111**	**8,144**	**52**	**60**	**60**	**442**	**11,949**

Notes:

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

ii) The Company's marine product processing plant at Kolkata has been erected on land obtained under long term lease of ninety-nine years, valid upto 9 August 2093 through license from Kolkata Metropolitan Development Authority, for which formal lease deed is yet to be executed.The gross book value as at **31 March 2021: ₹66 lakhs** (31 March 2020: ₹66 lakhs) and net block as at **31 March 2021: ₹62 lakhs** (31 March 2020: ₹63 lakhs).

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

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

v) 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 2021: ₹386 lakhs** (31 March 2020: ₹400 lakhs).

vi) 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 2021	31 March 2020
Gross Block as at the beginning of the year	**61**	-
Add: Additions during the year	**-**	61
Less: Disposal during the year	**-**	-
Gross Block as at the end of the year	**61**	61
Accumulated Depreciation and Impairment as at the beginning of the year	**3**	-
Add: Charge for the year	**2**	3
Less: Disposal/adjustments	**-**	-
Accumulated Depreciation and Impairment as at the end of the year	**5**	3
Net block as at the end of the year	**56**	58

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
3	**(b) Capital work-in-progress**		
	Opening balance as at the beginning of the year	**382**	171
	Additions made during the year	**1,621**	584
	Transferred to property, plant and equipment	**(999)**	(373)
	Closing balance as at the end of the year	**1,004**	382
3	**(c) Intangible assets under development**		
	Opening balance as at the beginning of the year	**63**	-
	Additions made during the year	**21**	63
	Transferred to intangible assets	**-**	-
	Closing balance as at the end of the year	**84**	63

		As at 31 March 2021		As at 31 March 2020	
		Nos.	**Amount**	Nos.	Amount
4	**Investments**				
(a)	**Non-current**				
	Investments in equity instruments (Subsidiary)				
	Unquoted				
	(Measured at cost)				
	IFB Agro Marine FZE [(Face value AED 1.50 lacs (31 March 2020: AED 1.50 lacs) per share, fully paid-up)] (refer note (iii) below)	**18**	**489**	18	489
			489		489
	Investments in equity instruments (others)				
	Quoted				
	(Designated at fair value through other comprehensive income (FVTOCI))				
	IFB Industries Limited (Face value ₹ 10 per share, fully paid-up)	**172,733**	**1,920**	172,733	458
			1,920		458
	Unquoted				
	(Designated at fair value through other comprehensive income)				
	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**	**382**	23,900	362
	Nurpur Gases Private Limited (Face value ₹ 10 per share, fully paid-up)	**145,000**	**86**	145,000	55
	IFB Automotive Private Limited (Face value ₹ 10 per share, fully paid-up)	**955,998**	**1,599**	955,998	1,201
			2,073		1,624
			4,482		2,571

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

4 Investments *(cont'd)*

	As at 31 March 2021	As at 31 March 2020
Other disclosures for non-current investments:		
(a) Aggregate amount of quoted investments and market value thereof	**1,920**	458
(b) Aggregate amount of unquoted investments	**2,562**	2,113

Notes:

i) As at the balance sheet date, none of the investments in equity instruments have been impaired.

ii) The investments in equity instruments are for long-term strategic purposes and not held for trading. Under Ind AS 109, the Company has chosen to designate these investments as equity instruments at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for non-current investments. Based on the aforesaid designation, changes in fair values are accumulated in other equity under the head "equity instruments through other comprehensive income". The Company transfers the accumulated balance from this account to retained earnings when such equity instruments are derecognised.

iii) The Company has measured its investment in subsidiary at cost in accordance with ind AS 27 - Separate Financial Statements.

	As at 31 March 2021		As at 31 March 2020	
	Nos.	**Amount**	Nos.	Amount
(b) Current				
Investments in mutual funds				
Unquoted				
(Measured at fair value through profit and loss)				
ICICI Pruential Equity Arbitrage Fund -Direct-Growth	**3,642,102.04**	**1,022**	-	-
Kotak Equity Arbitrage Fund -Direct- Growth	**3,379,725.30**	**1,023**	-	-
DSP Overnight Fund - Direct - Growth	-	-	47,169.05	504
Franklin India Overnight Fund -Direct-Growth	-	-	191,756.92	2,004
HSBC Overnight Fund - Direct - Growth	-	-	67,686.62	707
ICICI Prudential Overnight Fund-Direct-Growth	-	-	1,434,024.00	1,545
Invesco India Overnight Fund - Direct-Growth	-	-	143,281.93	1,447
Kotak Overnight Fund - Direct- Growth	-	-	169,155.80	1,803
		2,045		8,010
Other disclosures for current investments:				
Aggregate amount of unquoted investments		**2,045**		8,010

