5TH ANNUAL REPORT
(2021-2022)

KISAN FINANCE

IFFCO KISAN FINANCE LIMITED

IFFCO House, 34, Nehru Place,
New Delhi-110019

NOTICE

NOTICE is hereby given to all the members of IFFCO Kisan Finance Limited that the Fifth Annual General Meeting of the Company will be held at a shorter notice on **Wednesday, 20th July, 2022** at **11:00 A.M.** through Video Conferencing (VC) /other audio-visual (OAV) means to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended at 31st March, 2022, and the reports of the Directors and the Auditors thereon.

2. To consider and, if thought fit to pass, with or without modifications, the following resolution as Ordinary Resolutions:

   a) "**RESOLVED THAT** Dr. U S Awasthi (DIN 00026019), who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby appointed as Director of the Company liable to retire by rotation"

   b) "**RESOLVED THAT** Mr. Devender Kumar (DIN: 08785668) who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby appointed as Director of the Company liable to retire by rotation"

By order of the Board
for IFFCO Kisan Finance Limited

Deepika Singh

Deepika Singh
Company Secretary

IFFCO KISAN FINANCE LIMITED ★ IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019 ★

Date: 01/07/2022
Place: New Delhi

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") or Extra-Ordinary general Meeting (EGM) through video conference VC or Other Audio Visual Means OAVM, upto December 31, 2022 without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. The Meeting shall be deemed to be held at the Registered office of the Company at IFFCO House, 34, Nehru Place, New Delhi-110019. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.

3. A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and such a proxy need not be a Member of the Company.

4. Instruments of proxies in order to be effective must be received/deposited with the Company at its Registered Office not less than 48 hours before the time fixed for the meeting.

5. Link to attend the meeting through video conferencing shall be shared with the members few days before the meeting.

By order of the Board
for IFFCO Kisan Finance Limited

Deepika Singh

Deepika Singh
Company Secretary

IFFCO KISAN FINANCE LIMITED
IFFCO HOUSE
1st & 2nd FLOOR
34, NEHRU PLACE
NEW DELHI-110019

Date: 01/07/2022
Place: New Delhi

IFFCO KISAN FINANCE LIMITED

(FORMERLY KISAN RURAL FINANCE LIMITED)

Registered Office : IFFCO HOUSE, 34, Nehru Place, New Delhi-110019 | Ph. : +91-11-46729920
CIN: U65929DL2017PLC326899 • www.kisanfinance.com • care@kisanfinance.com

ATTENDANCE SLIP

I hereby record my presence at the 5th Annual General Meeting of the Company being held on Wednesday, 20th July, 2022, at 11.00 a.m. at the registered office of the Company at IFFCO House, 34, Nehru Place, New Delhi-110019.

Full name of the shareholder ____________________ Registered Folio No./DP ID __________
Address of the Shareholder ____

I/We hereby record my/our presence at the 5th Annual General Meeting of the Company on 20th July, 2022 at 11:00 a.m.

Signature of Shareholder/Proxy

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
E- mail Id:	
Folio No./ DP ID & Client ID	

I/We being a member(s) of ______________________ shares of the above named company, hereby appoint

1. Name : ________________ of ______________________________
   E-mail Id: ________________ Signature: ________________________ or failing him/her
2. Name : ________________ of ______________________________
   E-mail Id: ________________ Signature: ________________________ or failing him/her
3. Name : ________________ of ______________________________
   E-mail Id: ________________ Signature: ________________________

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the Company to be held on the Wednesday, 20th July, 2022, at 11.00 a.m. at the registered office of the Company at IFFCO House, 34, Nehru Place, New Delhi-110019 and at any adjournment thereof in respect of such resolutions as are indicated below:

*I wish my above proxy to vote in the manner as indicated below:

Resolutions	For	Against
1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended at 31st March, 2022, and the reports of the Directors and the Auditors thereon.		
2. a) Re –appointment of Dr. U S Awasthi, who retires by rotation		
3. b) Re –appointment of Mr. Devender Kumar, who retires by rotation		

Signed this ___ day of ____________2022.

Affix Rupee 1/- Revenue Stamp

Signature of shareholder

Signatures of proxy holders

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting

KISAN FINANCE

DIRECTORS' REPORT
2021-2022

Dear Members,

Your Directors have pleasure in presenting the 05th (Fifth) Annual Report on the business and operations of the Company together with Audited Financial Statements of your Company for the year ended March 31, 2022.

Financial and Operational Highlights

As per RBI Master Direction-Non-Banking Financial Company-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, updated on June 14, 2022, your Company is an Investment and Credit Company (NBFC-ICC). In the FY 2021-2022, the Company operated in Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar, Telangana, Andhra Pradesh and Haryana. During the year 2021-22, your Company disbursed loans to borrowers amounting to Rs. 54631 lacs. The highlights of the Company's financial performance in the FY 2021-2022 are given below:

(All amounts in Rs lacs)

Particulars	2021-22	2020-21
Gross Revenue from Operations	12,394.74	8671.13
Other Income	562.05	1.57
Total Income	12,956.79	8672.70
Total Expenses	10,243.51	7375.02
Profit/Loss before tax	2,713.28	1297.68
Income Tax – Current Year	818.66	672.60
Deferred Tax	(112.42)	(317.64)
Profit after tax for the year	2007.04	942.72
Other Comprehensive Income net of Income Tax	(0.13)	(5.72)
Total Comprehensive Income for the year	2006.90	937.00
Earning per share (equity shares, par value INR 10 each)	1.00	0.47

Ind AS prescribed by the Companies Act, 2013 became applicable on the Company in the FY 2021-22. Accordingly, the figures for FY 2021-22 and the comparative figures for FY 2020-21 mentioned the table above have been drawn from the Ind AS financials.

During the FY 2021-22 the Company engaged in financing loans for both new and used tractors, harvester combines, top-up loans and wholesale lending.

Your Company earned a Profit Before Tax of Rs. 2713 lacs for the Financial Year ended March 31, 2022 as against Rs. 1298 lacs in the previous Financial Year ended March 31,2022 on account of growth in disbursements, diversification into new products together with efficient and cost-effective mobilization of funds. The Profit After Tax for the Financial Year ended March 31, 2022 was Rs. 2007 lacs as against Rs. 937 lacs in the previous Financial Year. The total income for the year under consideration was Rs. 12957 lacs and total expenditure were Rs. 10244 lacs. The expenses incurred primarily consist of finance cost of Rs 4140 lacs, employee costs of Rs 2573 lacs, other operating expenses of Rs 2462 lacs, provisions of Rs 977 lacs and depreciation of Rs 92 lacs. The closing loan book of the company as on March 31, 2022 was Rs 88445.68 lacs. As mentioned earlier, the above-mentioned figures are based on Ind AS financials.

Your Company continues to remain focused on rural markets, leveraging on its core strength, i.e. the deep farmer connect and goodwill that IFFCO has generated through several decades of fair and ethical dealings with farmers. While it relies on a robust IT infrastructure and significantly paperless processes and documentation, the Company carries out credit appraisals through face to face interaction with the borrowers. It remains focused on healthy growth of its business in a carefully calibrated manner and is confident of delivering improved performance in the years to follow. It also has ambitious plans for expansion into more Regions as well as diverse products from FY 2022-23 onwards.

Share Capital

During the FY 2021-2022, there was no change in the issued, subscribed or the paid-up capital of the Company. As on March 31, 2022, the Authorised Capital of the Company stood at Rs. 1000 Cr divided into 100 Cr equity shares of Rs. 10/- each. The Paid-up Capital also remained same i.e. Rs. 200 Cr divided into 20 Cr equity shares of Rs. 10/- each. As a matter of policy, the company intends to operate with a minimum capital adequacy ratio of 20% as against 15% prescribed by RBI.

Resources & Liquidity

Your company continued to access funds at competitive rates on the strength of its performance, support from parent and a healthy credit rating. The Company was able to add more reputed banks in its lender portfolio, which enables avoidance of funding concentration risk. All interest and principal repayments are being done on time by the company and liquidity position is being closely monitored to ensure there is no stress on the company's ability to meet its repayment obligations. The assets of the Company which are available by way of security are sufficient to discharge the claims of the banks as and when they become due.

Credit Rating

During the year under review, CARE Ratings Limited ("CARE") reviewed and reaffirmed the rating of A-/Stable on long term bank facilities. Further, CRISIL Ratings

Limited ("CRISIL") has rated the long term bank facilities in November, 2021 and assigned a rating of AA-/Stable. Instruments with AA- rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instuments carry very low credit risk.

Dividend

The Directors have not proposed any dividend for the year under review.

Deposits

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year ended March 31, 2022. The Company shall not raise any public deposits without prior approval of the RBI, as per the conditions attached to the Certificate of Registration issued by RBI.

Changes in the Composition of the Board and Declaration by Independent Directors:

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013.

During the year under review the NH Capital Co. Ltd. had withdrawn the nomination of Mr. Ilhyoun Park (DIN-08769107) who was appointed as the Nominee Director on the Board of Directors of the Company on July 16, 2020 and further submitted the nomination letter for Mr. Sungwoo Han (DIN- 09356779) proposing his appointment as the Nominee Director on the Board of Directors of the Company. The withdrawal of nomination of Mr. Ilhyoun Park was to take effect from the date of appointment of Mr. Sungwoo Han.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on October 18, 2021 has appointed Mr. Sungwoo Han, representative of NH Capital Co. Ltd. as the Nominee Director on the Board of Directors of the Company.

Mr. Ranjan Sharma (DIN: 00425415), whose term as a Managing Director ended on December 31, 2021, was re-appointed as the Managing Director of the Company for a term of upto 2 years from January 1, 2022 to December 31, 2023 by the Board based on recommendation of the Nomination and Remuneration Committee ("NRC") of the Company and the re-appointment was approved by the Members at the 11^{th} Extraordinary General Meeting held on December 31, 2021.
Further, Mr. Sandeep Malhotra (DIN: 00343938) resigned from the directorship of the Company w.e.f. May 06, 2022.

The composition of the Board of Directors as on the date of the Report is as follows: -

Sr. No.	Name of Director	Designation
01.	Dr. Udai Shanker Awasthi	Chairman & Nominee Director
02.	Mr. Rakesh Kapur	Nominee Director
03.	Mr. P.H. Ravikumar	Independent Director
04.	Ms. Manju Agarwal	Independent Director
05.	Mr. Manish Gupta	Nominee Director
06.	Mr. Devender Kumar	Nominee Director
07.	Mr. Sungwoo Han	Nominee Director
08.	Mr. Ranjan Sharma	Managing Director

The Company has received necessary declarations from the Independent Directors confirming compliance with the prescribed criteria for independence.

All the Directors meet the fit and proper criteria stipulated by RBI.

Changes in Key Managerial Personnel during the year as per Companies Act, 2013:-

There was no change in the Key Managerial Personnel of the Company during the year under review.

Retirement by rotation

In accordance with the provisions of the Companies Act, 2013, Dr U S Awasthi and Mr. Devendra Kumar, Directors shall retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment. Your Directors have recommended the re-appointment of Dr U S Awasthi and Mr. Devendra Kumar as Directors at the ensuing Annual General Meeting.

Auditors

The Reserve Bank of India ("RBI") issued guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company ("NBFC") vide Circular RBI/2021-22 /25 Ref. No. DoS. CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"). Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in an NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC. In compliance with the aforesaid RBI Guidelines, the previous Statutory Auditors of the Company viz. M/s Deloitte Haskins & Sells, Chartered Accountants, (Registration Number 117366W/W-100018) in the Audit Committee Meeting held on June 28, 2021 had communicated that they are not eligible to continue to hold office as the Statutory Auditors of the Company as they had already completed the tenure of three financial years as on the date of coming into effect of the RBI Guidelines and had communicated their intention to resign as the Statutory Auditors of the Company on conclusion of the 4th Annual General Meeting of the Company held on September 15, 2021 in compliance with the RBI Guidelines. The

Audit Committee and Board of Directors, vide resolution passed by circulation on August 24, 2021 and August 27, 2021 respectively, had recommended to the Members of the Company the approval of the appointment of M/s S. N. Dhawan & Co LLP, Chartered Accountants [Firm Registration No. 000050N/N500045] as Statutory Auditors of the Company for a period of three years starting from FY 2021-22, to hold office from the conclusion of 4th Annual General Meeting till the conclusion of 7th Annual General Meeting of the Company in compliance with the RBI Guidelines, on such terms including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors of the Company in consultation with the said Auditors.

Accordingly, and pursuant to Section 139(8)(i) of the Act, the Members of the Company appointed M/s S. N. Dhawan & Co LLP, Chartered Accountants [Firm Registration No. 000050N/N500045] as Statutory Auditors of the Company for a period of three years starting from FY 2021-22 at the 4th Annual General Meeting held on September 15, 2021. M/s S. N. Dhawan & Co LLP Vide its letter dated August 23, 2021 confirmed that they continue to be eligible for appointment as the Statutory Auditors for the Financial Years 2021-22 to 2023-24. They have also confirmed that they hold a valid peer review certificate which was also submitted to the Company for records.

The Report given by the Auditors on the Financial Statements of the Company for the FY 2021-22 is a part of the Annual Report. The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Audit

On recommendation of the Audit Committee, the Board of Directors of the Company in its meeting on March 29, 2022 has appointed M/s Amit Agrawal & Associates, Company Secretaries to conduct the Secretarial Audit of the Company for the FY 2021-2022 pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In accordance with the provisions of sub-section (1) of Section 204, the Secretarial Audit Report for the FY 2021-22 is appended to this Report as "**Annexure-1**". The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Audit

Requirement of maintenance of cost records and cost audit, as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

Statement on Compliance of Applicable Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Internal Financial Controls

Details on internal control systems and their adequacy is provided in the Management Discussion and Analysis Report appended to this Report as "**Annexure-2**".

Corporate Social responsibility (CSR)

The Board in its meeting held on June 29, 2021 has also formulated a CSR policy ("CSR Policy") in accordance with the requirements of the Companies Act, 2013 containing details specified therein, which is available on the website of the Company. The Company aims to promote inclusive social transformation of the rural communities by nurturing and creating opportunities for sustainable livelihoods. The CSR efforts of the Company are closely aligned with CSR activities specified under Schedule VII of the Companies Act, 2013.

Pursuant to Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board in its meeting held on June 29, 2021 had approved a budget of Rs. 14,13,979/- (including the unspent CSR amount of Rs. 15,988/- from the previous year) to be spent in accordance with the Annual CSR Plan to be prepared by the management team in line with the CSR Policy of the Company on CSR activities specified under Schedule VII of the Companies Act, 2013. Accordingly, the management of the Company prepared a CSR plan for the Financial Year 2021-2022 and was able to spend amount of INR 3.08 lakhs (Including Previous Year CSR Amount) during the FY 2021-2022. The unspent amount on ongoing projects has been deposited with "IFFCO Kisan Finance Limited-Unspent CSR Account – 2021-22" with Axis Bank in accordance with Section 135 (6) of the Companies Act, 2013.

Pursuant to Section 135 (9) of the Companies Act, 2013, the Board of Directors of the Company discharges the functions of CSR Committee and oversee the implementation of the CSR Policy of the Company. The mandatory CSR committee shall be formed by the Company as and when the CSR expenditure exceeds the amount prescribed by the Companies Act, 2013.

Prevention of sexual harassment at workplace

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' ("POSH") policy that is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH Policy is displayed on the Company's notice board and also hosted on the Company's website. Posters on the POSH policy, giving contact details of POSH Committee members, are displayed in the Company's branch offices across the country. There is also a dedicated e-mail, for employees to communicate, in strict confidence, directly with the Members of the POSH Committee. During the year, the Company received no complaints under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an Employee/Director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Policy is well communicated to all the employees of the Company and is also hosted on the Company's website.

Meetings of Board of Directors

The Board meets at regular intervals to discuss and decide on Company's policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and agenda for the same is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board of Directors met 4 (four) times during the Financial Year ended on March 31, 2022. The dates on which the meetings were held are as follows:

Sr. NO.	Types of Meeting	Date of Meeting
1	Board Meeting	June 29, 2021
2	Board Meeting	October 18, 2021
3	Board Meeting	December 27, 2021
4	Board Meeting	March 29, 2022

Details of attendance of Directors in the Board meetings:

Sr. No.	Name of Director	Type of Meeting	Total No. of Meetings held during their tenure	Meeting Attended
1	Dr. Udai Shanker Awasthi	Board Meeting	4	4
2	Mr. Rakesh Kapur	Board Meeting	4	4
3	Mr. Ranjan Sharma	Board Meeting	4	4
4	Mr. Sandeep Malhotra	Board Meeting	4	4
5	Mr. P. H. Ravikumar	Board Meeting	4	4
6	Ms. Manju Agarwal	Board Meeting	4	4
7	Mr. Manish Gupta	Board Meeting	4	4
8	Mr. Ilhyoun Park*	Board Meeting	1	1
9	Mr. Devender Kumar	Board Meeting	4	4
10	Mr. Sungwoo Han*	Board Meeting	2	2

* Mr. Ilhyoun Park ceased to be a Nominee Director w.e.f. October 18, 2021 and Mr. Sungwoo Han was appointed as the Nominee Director in his place on the same date.

KISAN FINANCE

Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities in accordance with the requirements of the applicable provisions of the Companies Act, 2013.

The Board has established the following committees:

Audit Committee:

Pursuant to the Section 177 of the Companies Act, 2013 and NBFC Regulations, the Company has an Audit Committee, meeting the composition prescribed thereunder having a minimum of 3 Directors with independent Directors forming a majority. All the members are Non–Executive Directors and are financially literate and have accounting or related financial management expertise. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and NBFC Regulations. The terms of reference of the Committee are in accordance with the Companies Act, 2013 and NBFC Regulations applicable on the Company.

The following Directors are the members of Audit Committee of the Company as on the date of this Report:

1. Mr. P. H. Ravikumar, Independent Director-Chairman
2. Ms. Manju Agarwal, Independent Director-Member
3. Mr. Devender Kumar, Non-Executive Non-Independent Director-Member

Number of Meetings of the Audit Committee

The Audit Committee of the Board of Directors of the Company met 3 (three) times during the Financial Year ended on March 31, 2022. The dates on which the meetings were held are as follows:

Sr. No.	Types of Meeting	Date of Meeting
1	Audit Committee Meeting	June 28, 2021
2	Audit Committee Meeting	October 18, 2021
3	Audit Committee Meeting	March 25, 2022

Details of attendance of Members of the Audit Committee:

Sr. No.	Name of Director	Type of Meeting	Total no. of Meetings held during their tenure	Meeting Attended
1	Mr. P. H. Ravikumar	Audit Committee	3	3
2	Ms. Manju Agarwal	Audit Committee	3	3
3	Mr. Devender Kumar	Audit Committee	3	3

Nomination and Remuneration Committee:

Pursuant to the Section 178 of the Companies Act, 2013 and NBFC Regulations, the Company has a Nomination and Remuneration Committee (NRC), meeting the composition prescribed thereunder with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Directors.

The NRC also deals with implementation of the IFFCO Kisan Finance Employee Stock Option Scheme. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and NBFC Regulations. The terms of reference of the Committee are in accordance with the Companies Act, 2013 and NBFC Regulations applicable on the Company.

The following are the members of NRC of the Company as on the date of this Report:

1. Ms. Manju Agarwal, Independent Director-Chairperson
2. Mr. P. H. Ravikumar, Independent Director-Member
3. Mr. Rakesh Kapur, Non-Executive Non-Independent Director-Member
4. Mr. Manish Gupta, Non-Executive Non-Independent Director-Member

Number of Meetings of the NRC

The NRC of the Board of Directors of the Company met 3 (three) times during the Financial Year ended on March 31, 2022.

The dates on which the meetings were held are as follows:

Sr. NO.	Types of Meeting	Date of Meeting
1	NRC	May 26, 2021
2	NRC	October 18, 2021
3	NRC	December 27, 2021

Details of attendance of Directors in the NRC meetings:

Sr. No.	Name of Director	Type of Meeting	Total no. of Meetings held during their tenure	Meeting Attended
1	Ms. Manju Agarwal	NRC	3	3
2	Mr. P. H. Ravikumar	NRC	3	3
3	Mr. Rakesh Kapur	NRC	3	3
4	Mr. Manish Gupta	NRC	3	3

Risk Management Committee

Pursuant to Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 dated July 01, 2015 issued by the Reserve Bank of India (RBI), the Company being a Non-Deposit Accepting Systemically Important Non-Banking Financial Company (NBFC-ND-SI) in its meeting of the Board of Directors held on June 29, 2021 had constituted a Risk Management Committee of the Board of Directors of the Company. The same was reconstituted on October 18, 2021 by including Mr. Sungwoo Han in place of Mr. Ilhyoun Park as the member of the Committee.

The following are the members of Risk Management Committee of the Company as on the date of this Report:

1. Mr. Rakesh Kapur, Non-Executive Non-Independent Director- Chairman
2. Ms. Manju Agarwal, Independent Director -Member
3. Mr. Manish Gupta, Non-Executive Non-Independent Director- Member
4. Mr. Devender Kumar, Non-Executive Non-Independent Director-Member
5. Mr. Sungwoo Han, Non-Executive Non-Independent Director-Member
6. Mr. Ranjan Sharma, Managing Director-Member

The Risk Management Committee of the Company met once on March 25, 2022 during the Financial Year ended on March 31, 2022. All the members except Mr. Sungwoo Han were present at the meeting.

IT Strategy Committee

Pursuant to Master Direction - Information Technology Framework for the NBFC Sector dated June 8, 2017, issued by the Reserve Bank of India (RBI), the Company being a NBFC-ND-SI, in its meeting of the Board of Directors held on June 29, 2021 had constituted IT Strategy Committee of the Company.

The following are the members of IT Strategy Committee of the Company as on the date of this Report:

1) Mr. PH Ravikumar, Independent Director-Chairman
2) Mr Ranjan Sharma, Managing Director-Member
3) Mr Sachin Khandelwal, Chief Operating Officer-Member
4) Mr Rakesh Dhasmana, Chief Financial Officer-Member
5) Mr Vijayandranath Banerjee, Designated Chief IT Officer-Member
6) Mr Swayambhu Prakash, CM - IT Governance-Member

The IT Strategy Committee of the Company met once on March 25, 2022 during the Financial Year ended on March 31, 2022. All the members were present at the meeting.

Borrowing Committee

The Board of Directors in its meeting held on October 18, 2021 had constituted a Borrowing Committee and delegated to it the power to borrow funds, from time to time from Banks, Financial / Investment Institutions, Bodies Corporate, Foreign Lenders or other sources, without waiting for a regular meeting of the Board of Directors of the Company.

The following are the members of Borrowing Committee of the Company as on the date of this Report:

1. Mr. Rakesh Kapur, Non-Executive Non-Independent Director- Chairman
2. Mr. Manish Gupta, Non-Executive Non-Independent Director- Member
3. Mr. Sungwoo Han, Non-Executive Non-Independent Director-Member
4. Mr. Ranjan Sharma, Managing Director-Member

The dates on which the meetings were held are as follows:

Sr. NO.	Types of Meeting	Date of Meeting
1	Borrowing Committee	March 04, 2021
2	Borrowing Committee	December 17, 2021

Details of attendance of Directors in the Borrowing Committee meetings:

Sr. No.	Name of Director	Type of Meeting	Total No. Of Meetings held during their tenure	Meeting Attended
1	Mr. Rakesh Kapur	Borrowing Committee	2	2
2	Mr. Manish Gupta	Borrowing Committee	2	1
3	Mr. Sungwoo Han	Borrowing Committee	2	0
4	Mr. Ranjan Sharma	Borrowing Committee	2	2

Credit Committee

The Board of Directors in its meeting held on March 08, 2021 had constituted a Credit Committee of the Board of Directors of the Company. The Board of Directors in its meeting held on October 18, 2021 had reconstituted the same and delegated to it the power to sanction non-retail loans for products within the overall value approved by the Board in the Business Plan authorized to formulate such credit policies as it may consider appropriate for launch of new retail products to be launched as per Business Plan approved by the Board.