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
5	**Loans**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Security deposits	**5**	6
		5	6
(b)	**Current**		
	(Unsecured, considered good)		
	Security deposit	**15**	13
	Loan to employees	**15**	19
		30	32
6	**Other financial assets**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Bank deposits with remaining maturity more than 12 months (*)	**26**	26
		26	26
(*)	Bank deposits are under lien with various Government authorities.		
(b)	**Current**		
	(Unsecured, considered good)		
	Insurance and other claim receivable	**98**	-
	Other advances	**109**	131
		207	131
7	**Other assets**		
(a)	**Non-current**		
	(Unsecured, considered good)		
	Capital advances	**412**	380
	Advances other than capital advances:		
	- Security deposits	**-**	6
	- Amount deposited with government authorities	**263**	15
	- Advance to service provider	**0**	0
	Excess amount paid for defined benefit plans (refer note 31)	**18**	67
	Excess amount paid for other long-term employee benefit (refer note 31)	**14**	-
		707	468

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
7	**Other assets (cont'd)**		
(b)	**Current**		
	(Unsecured, considered good)		
	Advances other than capital advances:		
	- Advance to vendors (#)	**468**	476
	- Advance to tie-up manufacturing units	**100**	153
	- Prepaid expenses	**478**	444
	Balances with government authorities (*)	**3,650**	1,827
	Export incentives receivable	**362**	270
		5,058	3,170

(#) Advance to vendors include advances to Nurpur Gases Private Limited, a private company in which a director is a member: : **As at 31 March 2021 : Nil** (As at 31 March 2020: ₹67 lakhs)

(*) Balances with government authorities primarily include amounts realisable from goods and services tax, state excise authorities and transitional credit carried forward under the goods and services tax regime. These are expected to be realised within a period of one-year, by off-setting the same against the output goods and services tax liability on goods supplied by the Company. Accordingly these balances have been classified as current assets.

		As at 31 March 2021	As at 31 March 2020
8	**Inventories**		
	(valued at lower of cost and net realisable value)		
	Raw materials (including packing materials) (##)	**3,235**	2,945
	Work-in-progress	**127**	184
	Finished goods (**)	**2,543**	4,992
	Stock-in-trade	**375**	356
	Stores and spares	**382**	362
		6,662	8,839

(##) includes stock in transit **₹13 lakhs** (31 March 2020: ₹68 lakhs)

(**) includes finished goods in transit **₹331 lakhs** (31 March 2020: ₹272 lakhs).

Note: The cost of inventories recognised as an expense during the year is disclosed under note 20,21 and 22. The cost of inventories recognised as an expense includes **₹132 lakhs** (31 March 2020: ₹425 lakhs) in respect of write- downs of inventory to its net realisable value.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
9	**Trade receivables**		
	Considered good, secured	**988**	810
	Considered good, unsecured	**10,783**	7,395
		11,771	8,205
	Less: Loss allowance	**1,400**	1,729
		10,371	6,476
	Movement in allowance for doubtful debts during the year is as follows:		
	Balance at the beginning of the year	**1,729**	515
	Add: Loss allowance (net)	**(329)**	1,214
		1,400	1,729

		As at 31 March 2021	As at 31 March 2020
10	**Cash and bank balances**		
(a)	**Cash and cash equivalents**		
	Cash on hand	**18**	47
	Balances with banks		
	- In current accounts	**433**	871
	Bank deposits with original maturity less than 3 months	**9,780**	850
		10,231	1,768
(b)	**Bank balances other than (a) above**		
	Bank deposits with original maturity more than 3 months but remaining maturity less than 12 months (*)	**141**	93
	Accrued interest on bank deposits	**8**	0
		149	93

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

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Number	**Amount**	Number	Amount
11 Equity share capital				
Authorized share capital				
Equity shares of ₹ 10 each	**12,000,000**	**1,200**	12,000,000	1,200
	12,000,000	**1,200**	12,000,000	1,200
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	**9,367,111**	**937**	9,367,111	937
	9,367,111	**937**	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:

	As at 31 March 2021		As at 31 March 2020	
Name of the shareholders	**Number**	**Percentage**	Number	Percentage
IFB Automotive Private Limited	**3,602,900**	**38.46**	3,602,900	38.46
Nurpur Gases Private Limited	**785,543**	**8.39**	785,543	8.39
SICGIL India Limited (*)	**683,100**	**7.29**	683,100	7.29

(*) SICGIL India Ltd (SICGIL) along with Persons Acting in Concert (PAC) (collectively referred to as SICGIL group) holds 15.76% equity shares in the Company. However, the SICGIL group's voting rights were restricted to 5% of the equity share Capital of the Company vide National Company Law Tribunal ('NCLT') order dated 5 July 2017. In an appeal, the National Company Law Appellate Tribunal ('NCLAT') vide its order dated 6th December 2018 set aside the NCLT's order. The Company has preferred an appeal before the Hon'ble Supreme Court. The Hon'ble Supreme Court has ordered for status quo to be maintained.