The following are the members of Credit Committee of the Company as on the date of this Report:

1. Mr. P. H. Ravikumar, Independent Director-Chairman
2. Ms. Manju Agarwal, Independent Director-Member
3. Mr. Rakesh Kapur, Non-Executive Non-Independent Director- Chairman
4. Mr. Manish Gupta, Non-Executive Non-Independent Director- Member
5. Mr. Sungwoo Han, Non-Executive Non-Independent Director-Member
6. Mr. Ranjan Sharma, Managing Director-Member

The Credit Committee of the Company met once on December 31, 2021 during the Financial Year ended on March 31, 2022. All the members except Mr. Manish Gupta and Mr. Sungwoo Han were present at the meetings.

Subsidiary, Joint Venture and Associate Company

The Company has no subsidiary or joint venture or associate company as on March 31, 2022, therefore no information is required to be furnished.

Directors Responsibility Statement

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

a. In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of its Profit for the year ended on that date;
c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
d. They have prepared the annual accounts for the year ended March 31, 2022 on a 'going concern' basis; and
e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

The Company has not made any Investment, given any guarantee and securities during the year under review as per section 186 of Companies Act, 2013.

Annual Return

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company.

Disclosures of amounts, if any, transferred to any reserve

Pursuant to Section 45-IC of the RBI Act,1934 every non-banking financial company is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company has transferred Rs. 401 Lacs in special reserve created u/s Section 45-IC of the RBI Act,1934.

Material Changes and Commitment if any affecting the financial position of the Company occurred between end of the Financial Year to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the company occurred between the end of the Financial Year to which this financial statement relates and the date of this report except that that shareholders at their 12th Extra-Ordinary General Meeting of the Company held on April 01, 2022, have approved the extension of period of conversion of existing 150,000,000 (Fifteen Crores) warrants ("Warrants") of Rs. 12 each ("Warrants Issue Price"), offered, issued and allotted by the Company at the 7th Extra-Ordinary General Meeting held on April 15, 2019, convertible into equal number of Equity Shares of face value of Rs. 10/- each of the Company upto October 14, 2023.

The Company on May 20, 2022 had availed a term loan facility of Rs. 200 Cr from Punjab National Bank as approved by the Borrowing Committee in its meeting held on May 2, 2022.

Adherence to RBI guidelines, norms and standards

Your Company continues to comply with all the requirements prescribed by the Reserve Bank of India (RBI) from time to time. The Company appointed Internal Ombudsman and Principal Nodal Officer as per the relevant notifications of RBI to carry out duties and discharge functions as laid down in the said notifications.

The Company has fulfilled the prudential norms and standards as laid down by RBI pertaining to income recognition, provisioning of non-performing assets and capital adequacy. The Capital Adequacy Ratio of the Company is 30.89%, which is well above the prescribed minimum of 15% by RBI.

As a prudent practice, the Company's provisioning standards have always been more stringent than Reserve Bank of India (RBI) prudential norms. With the applicability of Ind AS from FY 2021-22, the Company has adopted the prescribed Expected Credit Loss method for estimating its credit losses. In line with prescribed RBI norms for

NBFCs who have implemented Ind AS, the company is required to create an Impairment Reserve for any shortfall in impairment allowances under Ind AS and RBI prescribed Income Recognition Asset Classification and Provisioning Norms (IRACP). As at March 31, 2022, the impairment allowances under Ind AS made by the Company exceeds the total provision required under IRACP and accordingly no amount was required to be transferred to impairment Reserve.

The Fair Practices Code and KYC norms framed by RBI seek to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency so that customers have a better understanding of what they can reasonably expect of the services being offered, encourage market forces through competition to achieve higher operating standards, promote fair and cordial relationships between customers and the finance company and foster confidence in the finance system. The Company has instituted a mechanism to monitor and review adherence to the Fair Practices Code, KYC norms, and Credit policies as approved by the Board of Directors.

Conservation of energy, technology absorption and foreign exchange earnings outgo

The disclosures with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 are as under:

A. CONSERVATION OF ENERGY

The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company has made best efforts and adopted all relevant measures for conservation of the same.

B. TECHNOLOGY ABSORPTION

Given the nature of the activities of the Company, the points regarding technology absorption, adoption or innovation are not applicable to the Company.

C. FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earnings and outgo during the year as follows:-

Foreign Exchange Earning	NIL
Foreign Exchange Outgo	NIL

Risk Management Policy

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes the Board and Senior Management Committees. The Risk Management process is governed primarily by the Risk Management policy, Credit policies of the Company and Asset Liability Management (ALM) Policy. The nature of financing done by the Company includes Customer Risk, Channel Risk, Assets Risk, Weather Risk, Operational Risk etc.

Details of Significant Material Orders Passed by The Regulators/Courts/Tribunal Impacting the Going Concern Status and Company's Operation in Future

There are no significant material orders passed by the regulators/courts/tribunal impacting the going concern status of the Company's operation in future.

Particulars of Contracts or Arrangements made with Related Parties pursuant to Section 188 of the Companies Act, 2013

All contracts or arrangements with related parties, entered into or modified during the Financial Year, were on arm's length basis and in the ordinary course of business. In terms of section 188 of Companies Act, 2013 read with rules framed thereunder, Contracts or arrangements with related parties entered into during the year under review were approved by Audit Committee of the Board of Directors of the Company. In terms of Section 134 of the Companies Act, 2013 read with rules made thereunder such transactions are being reported in Form AOC-2 (enclosed as **Annexure-3).**

Particulars of Employees related disclosures

The Company has instituted an IFFCO Kisan Finance Employee Stock Option Scheme (ESOP Scheme) for eligible employees of the Company and its holding and subsidiary companies. The Board of Directors recommended the establishment of the ESOP scheme to the shareholders and the shareholders approved the recommendation of the Board of Directors on April 15, 2019. The Nomination and Remuneration Committee of the Company administers the scheme. The scheme provides for grant of options to the eligible employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period of time. The Company has granted ESOPs to certain key employees of the Company in the following manner:

No. of Grant	Date of Grant	No. of Options Granted	Vesting Period	Exercise Price (Rs)
Grant I	04.06.2019	10,75,000	5 Years	12/-
Grant II	04.06.2020	6,50,000	5 Years	18/-
Grant III	07.12.2020	19,90,000	From the grant date 10% in 1st Year 12.5% in 2nd Year 15% in 3rd Year 22.5% in 4th Year 40% in 5th Year	18/-
Grant IV	23.02.2021	29,05,000	From the grant date 10% in 1st Year 15% in 2nd Year 25% in 3rd Year 50% in 4th Year	18/-
Grant V	28.07.2021	4,00,000	From the grant date 10% in 1st Year 12.5% in 2nd Year 15% in 3rd Year 22.5% in 4th Year 40% in 5th Year	22/-

The vesting of the options granted under the ESOP Scheme are linked to the performance of the Company as well as the employee's contribution, as evaluated by the Nomination and Remuneration Committee, using transparent criteria on an annual basis. The Company had forfeited 80,000 options during the FY 2021-2022 due to resignation of the grantees without exercising the options vested in him.

Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee of the Company has devised a policy for performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation. Pursuant to the provisions of the Companies Act, 2013 and based on policy devised by the Nomination and Remuneration Committee, the Board has carried out an annual performance evaluation of its own performance, its committees and individual directors. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board and information provided to the Board, etc.

The performance of the committees was evaluated by the Board of Directors based on inputs received from all the committee members after considering criteria such as composition and structure of committees, effectiveness of committee meetings, etc. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Directors being evaluated. The Evaluation of the performance of Non-Independent Directors, performance of the Board as a whole and that of the Chairman of the Board was carried out by the Independent Directors of the Company.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director. All the appointments and revision of remuneration of the Directors, key managerial personnel and senior management employees are dealt with in accordance with the said policy.

Statutory Disclaimer

The Company has a valid Certificate of Registration (CoR) No. 14.03423 dated March 13, 2020 (in lieu of earlier certificate no. 14.03423 dated June 11, 2018) issued by RBI under Section 45-IA of the RBI Act. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits / discharge of liabilities by the Company.

KISAN FINANCE

Acknowledgments

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from the Reserve Bank of India, Registrar of Companies and other government and regulatory agencies, the holding enterprise, promoters, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of the commitment, commendable efforts, teamwork and professionalism of all the employees of the Company.

Your Directors appreciate and value the trust imposed upon them by the members of the Company.

The relations between the management and the staff were cordial during the period under review.

BY ORDER OF THE BOARD OF DIRECTORS
FOR IFFCO KISAN FINANCE LIMITED

Dr. U S Awasthi
Chairman
DIN:00026019

Date: 05-07-2022
Place: New Delhi

Annexure - 1

AMIT AGRAWAL & ASSOCIATES
(Company Secretaries)

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-43019279
E-mailed.: amitagcs@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
IFFCO Kisan Finance Limited
(Formerly Known as Kisan Rural Finance Limited)
IFFCO House, 34, Nehru Place
New Delhi-110019

We have conducted the Secretarial Audit of the Compliance of applicable Statutory provisions and the adherence to good corporate practices by **M/s. IFFCO Kisan Finance Limited** (Formerly Known as Kisan Rural Finance Limited) (hereinafter called the Company) having its Registered office at IFFCO House, 34, Nehru Place, New Delhi-110019, India. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing my opinion thereon.

Based on our verification of **M/s. IFFCO Kisan Finance Limited,** Books, Papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit period covering the financial year ended on **31st March, 2022** complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute books, forms and returns filed and other records maintained by **M/s. IFFCO Kisan Finance Limited** for the financial year ended on **31st March, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under.

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

(iii) The Secretarial Standards issued by The Institute of Company Secretaries of India

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

AMIT AGRAWAL & ASSOCIATES C.P.: 3647 Company Secretaries

AMIT AGRAWAL & ASSOCIATES
(Company Secretaries)

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-43019279
E-mailed.: amitagcs@gmail.com

(v) Foreign Exchange Management Act, 1999 and rules and regulation made there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with the Reserve Bank of India Act, 1934, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and the other applicable general laws, rules, regulations and guidelines.

(vii) Other laws applicable specifically to the Company namely:

a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
b) Payment of Gratuity Act, 1972
c) Payment of Wages Act, 1936
d) Payment of Minimum Wages Act, 1948
e) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013
f) Payment of Bonus Act, 1965
g) Environment (Protection) Act, 1986
h) Non-Banking Finance Company Rules

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

However, during the period under review, provisions of the following regulations were not applicable to the Company because the Company is an unlisted Company and no comments are not required to be made in respect of these clauses:

I. The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

II. The Listing Agreement with any Stock Exchange.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The

AMIT AGRAWAL & ASSOCIATES
C.P.: 3647
Company Secretaries

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-43019279
E-mailed.: amitagcs@gmail.com

changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period the company has provide details of specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Delhi
Date : 29.06.2022

For Amit Agrawal & Associates
(Company Secretaries)

AMIT AGRAWAL & ASSOCIATES
CS
C.P. : 3647
Company Secretaries

CS Amit Agrawal
(Proprietor)
M. No. F5311, C.P. No. : 3647
UDIN: F005311D000542991

Annexure - 2

KISAN FINANCE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. ECONOMIC OVERVIEW

The Indian economy which saw a contraction of 7.3% in 2020-21 largely due to Covid 19 pandemic, is expected to show growth of 9.2% in real terms in 2021-22 according to initial advanced projections. In 2021-22, agriculture and allied industries are predicted to grow by 3.9%, industry by 11.8%, and services by 8.2%. In 2021-22, demand for consumption is expected to increase by 7.0%, Gross Fixed Capital Formation (GFCF) by 15%, exports by 16.5%, and imports by 29.4%. The impact of Covid-19's second wave on the economy was significantly lower during 2021-22 than in the previous year but the health consequences were far more severe. The Indian government and the Reserve Bank of India, reacted by offering safety-nets to soften the impact on vulnerable sections of business and, taking steps to boost capital investment to promote growth, and to bring in supply-side reforms to ensure long-term expansion of the economy.

The shadow of events in Ukraine is going to loom large on the world economy during the year 2022-23. The rising petroleum prices in the international markets are severely affecting India's balance of payments situation. Prices of several other items have also increased sharply in the international and domestic markets. Inspite of these factors, Indian economy is projected to grow the fastest in the world and the GDP is expected to grow in real terms by 7.9 % in 2022-23. The major focus of the Government as well as the Reserve Bank has shifted to bringing the burgeoning inflation under control by increasing interest rates and by reigning in prices of major commodities for the manufacturing and infrastructure sectors. From available indicators of macroeconomic activity, it appears that a combination of large foreign exchange reserves, continued foreign direct investment, and expanding export revenues will provide an effective cushion to the Indian economy at a time when most central banks undertake steps to control inflationary pressures in their respective countries.

So far, all indications suggest that India will see a normal monsoon during the year which will have a benign impact on the agricultural sector of the country.

B. INDUSTRY OUTLOOK – FINANCIAL SECTOR

Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking and NBFC sector. All these factors suggest that India's lending business is poised for a robust growth as rapidly growing businesses will turn to banks and NBFCs for their credit needs. The advancement in technology has also brought mobile and internet banking services to the fore. The banking sector is laying greater emphasis on providing improved services to their customers and upgrading their technology infrastructure to enhance customer's overall experience.

India's digital lending stood at US$ 75 billion in FY18 and is estimated to reach US$ 1 trillion by FY23 driven by the five-fold increase in the digital disbursements. By 2025, India's fintech market is expected to reach Rs. 6.2 trillion (US$ 83.48 billion).

Reserve Bank of India report feels that Non-Banking Finance Companies (NBFCs) are likely to remain buoyant going forward, helped by the revival in the economy and increased pace of vaccinations in the country. The pandemic has tested the resilience of the NBFCs and the sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, lower delinquency ratio and enlarged liquidity cushions. The general feeling is that India's financial system is maturing from a bank-dominated space to a hybrid system and non-bank intermediaries are increasingly gaining prominence. Better net interest margins along with low NPA levels are likely to ensure healthy business fundamentals. The interest rate scenario has also turned beneficial for NBFCs, with the Reserve Bank of India (RBI) hiking the repo rate by a total of 90 basis points in two tranches within the last few months.

Most NBFCs have begun the year 2022-23 with sufficient capital buffers, stable margins and sizeable on-balance sheet provisioning, while adequate system liquidity is likely to result in adequate funding for well managed NBFCs.

At the same time, the sector will see increased regulatory oversight and push towards convergence with banks through various measures such as scale-based regulation and realignment in asset quality classification norms. NBFCs are expected to maintain loan growth of around 14% during financial year 2022-23. It is believed that the current year could be a year of normalcy in disbursements. The products such as loans against property, housing loans and vehicle finance could witness a higher demand than personal and unsecured business loans which saw a higher demand during the pandemic. Growth in the vehicle finance segment could revive depending on the availability of vehicles which are facing component shortage due to the pandemic, along with an increase in borrower confidence towards an economic recovery.

Interest rate would gradually move upwards as we navigate out from the easy liquidity scenario. The existing on-balance sheet liquidity would help in maintaining funding costs for certain quarters. However, the cost of incremental borrowings is likely to rise across capital market instruments which would be the first to get repriced in a new operating environment where pass-through from banks could take place with a lag. Supply chain financing where the obligations of lenders remain on strong anchors could gain traction. Tractor financing could remain stable with growth being in line with that of the agriculture sector and the declared and intended higher government rural spends as per this year's Budget of the Central Govt.

C. RISKS & CONTROLS

NBFCs are susceptible to credit risk due to the lack of vital information being made available. This is one of the major challenges faced by NBFCs. It is important to note that NBFCs are exposed to several major risks apart from Credit Risk in the course of their business - interest rate risk, equity/commodity price risk, liquidity risk and operational risk.

Over the past year, the RBI has introduced dividend distribution policies for NBFCs, harmonised guidelines on the appointment of statutory auditors between banks and NBFCs, incentivised large NBFCs to convert to banks and proposed a scale-based approach to regulating NBFCs. The guidelines require NBFCs' internal audit functions to increase their focus on anticipating potential risks and mitigants as opposed to only testing the accuracy and reliability of financial records and adhering to legal requirements as currently.

D. THREATS & OPPORTUNITIES

The industry is most likely to shrink by about 5% from the 8.4 lacs units (which was down from 8.99 lacs units of FY21) or in case of a very good monsoon and cash flows improving in the Agricultural sector, we could see at best similar tractor sales as last year. Harvesters and other implements may continue to see a slack year, with sales to be lower than last year by about 20-25%. The Used tractors business will see a large focus as already witnessed towards the second half of FY22 but accompanied by stress on margins and credit screens being lowered. This is driven by the significant price increase of new tractors due to input costs and steel prices. The year may see some more hike in tractor prices due to the rising interest rates as well. The revised NPA recognition norms to be rolled out from Oct'22 are likely to impact the balance sheets of all NBFCs and hence influence adversely on the liability side as also on the equity side.

The non-tractor business lines the company has started in Q1FY23 is expected to contribute close to 20-25% of our incremental disbursals. Wholesale lending would also see interest rates going up. The SME sector in the small towns and rural areas has vast potential, and several financiers are eyeing this closely, though the interest rates scenario and overall business risk is comfortable to commence business in the modest way we inten commensurate with our book size.

We are looking at both IFFCO and non-IFFCO companies to lend on the SME, supply chain and dealer financing side. The Used Commercial Vehicles loans (Small and Light vehicles) should account for another 5% disbursals for this year.

Within the tractor loans business, we find the opportunity to both grow deeper in existing markets of MP, UP, Rajasthan and Bihar and wider in some of the new geographies opened in Q4FY22 and Q1FY23 namely AP, Telangana, Haryana and Chhattisgarh. While we have been cautious in starting business in new markets, we are taking a pragmatic approach in our growth plan. Each and every dealer and location that we are present in has been analysed and categorised on Risk parameters. Therefore, good dealers and locations are being encouraged for more growth. With more new products offerings, the productivity for our sales team would increase and provide us an opportunity to expand our customer base.

E. SEGMENT WISE PERFORMANCE

We achieved a disbursal of Rs. 546 Cr during 2021-22 against plan of Rs. 628 Cr. Most of the deficit came from New tractors due to slow down, high competition with rates and risk being compromised by some large players. The contribution from the new regions was very low, as these got delayed in launching due to the portfolio stress in existing states, more focus on collections than sales and some markets like AP and Telangana having a serious drop in tractor sales. We could grow the Used tractor business during 2021-22 by 103%, while the industry estimate was in the range of

25~30% growth. However, the NPA and Overdue numbers were high for most of the year due to commercial activity being very slow, poor tractor and harvester sales in most of our markets. The overall collection focus was much higher this year with our X bucket and NPA numbers being much better than most other players in our markets. The overall year end performance however was in line with gross NPA numbers being at around 3% despite early adoption of the revised RBI norms for asset classifications, which are otherwise applicable from 1.10.2022.

F. FINANCIAL PERFORMANCE

(All amounts in Rs lacs)

Particulars	2021-22	2020-21
Total Income	12,956.79	8,672.70
Net Interest Income	8,040.35	5,915.78
Assets Under Management	88,445.68	62,090.01
Net Worth	27,132.99	25,016.41
Profit After tax	2,007.04	942.72
Capital Adequacy Ratio	30.89%	40.37%
Return on total assets	2.68%	1.70%
Debt Equity Ratio	2.18:1	1.41:1
Net Interest Margin	11.71%	10.95%
Interest Coverage Ratio	1.71:1	1.55:1
Net Profit Margin	16.75%	11.17%
Return on Equity	7.70%	3.84%
Stage 3 Assets	3.60%	3.73%
Net Stage 3 Assets	1.65%	1.29%

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit ("IA") function. The scope and authority of the IA function is defined in the IA Plan for the FY 2021-22 approved by the Board in its meeting held on 18th October, 2021 on necessary recommendation of the Audit Committee. Each year the plan gets reviewed by the Audit Committee before necessary recommendation are sent to the Board for the appointment of Internal Auditors for that particular Financial year.

The IA function of the Company monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, heads of departments undertake corrective action, if any, needed in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee ("AC") of the Company from time to time.

Elaborate MIS systems covering all areas of operations/functions ensure adequate controls in decision areas while a well-defined organisation structure with clear roles/responsibilities establishes governance controls. The Company will continue to focus on data privacy and information security.

H. HUMAN RESOURCES UPDATE

The company grew from 523 employees to 664 employees at the end of year. The increment was mostly in sales and collections, with Operations and credit adding a few people for better coverage, keeping the productivity norms higher than last year. We were able to improve our attrition rate from the previous year. The company focussed on productivity per sales officer significantly.

A new system for attendance and HRMS was launched and now being used by the entire company. Two stages of the HRMS are already launched and the Performance management module shall now be rolled out in Q2 of 2022-23. We conducted a formal supervisory skills program for all first level Supervisors across all regions through an external trainer. For all quarters of the year, a formal Rewards & Recognition program was launched and employees across all functions recognised. The KPI scores were rolled out with a balanced Score card approach for all employees during the year, leading to high level of transparency in the appraisal process.

The plan for the FY 23 includes hiring of over 200 employees. We are significantly modifying the KPI sheets for this year in line with the overall approach for each function and expectations from each role, given the ambitions growth plan we have for the year. There would be more focus on Supervisory span, better productivity, hand holding of mediocre performers and a regular desired attrition of poor performers. The focus would be to prefer internal promotions for all supervisory roles as far as possible.

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities/ Bodies, Industry Associations etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses, and other factors. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

BY ORDER OF THE BOARD OF DIRECTORS
FOR IFFCO KISAN FINANCE LIMITED

U S Awasthi

Dr. U S Awasthi
Chairman
DIN:00026019

Date: 05.07.2022
Place: New Delhi

IFFCO KISAN FINANCE LIMITED

FORM No. AOC – 2

[Pursuant to clause (h) of Sub–section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub–section (1) of Section 188 of the Companies Act, 2013 including arms' length transactions under third proviso thereto

1. **Details of material contracts or arrangement or transactions not at arm's length basis - NIL**

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

(a) Name(s) of the related party and nature of relationship:

S. No.	Relation	Name of the Related Party
1	Holding Enterprise	Indian Farmers Fertiliser Cooperative Limited (IFFCO)
2	Fellow Subsidiary	IFFCO Kisan Sanchar Limited
3	Fellow Subsidiary	IFFCO-Tokio General Insurance Company Limited

Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

S. No.	Relation	Name of the Related Party
1	**Managing Director**	Mr. Ranjan Sharma
2	CFO	Mr. Rakesh Dhasmana

(b) Nature of contracts/ arrangements/ transactions:

Loan taken, Loan repaid, Rent, Other Miscellaneous Expenses, Reimbursement of Expenses and Interest paid by the Company on loan, fee for issuance of Letter of Comfort by IFFCO and insurance arrangement.