(d) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
12	**Other equity**		
(a)	**Other reserves**		
	Securities premium	**3,194**	3,194
	General reserve	**285**	285
	Retained earnings	**37,366**	32,642
(b)	Other comprehensive income	**3,322**	1,687
		44,167	37,808

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.

<u>Movement in the retained earnings during the year is as given below:</u>

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**32,642**	30,351
Add: Profit for the year	**4,700**	2,346
Add: Remeasurement of post-employment benefit obligations and taxes there on	**24**	(55)
Balance at the end of the year	**37,366**	32,642

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.

<u>Movement in the other comprehensive income during the year is as given below:</u>

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**1,687**	2,670
Add: movement in OCI during the year, net	**1,659**	(983)
Less: Remeasurement of post-employment benefit obligations and taxes there on	**(24)**	-
Balance at the end of the year	**3,322**	1,687

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
13	**Other financial liabilities**		
(a)	**Non-current**		
	Security deposits (*)	**240**	240
		240	240

(*) Represents an amount obtained as a part of sale and lease back agreement entered into by the Company with Rajasthan State Electricity Board (RSEB) which expired on 28 February 2004. In terms of the said agreement, the residual value of the assets under lease acquired and leased back to RSEB (under physical possession of RSEB) is required to be adjusted against the corresponding amount of security deposit as mentioned above. Company's appeal towards certain claims against RSEB is pending before the Hon'ble Jaipur High Court.

(b)	**Current**		
	Security deposits repayable on demand	**37**	43
	Creditors for property, plant and equipments (inclusive of retentions) (#)	**219**	90
	Derivative instruments	**1**	116
	Dues to employees	**334**	297
		591	546

(#) Creditors for property, plant and equipments include **31 March 2021 :Rs.33 lakhs** (31 March 2020: Nil) dues to micro and small enterprises.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
14	**Deferred taxes assets / liabilities (net)**		
	Deferred tax liabilities	**1,729**	1,604
	Less: Deferred tax assets	**841**	1,123
		888	481

	As at 31 March 2020	Recognised in statement of profit or loss	Recognised in Other Comprehensive Income	As at 31 March 2021
Deferred tax liabilities:				
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	-	-	-	-
	1,604	**(150)**	**275**	**1,729**
Deferred tax assets:				
On provision for doubtful debts	604	**115**	-	**489**
On deferred revenue income	11	**(1)**	-	**12**
On temporary differences	17	-	-	**17**
	632	**114**	-	**518**

	As at 31 March 2020	Recognised in statement of profit or loss	Utilised during the year	As at 31 March 2021
Deferred tax assets:				
On unutilised MAT credits	491	**(176)**	**344**	**323**
	491	**(176)**	**344**	**323**

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 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
15	**Other liabilities**		
(a)	**Non-current**		
	Deferred revenue income (*)	**30**	32
		30	32

(*) Deferred revenue income represents capital subsidy of ₹ 50 lakhs received by the Company on 30 December 2016 from Ministry of New and Renewable Energy (MNRE), Government of India, in respect of its 2.5 MW co-generative power plant commissioned on 28 March 2014. An amount of **₹ 2 lakhs** (31 March 2020: ₹ 2 lakhs) has been recognized as income for the current year.

(b)	**Current**		
	Advance from customers (#)	**188**	293
	Statutory dues	**1,503**	542
	Other accruals	**27**	276
		1,718	1,111

(#) The advance received from customers in the previous period have been recognised as revenue in the current year. Similarly, the advance from customer as at the balance sheet date will be recognised in the subsequent year.

		As at 31 March 2021	As at 31 March 2020
16	**Trade payables**		
	Dues of micro and small enterprises	**357**	369
	Dues of creditors other than micro and small enterprises	**3,989**	2,907
		4,346	3,276
	Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act		
	Dues to micro and small enterprises		
	a) Principal amount due to micro and small enterprise (#)	**390**	369
	b) Interest due on above	**-**	-
	c) Interest paid by the Company in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	**-**	-
	d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Act, 2006.	-	-
	e) Interest accrued and remaining unpaid at the end of each accounting year	-	-
	f) Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note:

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(#) Principal Account due includes capital creditors: **31 March 2021: ₹33 lakhs** (31 March 2020: Nil) due to micro and small enterprie.

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
17	**Provisions**		
	Current		
	Provision for compensated absences	**-**	4
	Provision for legal matters (*)	**189**	189
		189	193

(*) 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.

	As at 31 March 2021	As at 31 March 2020
Movement in provision for legal matters during the year is as follows:		
Balance at the beginning of the year	**189**	200
Add: provisions during the year	**-**	-
Less: provisions reversed / paid during the year	**-**	(11)
Balance at the end of the year	**189**	189

		Year ended 31 March 2021	Year ended 31 March 2020
18	**Revenue from operations**		
	Sale of products (inclusive of excise duty) (*)	**168,522**	186,857
	Other operating revenue		
	- Scrap sales	**165**	148
	- Export incentives	**628**	1,790
	- Others	**30**	47
		169,345	188,842
	(*) refer to note 36		
	Details of sale of products (inclusive of excise duty)		
	Manufactured products		
	- Spirit, spirituous beverages and allied products		
	(i) Alcohol including Indian made Indian liquor and other allied products	**142,929**	140,759
	(ii) Others	**3,827**	4,988
	- Marine		
	(i) Maine products	**11,658**	24,420
	(ii) Others	**341**	-
	Traded products		
	- Spirit, spirituous beverages and allied products		
	Others	**30**	20
	- Marine		
	Marine feed and other allied products	**9,737**	16,670
		168,522	186,857
19	**Other income**		
	Interest income:		
	- Financial assets measured at amortised costs	**39**	77
	Other gains and losses		
	- Net gain arising on sale of financial assets measured at FVTPL	**355**	324
	- Net gain arising on measurement of derivatives at FVTPL	**116**	-
	- Net gain arising on remeasurement of financial assets measured at FVTPL	**45**	4
	Others		
	- Rental income	**348**	385
	- Net gain on foreign currency transactions and translations (net)	**-**	74
	- Recovery of bad debts	**4**	-
	- Liabilities no longer required written back	**112**	99
	- Writeback of loss allowance (net)	**329**	-
	- Gain on sale of property, plant and equipment (net)	**0**	-
	- Other miscellaneous income	**21**	34
	- Insurance claim received	**262**	124
		1,631	1,121

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
20	**Cost of materials consumed**		
	Raw material consumed (including packing materials)		
	Opening stock	**2,945**	2,069
	Add: Purchases	**34,703**	58,019
	Less: Closing stock	**3,235**	2,945
		34,413	57,143
21	**Purchases of stock-in-trade**		
	Marine food and feed supplements	**8,871**	14,867
	Others	**27**	18
		8,898	14,885
22	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Stock at the beginning of the year (including stock-in-transit)		
	Finished goods	**4,992**	3,512
	Work-in-progress	**184**	178
	Stock-in-trade	**356**	416
		5,532	4,106
	Stock at the end of the year (including stock-in-transit)		
	Finished goods	**2,543**	4,992
	Work-in-progress	**127**	184
	Stock-in-trade	**375**	356
		3,045	5,532
	Difference in excise duty on finished goods	**5**	381
		2,492	(1,045)
23	**Employee benefits expense**		
	Salaries, wages and bonus	**3,712**	4,068
	Contribution to provident funds and other funds (Refer note 31)	**454**	425
	Staff welfare expenses	**251**	322
		4,417	4,815
24	**Finance costs**		
	Interest on financial liabilities carried at amortised costs (*)	**5**	173
	Interest expense on lease liabilities	**2**	5
		7	178

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

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
25	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	**1,482**	1,770
		1,482	1,770
26	**Other expenses**		
	Advertisement and sales promotion expenses	**740**	567
	Consumption of stores and spares	**540**	487
	Power and fuel	**3,321**	4,194
	Rent	**939**	888
	Repair and maintenance:		
	- Buildings	**90**	32
	- Plant and Machinery	**221**	277
	- Others	**140**	107
	Insurance	**337**	374
	Rates and taxes	**816**	353
	Legal and professional expenses	**341**	362
	Office expenses	**777**	1,009
	Travel and conveyance expenses	**198**	478
	Auditor's remuneration	**29**	40
	Freight outward	**1,797**	2,636
	Contract charges	**2,416**	3,949
	Corporate Social Responsibility ('CSR') expenditure	**83**	67
	Loss on sale of property, plant and equipment, net	**-**	11
	Write off of property, plant and equipment	**0**	46
	Bad debts written off	**298**	75
	Loss allowance	**-**	1,214
	Loss on foreign currency transactions and translations, net	**64**	-
	Net loss arising on measurement of derivatives at FVTPL	**-**	120
	Directors sitting fees	**10**	7
	Miscellaneous expenses	**356**	554
		13,513	17,847
(a)	**Auditors' remuneration**		
	Statutory audit (*)	**26**	35
	Tax audit	**-**	2
	Other services (*)	**1**	1
	Out of pocket expenses	**2**	2
		29	40