(c) Duration of the contracts / arrangements / transactions: 2021-22

(d) Salient terms of the contacts or arrangements, or transactions including the value, if any:

Name of the Related Parties	Nature of Related party relationship	Description of Nature of Transactions	2021-22 (Amt. in Rs. Lacs)
IFFCO Kisan Sanchar Limited	Fellow Subsidiary	Rent and Maintenance for office space utilities leased	0.72
		Call Centre related Charges	19.35
Indian Farmers Fertiliser Cooperative Limited (IFFCO)	Holding Enterprise	Rent and maintenance for office space	39.79
		Loan disbursed out of Rs. 200 Cr availed	5000
		Interest on loan availed	170.52
		Fee for issuance of Letter of Comfort	200.87
		Reimbursement of expenses	7.20
IFFCO-Tokio General Insurance Company Limited	Fellow Subsidiary	Insurance arrangement:	
		a) Deposit given for issuance of insurance policies	762
		b) Insurance premium adjusted against deposit (Direct Business and other)	763.45
		c) Group Medical Insurance, Accidental Insurance, Assets Insurance	64.19
Mr. Ranjan Sharma	Managing Director	Reimbursement of Expenses	0.84
Mr. Rakesh Dhasmana	CFO	Reimbursement of Expenses	0.51

(e) Date(s) of approval by the Board, if any: The Company has availed Rs. 2000 Lacs unsecured loan from IFFCO was approved by the Board in its meeting held on 12th November, 2020. The Audit Committee quarterly review all the related party transaction entered by the Company.

(f) Amount paid as advances, if any: Nil

BY ORDER OF THE BOARD OF DIRECTORS
FOR IFFCO KISAN FINANCE LIMITED

Dr. U S Awasthi
Chairman
DIN:00026019

Date: 05.07.22
Place: New Delhi

S.N. Dhawan & CO LLP
Chartered Accountants

108 Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi 110001, India

Tel: +91 11 4368 4444

INDEPENDENT AUDITOR'S REPORT

To the Members of
IFFCO KISAN FINANCE LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of **IFFCO KISAN FINANCE LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the financial statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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When we read information included in Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors Responsibilities relating to other information'.

Management's Responsibility for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we

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are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The comparative financial information of the Company as at and for the year ended March 31, 2021 included in the financial statements have been audited by the predecessor auditor, who have expressed unmodified opinion vide their report dated 29 June 2021.

Our opinion on the financial statements is not modified in respect of above matter on the comparative financial information

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company does not have any pending litigations which would impact its financial position as on 31 March 2022 – Refer Note 39 to the financial statements.

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

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

iv.

(a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to account, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer note 51(6) to the financial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

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Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer note 51(5)to the financial statements.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701ALWTBD3351

Place: Gurugram
Date: 29 June 2022

Annexure A to the Independent Auditor's Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **IFFCO KISAN FINANCE LIMITED** on the financial statements as of and for the year ended 31 March 2022)

(i) In respect of property, plant and equipment and intangible assets

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant detail of Right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its Property, Plant and Equipment and Right of use assets, under which Property, Plant and Equipment and Right of use assets are verified every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, Property, Plant and Equipment and Right of use assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

(ii) (a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, from banks on the basis of security of current and future standard business receivables. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company.

(iii)

(a) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable.

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(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Refer notes 6 and 37(i)(b) to the financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. Having regard to the nature of the Company's business and voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount due, due date for repayment or receipt and the extent of delay.

Summary of loan assets categorized as credit impaired (stage 3) and loan assets categorized as those where credit risk has increased significantly since initial recognition (stage 2) as at the balance sheet date is as under:

Category of loan (gross)	Stage 2 (Lakhs Rs.)	Stage 3 (Lakhs Rs.)
Retail loans	1,320.99	3,188.43

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 6 to the financial statements in accordance with Indian Accounting Standards (Ind AS), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the aggregate amount of loans, where any instalment is overdue for more than 90 days as at 31 March 2022 is Rs. 3,188.43 Lakhs. In our opinion and according to the information and explanation made given to us, reasonable steps are being taken by the Company for recovery of overdue amount of principal and interest.

(e) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances either repayable in demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made, guarantees issued, and security provided.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and there are no amounts which are deemed to be deposits during the year within the meaning of Sections 73 to 96 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Further the Company had no unclaimed deposits at the beginning of the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities.. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

The operations of the Company during the year do not give rise to the liabilities of sales-tax, service tax, duty of customs, duty of excise and value added tax.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute

(viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily invested in liquid funds, pending utilisation.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes during the year, by the Company.

(e) The Company did not have any subsidiary, associate or joint venture during the year, and hence reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary, joint venture, or associate during the year, and hence reporting under cluse 3(ix)(f) of the Order is not applicable.

(x)

(a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

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(b) The Company has not made private placement of equity shares during the year.

(xi)

(a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports issued to the Company till date, and covering the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

(xvi)

(a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and the Company has obtained the registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.

(d) The Group has no CIC which are part of the Group. Accordingly, the provisions of clause 3(xvi) (d) of the order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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(xviii) There has been change in statutory auditors of the Company pursuant to RBI Guidelines for appointment of auditors for NBFCs issued on April 27, 2021. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the outgoing statutory auditors of the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

(a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the said Act.

(xxi) The Company did not have any subsidiary, associate or joint venture, accordingly reporting under clause 3(xxi) of the Order is not applicable.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701ALWTBD3351

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 29 June 2022

Annexure B

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **IFFCO KISAN FINANCE LIMITED** ("the Company") as at 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701ALWTBD3351

Place: Gurugram
Date: 29 June 2022

IFFCO Kisan Finance Limited
Balance Sheet as at 31 March 2022
(Amounts in INR lakhs, unless otherwise stated)

	Note No.	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Assets				
Financial assets				
(a) Cash and cash equivalents	3	669.09	235.05	247.15
(b) Bank balance other than included in (a) above	4	8.08	-	-
(c) Receivables				
- Trade receivables	5(a)	4.51	14.21	0.53
- Other receivables	5(b)	46.80	16.87	19.14
(d) Loans	6	86,286.61	60,487.19	47,174.15
(e) Investments	7	-	-	1,198.28
(f) Other financial assets	8	27.09	17.81	28.72
Total financial assets		**87,042.18**	**60,771.13**	**48,667.97**
Non-financial assets				
(a) Current tax assets (Net)	9	-	26.21	34.37
(b) Deferred tax assets (Net)	31	606.43	493.96	174.39
(c) Property, plant and equipment	10	100.46	119.86	117.64
(d) Other intangible assets	11(a)	70.11	65.21	37.23
(e) Intangible assets under development	11(b)	4.13	7.78	2.19
(f) Right-of-use assets	41	103.89	-	-
(g) Other non-financial assets	12	128.04	87.18	118.12
Total non-financial assets		**1,013.06**	**800.20**	**483.94**
Total assets		**88,055.24**	**61,571.33**	**49,151.91**
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Payables	13			
(I) Trade payables				
(i) Total outstanding dues of micro enterprise and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro		979.16	862.15	778.56
(II) Other payables				
(i) Total outstanding dues of micro enterprise and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro		3.11	47.57	6.90
(b) Borrowings	14	59,078.91	35,321.70	24,006.09
(c) Lease liabilities	41	104.43	-	-
(d) Other financial liabilities	15	392.16	169.01	143.03
Total financial liabilities		**60,557.77**	**36,400.43**	**24,934.58**
Non-financial liabilities				
(a) Current tax liabilities (Net)	16	92.17	-	-
(b) Provisions	17	163.04	94.20	65.39
(c) Other non-financial liabilities	18	109.27	60.29	104.83
Total non-financial liabilities		**364.48**	**154.49**	**170.22**
Total liabilities		**60,922.25**	**36,554.92**	**25,104.80**
Equity				
(a) Equity share capital	19	20,000.00	20,000.00	20,000.00
(b) Other equity	20	7,132.99	5,016.41	4,047.11
		27,132.99	**25,016.41**	**24,047.11**
Total liabilities and equity		**88,055.24**	**61,571.33**	**49,151.91**

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No.: 000050N/N500045

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No.: 087701
Place : Gurugram
Date : 29.06.2022

For and on behalf of Board of Directors

Ranjan Sharma
Managing Director
Din No: 00425415
Place : New Delhi
Date : 29-6-22

Devender Kumar
Director
Din No: 08785668
Place : New Delhi
Date : 29/06/2022

Rakesh Dhasmana
Chief Financial Officer
Place : New Delhi
Date : 29.06.2022

Deepika Singh
Company Secretary
Place : New Delhi
Date : 29.06.2022

IFFCO KISAN FINANCE LIMITED "IFFCO HOUSE" 1st&2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019

IFFCO Kisan Finance Limited
Statement of Profit and Loss for the year ended 31 March 2022
(Amounts in INR lakhs, unless otherwise stated)

	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations			
Interest income	21	11,978.87	8,437.35
Commission income	22	39.14	41.55
Net gain on fair value changes	23	54.75	71.77
Others	24	321.97	120.46
I **Total revenue from operations (I)**		**12,394.73**	**8,671.13**
II Other income	25	562.05	1.57
III **Total income (I+II)**		**12,956.78**	**8,672.70**
Expenses			
Finance costs	26	4,139.49	2,668.22
Impairment on financial instruments	27	977.38	1,518.48
Employee benefits expense	28	2,572.65	1,708.48
Depreciation and amortisation expenses	29	91.68	89.08
Other expenses	30	2,462.31	1,390.76
IV **Total expenses**		**10,243.51**	**7,375.02**
V **Profit before tax (III-IV)**		**2,713.27**	**1,297.68**
VI **Tax expense :**	31		
Current tax		833.49	648.13
Tax adjustment for earlier years		(14.83)	24.47
Deferred tax		(112.42)	(317.64)
Total tax expense		**706.24**	**354.96**
VII **Profit for the year (V-VI)**		**2,007.03**	**942.72**
VIII **Other comprehensive income (OCI)**			
Items that will not be subsequently reclassified to profit or loss			
Remeasurement of the post employment defined benefit obligations		(0.18)	(7.65)
Income tax effect		0.05	1.93
Other comprehensive income for the year		**(0.13)**	**(5.72)**
IX **Total comprehensive income for the year (VII+VIII)**		**2,006.90**	**937.00**
X **Earnings per share (Equity shares, face value of ₹ 10/- each)**	32		
Basic		1.00	0.47
Diluted		0.50	0.24

See accompanying notes forming part of the financial statements.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attache

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No.: 000050N/N500045

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No.: 087701
Place : Gurugram
Date : 29.06.2022

For and on behalf of Board of Directors

Ranjan Sharma
Managing Director
Din No: 00425415
Place : New Delhi
Date : 29-6-22

Devender Kumar
Director
Din No: 08785668
Place : New Delhi
Date : 29/06/2022

Rakesh Dhasmana
Chief Financial Officer
Place : New Delhi
Date : 29.06.2022

Deepika Singh
Company Secretary
Place : New Delhi
Date : 29.06.2022

IFFCO KISAN FINANCE LIMITED * IFFCO HOUSE 1st&2nd FLOOR 34, NEHRU PLACE * NEW DELHI-110019

IFFCO Kisan Finance Limited
Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/(Loss) before tax	2,713.27	1,297.68
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation of property, plant and equipment	56.07	59.21
Amortisation of intangible assets	33.87	29.87
Depreciation on right of use assets (refer note 41)	1.74	-
Impairment of loans	556.24	1,192.85
Bad debts and write offs (net of recoveries)	421.14	325.63
Interest on deposits with banks	(0.27)	-
(Gain)/loss on disposal of PPE	0.70	2.34
Share-based payment expense	109.68	32.30
Net gain on fair value changes	(54.75)	(71.77)
Changes in financial liabilities due to modification	(427.15)	-
Transaction costs on borrowings	73.65	(81.72)
Operating profit/(loss) before working capital changes	**3,484.19**	**2,786.39**
Movement in working capital		
(Increase)/decrease in trade receivables	9.70	(13.68)
(Increase)/decrease in other receivables	(29.93)	2.27
(Increase)/decrease in other financial assets	(11.70)	10.91
(Increase)/decrease in loans	(26,776.80)	(14,855.99)
(Increase)/decrease in other non-financial assets	(40.86)	30.94
Increase/(decrease) in other non financial liabilities	48.98	(44.54)
Increase/(decrease) in other financial liabilities	223.15	25.98
Increase/(decrease) in interest accrued but not due on borrowings	10.36	23.57
Increase/(decrease) in trade payables	117.01	83.59
Increase/(decrease) in other payables	(6.27)	9.38
Increase/(decrease) in provisions	68.66	21.16
Cash generated from / (used in) operations	**(22,903.51)**	**(11,920.02)**
Income tax paid (net)	(700.28)	(639.97)
Net cash generated from / (used in) operating activities	**(23,603.79)**	**(12,559.99)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	1.15	-
Purchase of property, plant and equipment and intangible assets	(111.83)	(95.92)
Investments in mutual funds	(65,131.03)	(36,395.00)
Proceeds from redemption of mutual funds	65,185.78	37,665.05
Interest on deposits with banks	0.27	-
Investment in term deposits with banks	(8.08)	-
Net cash generated/ (used) in investing activities	**(63.74)**	**1,174.13**
Cash flow from financing activities*		
Proceeds from borrowings	36,400.00	17,000.00
Repayment of borrowings	(12,299.65)	(5,626.24)
Payment of lease liabilities	1.22	-
Net cash from / (used in) financing activities	**24,101.57**	**11,373.76**
Net increase/ (decrease) in cash and cash equivalents	**434.04**	**(12.10)**
Cash and cash equivalents at the beginning of the year	235.05	247.15
Cash and cash equivalents at the end of the year (note 3)	**669.09**	**235.05**

*Refer note 45 for reconciliation of movement of liabilities to cash flows arising from financing activities.