(*) Auditor fees includes in 31 March 2021: Nil (31 March 2020: ₹10 lakhs) as payment to erstwhile auditors

(b)	**Details of Corporate Social Responsibility (CSR) expenditure**		
	Gross amount required to be spent by the Company during the year.	**80**	85
	Amount spent during the year:		
	Construction / acquisition of any assets	**-**	-
	Purposes other than above	**83**	67
	Amount accrued but not paid during the year	**-**	-

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

			Year ended 31 March 2021	Year ended 31 March 2020
27	**Tax expenses**			
(a)	**Income tax in the statement of profit and loss:**			
	Current tax			
	Income tax charge for the year		**1,293**	533
	Income tax charge / (reversal) for earlier years		**0**	(176)
			1,293	357
	Deferred tax			
	Deferred tax for the year		**(36)**	(725)
	Unused tax credit entitlement (MAT credit entitlement) for the year		**-**	(21)
	Unused tax credit entitlement (MAT credit entitlement) for earlier years		**(176)**	(153)
			(212)	(899)
(b)	**Income tax recognised in other comprehensive income comprises:**			
	Current tax			
	On remeasurement of post-employment benefit obligations		**13**	(30)
		(A)	**13**	(30)
	Deferred tax			
	On fair value gains on investments in equity instruments		**275**	(112)
		(B)	**275**	(112)
		(A) + (B)	**288**	(142)
(c)	**Reconciliation of income tax expense and the accounting profit for the year:**			
	Profit before tax		**5,781**	1,804
	Enacted tax rates (%)		**34.94%**	34.94%
	Income tax expense calculated at corporate tax rate		**2,020**	630
	Deductions under chapter VIA of the Income Tax Act, 1961		**(748)**	(807)
	Impact on account of non-deductible expenses		**29**	33
	Fair value measurements of investments in mutual funds		**0**	(24)
	Adjustment of tax relating to earlier years		**(176)**	(329)
	Impact due to change in future tax rate		**-**	(1)
	Additional allowances under the Income Tax Act, 1961		**(16)**	(4)
	Difference in opening written down value of property, plant and equipment as per Income tax		**(25)**	8
	On opening leave fund asset		**-**	(48)
	Other adjustments		**(3)**	-
	Total income tax expense as per the statement of profit and loss		**1,081**	(542)
28	**Earnings per equity share (EPS)**			
	Net profit attributable to equity shareholders (in ₹ lakhs)		**4,700**	2,346
	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		**50.18**	25.05
	- Diluted earnings per equity share		**50.18**	25.05

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

29 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 (seperately from other owned assets) at an amount equal to the entire lease rentals paid upfront (including intial 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 2021	As at 31 March 2020
Opening Balance	**63**	-
Lease liability recognised during the year	**-**	61
Interest expenses recognised during the year	**2**	5
Lease payments reflected in the Statement of Cash Flow	**(5)**	(3)
Closing Lease liabiltity	**60**	63

(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 2021: ₹ 939 lakhs** (31 March 2020: ₹888 lakhs) included in Rent under Note 26 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 2020-21 **₹348 lakhs** (2019-20 is ₹385 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.

30 Contingent liabilities and commitments

(a) Contingent liabilities

	Particulars	As at 31 March 2021	As at 31 March 2020
	Claims against the Company not acknowledged as debts:		
(a)	State Excise demands for various years primarily for excess shortage/wastage of spirit.	**1,192**	1,192
(b)	State Sales Tax/Central Sales Tax and Value Added Tax demands in the State of West Bengal.	**-**	2,705
(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 mis-classification in respect to sale of Distillers Dried Grain Solubles (DDGS), the company has paid a sum of **₹225 lakhs** under protest and will take necessary legal steps to defend its position.