1. The above statement of cash flow has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flows".
2. During the year, the Company paid in cash INR 3.08 lakhs (March 31, 2021: Nil) towards corporate social responsibility (CSR) expenditure (Refer note 40).

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No.: 000050N/N500045

S.N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No.: 087701
Place : Gurugram
Date : 29.06.2022

For and on behalf of Board of Directors

Ranjan Sharma
Managing Director
Din No: 00425415
Place : New Delhi
Date : 29-6-22

Devender Kumar
Director
Din No: 08785668
Place : New Delhi
Date : 29/06/2022

Rakesh Dhasmana
Chief Financial Officer
Place : New Delhi
Date : 29.06.2022

Deepika Singh
Company Secretary
Place : New Delhi
Date : 29.06.2022

IFFCO KISAN FINANCE LIMITED
"IFFCO HOUSE" 1st&2nd FLOOR 34, NEHRU PLACE
NEW DELHI-110019

IFFCO Kisan Finance Limited
Statement of changes in equity for the year ended 31 March 2022
(Amounts in INR lakhs, unless otherwise stated)

(a) Equity share capital (refer note 19)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2020	20,000.00
Equity share capital issued during the year	-
As at 31 March 2021	**20,000.00**
Equity share capital issued during the year	-
As at 31 March 2022	**20,000.00**

(b) Other equity (refer note 20)

Particulars	Reserve and surplus				Total other equity
	Securities premium	Retained earnings	Statutory reserves fund as per Section 45-IC of the RBI Act, 1934	Employee stock option plan reserve	
Balance as at 1 April 2020	**4,297.00**	**(375.59)**	**114.76**	**10.94**	**4,047.11**
Total comprehensive income for the year ended 31 March 2021					
Profit for the year	-	942.72	-	-	942.72
Other comprehensive income for the year, net of tax	-	(5.72)	-	-	(5.72)
Total comprehensive income	**-**	**937.00**	**-**	**-**	**937.00**
Transfers to statutory reserves	-	(298.29)	298.29	-	-
Recognition of share-based payments	-	-	-	32.30	32.30
Balance as at 31 March 2021	**4,297.00**	**263.12**	**413.05**	**43.24**	**5,016.41**
Total comprehensive income for the year ended 31 March 2022					
Profit for the year	-	2,007.03	-	-	2,007.03
Other comprehensive income for the year, net of tax	-	(0.13)	-	-	(0.13)
Total comprehensive income	**-**	**2,006.90**	**-**	**-**	**2,006.90**
Transfers to statutory reserves	-	(401.41)	401.41	-	-
Recognition of share-based payments	-	-	-	109.68	109.68
Balance as at 31 March 2022	**4,297.00**	**1,868.61**	**814.46**	**152.92**	**7,132.99**

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
Place : Gurugram
Date : 29.06.2022

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Ranjan Sharma
Managing Director
Din No: 00425415
Place : New Delhi
Date : 29-6-22

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Place : New Delhi
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Chief Financial Officer
Place : New Delhi
Date : 29.06.2022

Deepika Singh
Company Secretary
Place : New Delhi
Date : 29.06.2022

IFFCO KISAN FINANCE LIMITED "IFFCO HOUSE" 1st&2nd FLOOR 34, NEHRU PLACE * NEW DELHI-110019 *

1. Corporate Information

IFFCO Kisan Finance Limited (formerly known as Kisan Rural Finance Limited till 05 Jan 2020) ('Company") is a subsidiary of Indian Farmers Fertiliser Cooperative Limited (IFFCO), a Cooperative society registered under the Multi State Co-Operative Societies Act, 2002, by virtue of control. The Company was incorporated on 07 December 2017 vide Registration No. U65929DL2017PLC326899 under the Companies Act, 2013. The registered office of the Company is situated at IFFCO House, 34, Nehru Place, New Delhi-110019, India. The Company is a non-government company limited by shares. The Company is registered as a Non-Banking Financial (Non deposit accepting) Company with Reserve Bank of India (RBI) bearing Registration with No. N-14.03423. The Company is having a valid Certificate of Registration dated 13 March, 2020 (earlier dated 11 June, 2018) from Reserve Bank of India.

The Company is primarily operating as a Non-Banking Financial Company for penetrating finance in rural areas and the other activities as authorized by the Reserve Bank of India. The Company is engaged predominantly in financing of Vehicles (Tractors and Combine Harvesters) and providing other financing and performing other activities as authorized by RBI.

It gives loans under three categories- Used Tractor Financing, New tractor Financing, Used Tractor Re-financing and New Combine Harvester Financing. Company has branches in Uttar Pradesh, Madhya Pradesh, Bihar, Rajasthan, Telangana and Chattisgarh.

2. Basis of preparation of financial statements

a) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations.. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The financial statements for the year ended 31 March, 2022 of the Company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is 1 April, 2020. The financial statements upto the year ended March 31, 2021, were prepared in accordance with Generally Accepted Accounting Principles to comply with accounting standards specified u/s 133 of the Companies Act 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules 2014 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended 31 March, 2021 have now been restated under Ind AS to provide comparability. Refer Note 47B(b) on detailed information on how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company.

These Financial Statements have been approved for issue by Board of Directors ('BoD') of the Company on [29/06/2022].

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019

b) Basis of preparation and presentation

The Financial Statements have been prepared on the historical cost basis as explained in the accounting policies below, except for certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (as amended from time to time) applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') are included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

Amounts in the financial statements are presented in Indian Rupees in Lacs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED * IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019

The preparation of these Financial Statements requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in clause (c) below.

c) Basis of measurement:

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

d) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

i. Effective Interest Rate (EIR) method

The Company recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

ii. Impairment of Financial Assets

The measurement of impairment losses on loan assets requires judgement in estimating the amount and timing of future cash flows and recoverability of loan assets while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED * IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019 *

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on Probability of defaults ('PDs'), Exposure at Default ('EADs') and Loss given Defaults ('LGDs')
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model. (Refer Note 37(i) (b))

iii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

iv. Useful lives of property, plant, and equipment

The Company depreciates property, plant, and equipment on a straight-line basis over estimated useful lives of the assets prescribed in Schedule II to the Companies Act, 2013. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. Refer Note 10 for further details.

v. Defined benefit obligations

The cost of the defined benefit gratuity plans, the present value of the defined benefit obligations and compensated absences 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.

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate are current best estimates of the expected mortality rates of plan members, both during and after employment. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Refer Note 33C for further details.

vi. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management assumptions are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vii. Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

viii. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED * IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019

obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 are neither recognised nor disclosed in the financial statements.

ix. Fair value of equity-settled share-based transaction

Estimating fair value for share-based payment transactions requires determination of the most
appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The Company measures the fair value of equity-settled transactions with employees at the grant date using Black-Scholes model. The assumptions for estimating fair value for share-based payment transactions are disclosed in Note 34(d).

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED * IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE * NEW DELHI-110019

3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

a) Ind AS 16 – Property Plant and equipment

i. Excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

ii. The amendments also prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

4. Significant accounting policies

a) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to Lacs).

b) Revenue Recognition

Interest income on loans and trade advances

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through

S. GURUGRAM CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019

the expected life of the financial instrument to the gross carrying amount of the financial assets.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses.

Interest on delayed payments by the customers (Late payment interest) and Bounce charges are recognised on realization, due to uncertainty of collection.

Interest income on deposits with banks

Interest income from deposits with banks is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest.

Income from advertisement and commission income

Advertisement Income: The Company earns income from advertisement by providing physical and virtual advertisement space and other allied services to the customers.

Commission Income: The Company facilitates disbursement of loans to customers of newly established OEMs on which the Company earns commission income.

The revenue from advertisement and commission income is recognised when the Company satisfies performance obligations by transferring such services to the customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied upon transfer of control of service to the customer.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring service to the customer excluding taxes or duties collected on behalf on Government. An entity estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (Refer Note 23), held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations

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and if there is a net loss the same is disclosed under "Expenses – Net Loss on fair value changes" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

c) Leases

The Company's leased assets primarily consist of leases for office Space. 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 recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease or another systematic basis.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes periods covered by extension options when it is reasonably certain that they will be exercised and includes periods covered by termination options when it is reasonably certain that they will not be exercised.

The right-of-use assets are initially recognised 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. Right-of-use 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 unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflect that the Company exercise a purchase option. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on "Impairment of non-financial assets".

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the

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carrying amount of the right-of-use asset has been reduced to zero) if the Company changes its assessment whether it will exercise an extension or a termination or a purchase option.

The interest cost on lease liability (computed using effective interest method), is expensed off in the statement of profit and loss. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

d) Foreign currency transactions and translations

The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date.

At each reporting date, foreign currency monetary items are reported at the prevailing closing spot rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated at each reporting date.

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e) Employee benefits

The Company's employee benefits mainly include salaries and bonuses, defined contribution plans (i.e. provident funds and employee state insurance scheme), defined benefits plans (i.e. gratuity) compensated absences and long service awards. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

Defined benefits plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprises actuarial gains and losses which is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the dlscount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Short-term employee benefits

A liability is recognised for short-term employee benefits accruing to employees in respect of salaries, annual leave and sick leave, performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Other Long term employee benefits

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The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

f) Share-based payments

Employees of the Company also receive remuneration in the form of share-based payment transactions under IFFCO Stock Option Plans.

Equity-settled transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

g) Income taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period.

The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

h) Property, plant, and equipment (PPE)

Recognition and measurement

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates then separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value and are disclosed separately

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Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed separately under other non-financial assets.

Capital work in progress: Projects under which Property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Property, plant, and equipment acquired in full or part exchange for another asset are recorded at the fair market value or net book value of asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for asset acquired or asset given up, whichever is more clearly evident. Property, Plant, and equipment acquired in exchange for securities of the Company are recorded at the fair value of asset or fair value of securities issued, whichever is more clearly evident.

Depreciation and amortisation

Depreciation on property, plant and equipment and intangible assets is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation and amortisation are as follows:

Assets category	Estimated useful life
Computer and Information technology equipments	1 to 6 years
Furniture and fixtures	5 years
Office equipment	1 to 5 years
Computer software	3 years

The useful lives, residual values and depreciation method of property, plant and equipment and intangible assets are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The effect of any change in the estimated useful lives, residual values and /or depreciation / amortization method are accounted prospectively, and accordingly the depreciation is calculated over the property, plant and equipment's and amortization of intangible assets over remaining revised useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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i) Intangible assets

Intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight line method over the expected useful life of intangible assets.

Intangible assets comprise of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 3 years which is based on management's estimates of useful life. Amortisation is calculated using the straight-line method to write down the cost of intangible assets over their estimated useful lives.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and/or amortization method is accounted for prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Intangible assets acquired in full or part exchange for another asset are recorded at the fair market value or net book value of asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for asset acquired or asset given up, whichever is more clearly evident. Intangible assets acquired in exchange for securities of the Company are recorded at the fair value of asset or fair value of securities issued, whichever is more clearly evident.

Expenditure on Research and Development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

j) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units. Each cash-generating unit represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or cash-generating units. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time

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IFFCO KISAN FINANCE LIMITED * IFFCO HOUSE 1st & 2nd FLOOR 34, NEHRU PLACE NEW DELHI-110019 * value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

k) Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables (without a significant financing component) which are initially recognised at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial asset at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Amortised Cost

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A financial asset that meets the following conditions are subsequently measured at amortised cost (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Company does not have any financial assets measured at FVTOCI.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments financial assets that meet the amortised cost criteria or the FVTOCI criteria may irrevocably be designated as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement of financial instruments

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVTOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the

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	cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For measurement of loss allowance in case of loan assets, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

For loan assets, the date that the Company becomes a party to the contract with borrowers is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment.

In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan asset, the Company considers the changes in the risk that the specified borrower will default on the contract. Typically, credit risk increases significantly before a loan asset becomes past due and even before any other lagging borrower-specific factors are known such as operational difficulties faced by borrower, downgrade of the internal or external rating, changes in external market indicators etc. In making that assessment, the Company compares the risk of a default occurring on the loan asset as at the reporting date with the risk of a default occurring on the loan asset as at the date of initial recognition and considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company applies a three-stage approach to measure ECL on loan assets. The underlying receivables of borrowers migrate through the following three stages based on the change in credit quality since initial recognition

Stage 1: 12-months ECL

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For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD equal to 31 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for underlying loan assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Stage 3: Lifetime ECL – credit impaired

Loan asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For loan assets that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end.

Exposures with DPD equal to or more than 90 days are classified as stage 3.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the borrower is unlikely to pay and is no later than when the exposure is equal to or more than 90 days past due. If one facility of borrower is classified as Stage 3, all the facilities of that borrower are treated as Stage 3.

The measurement of all expected credit losses for loan assets held at the reporting date are based on historical experience, current conditions, and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

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As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan assets, the exposure includes the amount outstanding as at the reporting date, together with expected drawdowns on committed facilities (if any) in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the borrowers, and other relevant forward-looking information.

For loan assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in a separate component of equity wherein fair value changes are accumulated, and does not reduce the carrying amount of the financial asset in the balance sheet.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2022 and accordingly, no amount is required to be transferred to impairment reserve.

(iii) Definition of Default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

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Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination (if any) which is subsequently measured at fair value through profit or loss. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of a qualifying asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a 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 settle the liability simultaneously.

Write offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

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Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

l) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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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 or a reliable estimate of the amount cannot be made.

Contingent assets

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

m) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

n) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur at amortised cost using Effective Interest Rate (EIR).

o) Segment Reporting

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Financing activity'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.

p) Insurance claims

Insurance claims are accounted for on basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

q) Goods and Service tax input credit

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Goods and Services tax input tax credit is accounted for in books in the period in which underlying service received is accounted and when there is reasonable certainty in availing/utilizing the credits.

r) Operating cycle

Based on nature of product /activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

s) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to 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, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares except where the results are anti-dilutive.

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(Amounts in INR lakhs, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
3	**Cash and cash equivalents**			
	Cash on hand	3.70	-	0.01
	Balances with banks in current accounts	665.39	235.05	247.14
		669.09	**235.05**	**247.15**
4	**Bank balances other than cash and cash equivalents**			
	Bank deposits with original maturity for more than three months	8.08	-	-
	Balances with the bank held as margin	-	-	-
		8.08	**-**	**-**
5	**Receivables**			
5(a)	**Trade receivables**			
	i) Unsecured, considered good	4.51	14.21	0.53
	Less: Impairment loss allowance	-	-	-
		4.51	14.21	0.53
		4.51	14.21	0.53

1. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.
2. Trade receivables are non-interest bearing and are generally on terms of 30 days.
3. The management expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

Ageing as at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - Considered good	-	4.48	0.02	-	-	-	4.51
(ii) Undisputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-

Ageing as at 31 March 2021

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - Considered good	-	14.21	-	-	-	-	14.21
(ii) Undisputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered doubtful	-	-		-		-	-

Ageing as at 1 April 2020

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - Considered good	-	0.53	-	-	-	-	0.53
(ii) Undisputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered doubtful	-	-	-	-	-	-	-

5(b) Other receivables

i) Unsecured, considered good	46.80	16.87	19.14
Less: Impairment loss allowance	-	-	-
Total	46.80	16.87	19.14

Ageing as at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other receivables - Considered good	-	46.80	-	-	-	-	46.80
(ii) Undisputed Other receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-	-
(iv) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-	-

Ageing as at 31 March 2021

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other receivables - Considered good	-	16.87	-	-	-	-	16.87
(ii) Undisputed Other receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-	-
(iv) Disputed Other receivables - Considered doubtful	-	-		-		-	

Ageing as at 1 April 2020

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Other receivables - Considered good	-	19.14	-	-	-	-	19.14
(ii) Undisputed Other receivables - Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-	-
(iv) Disputed Other receivables - Considered doubtful	-	-	-	-	-	-	-

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
6 Loans			
(A) Loans (at amortised cost) - Others			
Term loans			
- Retail loans	84,831.62	61,124.93	47,075.16
- Corporate loans	1,891.96	-	-
Other loans			
-Trade advances	1,722.10	965.08	508.96
Total (Gross)	**88,445.68**	**62,090.01**	**47,584.12**
Less: Impairment loss allowance	2,159.07	1,602.82	409.97
Total (Net)	**86,286.61**	**60,487.19**	**47,174.15**
(B) Breakup of loans into secured/unsecured category			
Secured			
i) -tangible assets	84,831.62	61,124.93	47,075.16
ii) -book debts	1,891.96	-	-
iii) Covered by bank/government guarantees	-	-	-
Total (A)	**86,723.58**	**61,124.93**	**47,075.16**
iii) Unsecured	1,722.10	965.08	508.96
Total (B)	**1,722.10**	**965.08**	**508.96**
Total (A)+(B)	**88,445.68**	**62,090.01**	**47,584.12**
Less: Impairment loss allowance	2,159.07	1,602.82	409.97
Total (Net)	**86,286.61**	**60,487.19**	**47,174.15**
(C) Breakup of loans geographical area-wise			
(i) Within India			
(a) Public sector	-	-	-
(b) Others	88,445.68	62,090.01	47,584.12
Total (Gross)	**88,445.68**	**62,090.01**	**47,584.12**
Less: Impairment loss allowance	2,159.07	1,602.82	409.97
Total (Net) - (C)(i)	**86,286.61**	**60,487.19**	**47,174.15**
(ii) Outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total (Net) - (C)(ii)	-	-	-
Total (Net) - (C)(i)+(ii)	**86,286.61**	**60,487.19**	**47,174.15**

Notes:

1 There is no loan asset measured at fair value through other comprehensive income "FVTOCI "or fair value through profit and loss '"FVTPL" or designated at fair value through profit and loss " FVTPL".

2 In its normal course of business, whenever default occur, the Company takes possession of the underlying security covering the loan and also gets the valuation done from the approved valuer. The value of such repossessed assets as on 31 March 2022 is INR 47.97 lakhs (31 March 2021: INR 37.18 lakhs, 1 April 2020: INR 70.71 Lakhs) against gross loan asset value of INR 67.47lakhs (31 March 2021: INR 60.90 lakhs, 1 April 2020: INR 116.66 Lakhs) (included above).

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	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
7 Investments			
(Quoted, at fair value through profit and loss)			
Investment in mutual funds			
Nippon India Overnight Fund - Direct Growth Plan Units - 1,117,932 @ Purchase value INR 107.16 and NAV of INR 107.19 per unit as on 1 April 2020	-	-	1,198.28
Total Gross (A)	-	-	1,198.28
I) Investments in India	-	-	1,198.28
II) Investments outside India	-	-	-
Total Gross (B)	-	-	1,198.28
Less: Allowance for impairment loss (C)	-	-	-
Total Net (D) (A-C)	-	-	1,198.28

8 Other financial assets	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Security deposits	26.89	17.81	7.99
Interest accrued but not due on			
- deposits with banks	0.20	-	-
Recoverables from employees	-	-	20.73
	27.09	17.81	28.72

9 Current tax assets (Net)	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advance income tax (net of provisions for taxation - [31 March 2021: INR 648.13 lakhs, 1 April 2020: INR 166.82 lakhs]	-	26.21	34.37
	-	26.21	34.37

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(Amounts in INR lakhs, unless otherwise stated)

10 Property, plant & equipment

	Leasehold improvements	Furniture and fixtures	Computer and Information Technology equipment	Office Equipment	Total
Cost					
Deemed cost as at 1 April 2020*	57.49	2.31	43.26	14.58	117.64
Additions during the year	-	0.07	46.50	16.89	63.46
Disposals / deductions during the year	-		(0.18)	(2.88)	(3.06)
As at 31 March 2021	**57.49**	**2.38**	**89.58**	**28.59**	**178.04**
Additions during the year	-	0.32	30.58	6.87	37.77
Disposals / deductions during the year	-	-	(1.60)	(2.13)	(3.73)
As at 31 March 2022	**57.49**	**2.70**	**118.56**	**33.33**	**212.08**
Accumulated depreciation					
As at 1 April 2020	-	-	-	-	-
Charge for the year	25.23	1.05	24.65	8.28	59.21
Disposals / deductions during the year	-	-	-	(1.03)	(1.03)
As at 31 March 2021	**25.23**	**1.05**	**24.65**	**7.25**	**58.18**
Charge for the year	15.58	1.07	30.55	8.87	56.07
Disposals / deductions during the year			(1.09)	(1.54)	(2.63)
As at 31 March 2022	**40.81**	**2.12**	**54.11**	**14.58**	**111.62**
Carrying amount					
As at 1 April 2020	**57.49**	**2.31**	**43.26**	**14.58**	**117.64**
As at 31 March 2021	**32.26**	**1.33**	**64.93**	**21.34**	**119.86**
As at 31 March 2022	**16.68**	**0.58**	**64.45**	**18.75**	**100.46**

Notes:

*The Company has elected to avail Ind AS 101 exemption to continue with the carrying value under Previous GAAP for all of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

The information regarding gross block of assets and accumulated depreciation

Property, plant & equipment	Building	Furniture and fixtures	Computer equipments	Office equipments	Total
As at April 01, 2020					
Gross block	79.72	4.04	71.88	34.61	190.25
Accumulated depreciation	22.23	1.73	28.62	20.03	72.61
Net block	57.49	2.31	43.26	14.58	117.64
As at March 31, 2021					
Gross block	79.72	4.11	117.99	44.59	246.41
Accumulated depreciation	47.46	2.78	53.06	23.25	126.55
Net block	32.26	1.33	64.93	21.34	119.86