(b) Commitments

Estimated amount of capital contracts remaining to be executed and not provided for as on the balance sheet date are:

	As at 31 March 2021	As at 31 March 2020
Capital commitments for property, plant and equipment (net of capital advances given)	**1,761**	171
Capital commitment for intangible assets	**225**	90

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

31 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 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Present value of obligation	**1,272**	1,204	**974**	927
Fair value of plan assets	**1,290**	1,271	**988**	923
Net (assets)/liabilities recognized	**(18)**	(67)	**(14)**	4

(ii) Movement in present value of obligation:

Particulars	**Gratuity (funded)**		**Compensated absences (funded)**	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Balance at beginning of the year	**1,204**	996	**927**	769
Current service cost	**91**	64	**98**	79
Interest cost	**75**	70	**57**	52
Acquisitions (credit)/cost	**2**	9	**(2)**	9
Actuarial (gain)/loss arising from assumption changes	**29**	51	**26**	43
Actuarial (gain)/loss arising from experience adjustments	**(63)**	36	**(51)**	42
Benefits paid (including benefits directly paid by the Company)	**(66)**	(22)	**(81)**	(67)
Balance at end of the year	**1,272**	1,204	**974**	927

Notes to standalone financial statements for the year ended 31 March 2021 *(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 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Balance at beginning of the year	**1,271**	1,204	**923**	907
Interest income on plan assets	**79**	85	**59**	62
Employer contribution	**2**	2	**4**	-
Return on plan assets lesser than discount rate	**4**	2	**2**	(1)
Benefits paid	**(66)**	(22)	**-**	(45)
Balance at end of the year	**1,290**	1,271	**988**	923

(iv) Components of net cost

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Recognised in profit and loss				
- Current service costs	**91**	64	**98**	79
- Net interest on net defined benefit liability / (asset)	**(4)**	(15)	**(2)**	(11)
- Immediate recognition of (gains) / losses	**-**	-	**(27)**	86
	87	49	**69**	154
Recognised in other comprehensive income				
- Actuarial (gains) / losses	**(37)**	85	**-**	-
	(37)	85	**-**	-

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

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Actuarial (gain)/loss arising from assumption changes	**29**	51	**-**	-
Actuarial (gain)/loss arising from experience adjustments	**(63)**	36	**-**	-
Return on plan assets lesser than discount rate	**(4)**	(2)	**-**	-
Net impact on other comprehensive income before tax	**(38)**	85	**-**	**-**

(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 23.

(vii) Major categories of plan assets:

Entire assets of both gratuity and compensated absences plans is maintained with the Life Insurance Corporation of India (LICI).

(viii) Assumptions

With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at balance sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Discount rate (per annum)	**6.00%**	6.40%	**6.00%**	6.40%
Salary escalation rate (per annum)	**8.00%**	8.00%	**8.00%**	8.00%
Mortality table	Indian Assured Lives Mortality [2006-08] Ultimate table		Indian Assured Lives Mortality [2006-08] Ultimate table	
Average past service of employees (years)	**10**	9	**Not applicable**	Not applicable
Expected rate of return on plan assets	**6.84%**	7.27%	**6.55%**	6.90%

Notes to standalone financial statements for the year ended 31 March 2021 *(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 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Discount rate - Decrease by 1%	**81**	82	**73**	70
Discount rate - Increase by 1%	**(70)**	(71)	**(63)**	(61)
Salary escalation rate - Decrease by 1%	**(70)**	(71)	**(62)**	(61)
Salary escalation rate - Increase by 1%	**79**	80	**71**	69

Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity results above determine their individual impact on the plan's end of the year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

(x) Maturity analysis of the benefit payments:

Weighted average duration of both gratuity plan and compensated absences plan is 7 years. Expected benefits payments for each such plans over the years is given in table below:

Particulars	Gratuity (funded)		Compensated absences (funded)	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Year 1	**430**	43	**247**	203
Year 2	**65**	357	**73**	94
Year 3	**102**	171	**94**	77
Year 4	**105**	116	**90**	105
Year 5	**75**	111	**77**	93
Next 5 years	**602**	538	**561**	504

Expected employer contribution in Gratuity plan for the period ending 31 March 2022 is ₹81 lakhs (31 March 2021: ₹91 lakhs).

Expected employer contribution in Compensated absences plan for the period ending 31 March 2022 is ₹98 lakhs (31 March 2021: ₹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 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

32 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 2021	31 March 2020
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 and Managing Director

Non-whole-time directors

Mr. Bijon 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

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 (appointed w.e.f 29 January 2021)

Mr. Debasis Ghosh, Chief Executive Officer - IMIL Business (appointed w.e.f 29 January 2021)

Mr. Soumitra Chakraborty, Chief Executive Officer - Marine Business (appointed w.e.f 29 January 2021)

Mr. Rana Chatterjee, Chief Finance Officer- Alcohol (Distillery & IMIL) Business (appointed w.e.f 29 January 2021)

Mr. Siddhartha Basu, Chief Finance Officer - Marine Business (appointed w.e.f 29 January 2021)

(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- CO_2 Operations

Mr. S.K. Kundu, Head-Tie Up Units (IMIL division)

Mr. Sanjoy Bhattacharya, Unit Head-IMIL Panagarh Unit

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

Notes to standalone financial statements for the year ended 31 March 2021 *(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	Period ended 31 March 2021	Period ended 31 March 2020
Sale of products		
IFB Industries Limited	**5**	132
Sale of property, plant and equipment		
Other key management personnel	-	2
Rental income:		
Travel Systems Limited	**8**	10
IFB Industries Limited	**68**	81
Nurpur Gases Private Limited	**24**	19
Purchase of property, plant and equipment:		
IFB Industries Limited	**4**	11
Purchase of Material:		
Nurpur Gases Private Limited	**968**	695
Other expenses:		
IFB Industries Limited	**10**	13
Travel Systems Limited	**8**	71
Reimbursement of Expenses:		
IFB Agro Marine FZE	**2**	-
Staff welfare Expenses:		
Relatives of key management personnel and other key management personnel	**2**	2
Contribution of funds to post employment benefit fund:		
IFB Agro Industries Limited Employees Gratuity Fund	**2**	0
IFBAIL Employees Super annuation Fund	**212**	218

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration to key management personnel and other key management personnel		
Short-term employee benefits		
Mr. Bikramjit Nag	**120**	113
Mr. Arup Kumar Banerjee	**244**	199
Others	**549**	695
Post-employment benefits (*)		
Mr. Bikramjit Nag	**2**	2
Mr. Arup Kumar Banerjee	**3**	3
Others	**31**	40

(*) This does not include amounts in respect of gratuity and compensated absences as the same are determined on acturial basis for the Company.

Particulars	As at 31 March 2021	As at 31 March 2020
Sitting fees to non-executive directors	**10**	7

(c) Balances of related parties:

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables:		
Travel Systems Limited	**-**	2
IFB Industries Limited	**72**	59
Nurpur Gases Private Limited	**66**	76
Remuneration Payable:		
Mr. Bikramjit Nag	**50**	40
Mr. Arup Kumar Banerjee	**50**	-
Security deposit outstanding:		
IFB Industries Limited	**8**	8
Advance given:		
Nurpur Gases Private Limited	**-**	67

(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 standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

33 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	Extra Neutral Alcohol and Indian Made Indian Liquor
Marine	Marine product processing for sale in export and domestic markets and marine feed trading.

	Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
		Spirit, spirituous beverages and allied products	**Marine**	**Unallocated**	**Total**	Spirit, spirituous beverages and allied products	Marine	Unallocated	Total
i)	**Segment revenues:**								
a)	Revenue from operations- external	**146,842**	**22,503**	**-**	**169,345**	145,839	43,003	-	188,842
	Inter-segment revenue from operations	**110**	**1**	**-**	**111**	4	-	-	4
	Less: Eliminations	**(110)**	**(1)**	**-**	**(111)**	(4)	-	-	(4)
					169,345				188,842
b)	Other income	**267**	**615**	**749**	**1,631**	130	199	792	1,121
ii)	**Segment results**								
	Profit before interest, tax and depreciation	**8,905**	**(512)**	**(1,123)**	**7,270**	7,165	(2,139)	(1,274)	3,752
	Depreciation	**1,263**	**127**	**92**	**1,482**	1,445	220	105	1,770
	Finance cost	**-**	**5**	**2**	**7**	131	42	5	178
	Profit before tax	**7,642**	**(644)**	**(1,217)**	**5,781**	5,589	(2,401)	(1,384)	1,804
	Tax expense				**1,081**				(542)
	Profit after tax				**4,700**				2,346
iii)	**Revenue from external customers**								
	India	**146,761**	**12,909**	**-**	**159,670**	145,783	20,984	-	166,767
	Outside India	**81**	**9,594**	**-**	**9,675**	56	22,019	-	22,075
		146,842	**22,503**	**-**	**169,345**	145,839	43,003	-	188,842
iv)	**Capital expenditure**	**1,167**	**588**	**39**	**1,794**	432	423	103	958

Note:

As per the West Bengal Excise Policy, sale of IMIL product is to West Bengal Beverages Corporation Limited (BEVCO). Hence more than 10% of the total sale is to a single customer.

v) **Other information**

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Spirit, liquor, spirituous beverages	**Marine**	**Unallocated**	**Total**	Spirit, liquor, spirituous beverages	Marine	Unallocated	Total
Segment assets	**28,181**	**6,164**	**18,864**	**53,209**	20,745	10,614	13,337	44,696
Segment liabilities	**5,033**	**1,464**	**1,608**	**8,105**	3,251	1,556	1,144	5,951

vi) **Geographical information**

Particulars	As at 31 March 2021			As at 31 March 2020		
	within India	**outside India**	**Total**	within India	outside India	Total
Non current assets other than financial assets and tax assets.	**13,726**	**-**	**13,726**	13,127	-	13,127

Notes to standalone financial statements for the year ended 31 March 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

34 Fair value measurement

(a) Category wise classification of financial instruments

	Particulars	Note	As at 31 March 2021	As at 31 March 2020
A	**Financial assets:**			
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	4 (b)	**2,045**	8,010
(ii)	**Designated at fair value through Other Comprehensive Income (FVTOCI)**			
	Investments in quoted equity instruments (refer note (i) below)	4 (a)	**1,920**	458
	Investments in unquoted equity instruments (refer note (i) below)	4 (a)	**2,073**	1,624
(iii)	**Carried at amortised cost** (refer note (ii) below)			
	Cash and cash equivalents	10 (a)	**10,231**	1,768
	Other bank balance	10 (b)	**149**	93
	Bank deposits (with remaining maturity of more than 12 months)	6 (a)	**26**	26
	Loans to employees	5 (b)	**15**	19
	Security deposits	5 (a) & (b)	**20**	19
	Trade receivables	9	**10,371**	6,476
	Insurance and other claim receivable	6 (b)	**98**	-
	Other advances	6 (b)	**109**	131
(iv)	**Measured at cost**			
	Investment in equity shares of subsidiary Company	4 (a)	**489**	489
	Total financial assets		**27,546**	19,113
B.	**Financial liabilities**			
(i)	**Measured at amortized cost**			
	Lease Liabilities		**61**	64
	Trade payables	16	**4,346**	3,276
	Securities deposits (repayable on demand)	13 (a) (b)	**277**	283
	Creditors for property, plant and equipments	13 (b)	**219**	90
	Dues to employees	13 (b)	**334**	297
(ii)	**Measured at fair value through profit or loss (FVTPL)**			
	Derivative instruments	13 (b)	**1**	116
	Total financial liabilities		**5,238**	4,126

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 2021 *(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 2021:

	Particulars	Level 1	Level 2	Level 3
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	**2,045**	-	-
	Derivative instruments	-	-	-
(ii)	**Designated at fair value through Other Comprehensive Income (FVTOCI)**			
	Investments in quoted equity instruments	**1,920**	-	-
	Investments in unquoted equity instruments	-	-	**2,073**

As at 31 March 2020:

	Particulars	Level 1	Level 2	Level 3
(i)	**Measured at fair value through profit or loss (FVTPL)**			
	Investments in unquoted mutual funds	8,010	-	-
(ii)	**Designated at fair value through Other Comprehensive Income (FVTOCI)**			
	Investments in quoted equity instruments	458	-	-
	Investments in unquoted equity instruments	-	-	1,624

(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 2021 and 31 March 2020.

(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.

35 Financial risk management

Company's business activities are exposed to a variety of financial risks like credit risk, market risks and liquidity risk. Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of it's Board of Directors.

Notes to standalone financial statements for the year ended 31 March 2021 *(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 2021		As at 31 March 2020	
	USD (lakhs)	**₹**	USD (lakhs)	₹
Financial assets				
Trade Receivables	**9**	**662**	21	1599
Financial liabilities				
Trade payable	**0**	**0**	1	65
Forward Contracts (derivative used to hedge trade receivables)	**10**	**732**	33	2,464

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 2021 *(Contd.)*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	**As at 31 March 2021 Gain / (Loss)**	As at 31 March 2020 Gain / (Loss)
INR appreciates by 5%	**4**	-
INR depreciates by 5%	**(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 31 March 2021**	As at 31 March 2020
	Gain / (Loss)	Gain / (Loss)
NAV of mutual funds appreciates by 1%	**20**	80
NAV of mutual funds declines by 1%	**(20)**	(80)

(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 2021 *(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
As at 31 March 2021				
Trade payables	**4,346**	**-**	**-**	**4,346**
Lease liability	**7**	**27**	**109**	**143**
Other financial liabilities	**591**	**240**	**-**	**831**
As at 31 March 2020				
Trade payables	3,276	-	-	3,276
Lease liability	7	34	107	148
Other financial liabilities	546	240	-	786

(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.

36 Revenue from sale of products is net of variable consideration components amounting to **Rs.1,425 lakhs** (31 March 2020: Rs.2,594 lakhs)

37 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, 17 June 2021

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

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

Kolkata/Goa, 17 June 2021