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11(a) Intangible assets

	Computer Software	Total
Cost		
Deemed cost as at 1 April 2020	37.23	37.23
Additions	58.17	58.17
Disposals	(0.74)	(0.74)
As at 31 March 2021	**94.66**	**94.66**
Additions	20.51	20.51
Transfer from intangible assets under development	18.26	18.26
Disposals	-	-
As at 31 March 2022	**133.43**	**133.43**
Accumulated amortisation		
As at 1 April 2020	-	-
Amortisation for the year	29.87	29.87
Disposal	(0.42)	(0.42)
As at 31 March 2021	**29.45**	**29.45**
Amortisation for the year	33.87	33.87
Disposal	-	-
As at 31 March 2022	**63.32**	**63.32**
Carrying amount		
As at 1 April 2020	**37.23**	**37.23**
As at 31 March 2021	**65.21**	**65.21**
As at 31 March 2022	**70.11**	**70.11**

Note:
The Company has elected to avail Ind AS 101 exemption to continue with the carrying value under Previous GAAP for all of its intangible assets as its deemed cost on
The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

Intangible assets	**Computer**	**Total**
As at April 01, 2020		
Gross block	77.81	77.81
Accumulated depreciation	40.58	40.58
Net block	37.23	37.23
As at March 31, 2021		
Gross block	134.54	134.54
Accumulated depreciation	69.33	69.33
Net block	65.21	65.21

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11(b) Intangible assets under development

	Software under development	Total
As at 1 April 2020	**2.19**	**2.19**
Additions	5.59	5.59
Transfer to PPE	-	-
As at 31 March 2021	**7.78**	**7.78**
Additions	14.61	14.61
Transfer to intangible assets	(18.26)	(18.26)
As at 31 March 2022	**4.13**	**4.13**

Intagible assets under development		**Amount of CWIP for a period of**				**Total**
		Less than 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	
Projects in progress	As at 31 March 2022	4.13	-	-	-	4.13
	As at 31 March 2021	7.78	-	-	-	7.78
	As at 1 April 2020	2.19	-	-	-	2.19
Projects temporarily suspended	As at 31 March 2022	-	-	-	-	-
	As at 31 March 2021	-	-	-	-	-
	As at 1 April 2020	-	-	-	-	-

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Notes to the financial statements
(Amounts in INR lakhs, unless otherwise stated)

12 Other non-financial assets	**31 March 2022**	**As at 31 March 2021**	**As at 1 April 2020**
Prepaid borrowing costs	-	-	44.00
Prepaid expenses	33.66	25.31	12.43
Balances with government authorities	93.03	56.47	42.90
Other advances *	1.35	5.40	18.79
	128.04	**87.18**	**118.12**

* Represents advance paid to insurance Company for purchase of insurance on behalf of customer

13 Payables

	31 March 2022	**As at 31 March 2021**	**As at 1 April 2020**
I Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises (Refer note 42)*	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	979.16	862.15	778.56
	979.16	**862.15**	**778.56**
II Other Payables			
- Total outstanding dues of micro enterprises and small enterprises (Refer note 42)*	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3.11	47.57	6.90
	3.11	**47.57**	**6.90**
Total Payables	**982.27**	**909.72**	**785.46**

*Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) there are no outstanding dues to micro, small and medium enterprises as at March 31, 2022, March 31, 2021 and April 01, 2020. There is no interest due or outstanding on the same.

Ageing as at 31 March 2022

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 Months	**6 months -1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
(i) MSME	-	-	-	-	-	-
(ii) Others	807.79	63.43	108.84	2.21		982.27
(iii) Disputed-MSME	-	-	-		-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Ageing as at 31 March 2021

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 Months	**6 months -1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
(i) MSME	-	-	-	-	-	-
(ii) Others	733.12	32.64	125.04	18.91		909.72
(iii) Disputed-MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Ageing as at 1 April

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 Months	**6 months -1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
(i) MSME	-	-	-	-	-	-
(ii) Others	731.34	48.18	5.94			785.46
(iii) Disputed- MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

	31 March 2022	**As at 31 March 2021**	**As at 1 April 2020**
14 Borrowings			
At amortized cost			
a) Term Loans			
Secured (from banks)			
- ICICI Bank Limited (see note 'iv' below)	12,090.60	12,771.50	14,049.15
- Bank of Baroda Limited (see note 'v' below)	14,241.30	9,424.88	9,956.94
- West Bengal State Co-Operative Bank Limited (see note 'vi' below)	7,121.88	8,213.54	-
- HDFC Bank Limited ((see note 'vii' below)	3,662.28	4,911.78	-
-Kookmin Bank Limtied (see note 'ix' below)	6,985.49	-	-
-Kotak Mahindra Bank Limited (see note 'x' below)	4,992.31	-	-
-Axis Bank Limited Limited (see note 'xi' below)	4,985.05	-	-
Total (A)	**54,078.91**	**35,321.70**	**24,006.09**
b) Loans from related parties			
Unsecured			
- Indian Farmers Fertiliser Cooperative Limited (see note "viii")	5,000.00	-	-
Total (B)	**5,000.00**	**-**	**-**
Total (A) + (B)	**59,078.91**	**35,321.70**	**24,006.09**

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Notes :-

i There is no borrowings measured at FVTPL or designated at FVTPL.
ii The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.
iii No borrowings have been raised from outside India.
iv Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2022 aggregating to INR 12,090.60 Lakhs (31 March 2021: INR 12,771.49 lakhs, 1 April 2020: INR 14,049.15 lakhs) obtained from ICICI Bank :

(INR in Lakhs)

Purpose of loan	**Repayment and Security**	**Rate of Interest**	**As at 31-Mar-22**	**As at 31-Mar-21**	**As at 01-Apr-20**
For ongoing business requirement of the Company including onward lending for tractor finance	Refer Note (a), (b) and (c) below	1 year MCLR + 0.55% spread = Ranging from 8.55% - 7.80% p.a.	2,823.72	5,666.40	8,008.34
For the purpose of onward lending for tractor finance	Refer Note (d), (e) and (f) below	1 year MCLR + 0.55% spread = Ranging from 8.60% - 7.80% p.a.	3,613.66	5,148.89	6,040.81
For the purpose of onward lending for tractor finance	Refer Note (g), (h) and (i) below	1 year MCLR + 0.55% spread = Ranging from 8.65% - 7.80% p.a.	3,668.06	1,956.21	-
For the purpose of onward lending for tractor finance	Refer Note (j) and (k) below	1 year MCLR + 0.55% spread = 7.80% p.a.	1,985.16	-	-
			12,090.60	**12,771.50**	**14,049.15**

Notes :-

(a) Loan is repayable in 8 half yearly structured installments and first repayment started on 30 September 2019.
Repayment schedule is as follows:
1st and 2nd instalment - 7.5% of facility amount
3rd and 4th instalment - 12.5% of facility amount
5th and 6th instalment - 15% of facility amount
7th and 8th instalment - 15% of facility amount
(b) First Pari Passu charge on all the present and future standard business receivables of the borrower to the extent of minimum asset coverage of 1.20 times of the outstanding amount.
(c) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.
(d) Loan is repayable in 8 structured half yearly installments and first repayment will start on 30 June 2020.
Repayment schedule is as follows:
1st and 2nd instalment - 7.5% of facility amount
3rd and 4th instalment - 12.5% of facility amount
5th and 6th instalment - 15% of facility amount
7th and 8th instalment - 15% of facility amount
(e) First Pari Passu charge on all the present and future standard business receivables of the borrower to the extent of minimum asset coverage of 1.20 times of the outstanding amount.
(f) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.
(g) Loan is repayable in 8 structured half yearly installments and first repayment will start on 30 June 2021.
Repayment schedule is as follows:
1st and 2nd instalment - 7.5% of facility amount
3rd and 4th instalment - 12.5% of facility amount
5th and 6th instalment - 15% of facility amount
7th and 8th instalment - 15% of facility amount
(h) First Pari Passu charge on all the present and future standard business receivables of the borrower to the extent of minimum asset coverage of 1.20 times of the outstanding amount.
(i) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.
(j) Loan is repayable in 7 equal half yearly installments and first repayment will start on 30 June 2022.
(k) First Pari Passu charge on all the present and future standard business receivables of the borrower to the extent of minimum asset coverage of 1.20 times of the outstanding amount.

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v Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2022 aggregating to INR 14,241.30 Lakhs (31 March 2021: INR 9,424.88 lakhs, 1 April 2020: INR 9,956.94 lakhs) obtained from Bank of Baroda :

(INR in Lakhs)

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of onward lending for tractor finance	Refer Note (a), (b) and (c) below	1 year MCLR + 0.35% = Ranging from 8.65% - 7.80% p.a.	5,936.73	8,474.95	9,956.94
For the purpose of onward lending for tractor finance	Refer Note (d), (e) and (f) below	1 year MCLR + 0.35% = Ranging from 8.85% - 7.80% p.a.	8,304.57	949.93	-

(a) Loan is repayable in 8 structured half yearly installments starting from first day of drawdown i.e. 16 October 2019.

Repayment schedule is as follows:

1st half year - Rs. 750.00 Lakhs
2nd half year - Rs. 750.00 Lakhs
3rd half year - Rs. 1,250.00 lakhs
4th half year - Rs. 1,250.00 Lakhs
5th half year - Rs. 1,500.00 Lakhs
6th half year - Rs. 1,500.00 Lakhs
7th half year - Rs. 1,500.00 Lakhs
8th half year - Rs. 1,500.00 Lakhs

(b) First Pari Passu charge on all the present and future standard business receivables of the Company to the extent of minimum asset coverage of 1.20 times of the outstanding amount.
(c) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.
(d) Loan is repayable in 8 structured half yearly instalments starting from first day of drawdown i.e. 17 March 2021.

Repayment schedule is as follows:

1st half year - Rs. 750.00 Lakhs
2nd half year - Rs. 750.00 Lakhs
3rd half year - Rs. 1,250.00 Lakhs
4th half year - Rs. 1,250.00 Lakhs
5th half year - Rs. 1,500.00 Lakhs
6th half year - Rs. 1,500.00 Lakhs
7th half year - Rs. 1,500.00 Lakhs
8th half year - Rs. 1,500.00 Lakhs

The repayment schedule is based on the total sanction amount of Rs. 10,000.00 Lakhs, Company has classified current maturities in proportion of drawdown taken as on March 31, 2021

(e) First Pari Passu charge on all the present and future standard business receivables of the Company to the extent of minimum asset coverage of 1.20 times of the outstanding amount.
(f) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.

vi Terms of repayment and security provided in respect of term loan outstanding as at at 31 March 2022 aggregating to INR 7,121.88 Lakhs (31 March 2021: INR 8,213.54 lakhs, 1 April 2020: Nil) obtained from West Bengal State Co-Operative Bank Limited :

(INR in Lakhs)

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of onward lending tractor finance	Refer Note for (a), (b) and (c) below	7.95%	7,121.88	8,213.54	-

(a) Loan is repayable in 8 structured half yearly installments and first repayment started on 31st Mar 2021.

Repayment schedule is as follows:

1st and 2nd Instalment - 7.5% of facility amount
3rd and 4th Instalment - 12.5% of facility amount
5th and 6th Instalment - 15% of facility amount
7th and 8th Instalment - 15% of facility amount

(b) First Pari Passu charges on all the present and future standard business receivables of the borrower to the extent of minimum asset coverage of 1.20 times of the outstanding amount.
(c) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.

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vii Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2022 aggregating to INR 3,662.28 Lakhs (31 March 2021: INR 4,911.78 lakhs, 1 April 2020: Nil) obtained from HDFC Bank :

(INR in Lakhs)

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of onward lending tractor finance	Refer Note for (a), (b) and (c) below	1 year MCLR + 1.20% spread = 8.40%	3,662.28	4,911.78	-

(a) Loan is repayable in 48 Equated Monthly repayments with nil moratorium

(b) First Pari Passu charge over entire receivables of the company with to the extent of minimum asset coverage of 1.20 times of the outstanding

(c) Letter of Comfort from Indian Farmers Fertiliser Cooperative Limited.

viii Terms of repayment and security provided in respect of term loan outstanding as at at 31 March 2022 aggregating to INR 5,000.00 Lakhs (31 March 2021: NIL, 1 April 2020: Nil) obtained from IFFCO :

(INR in

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of Business operation as a NBFC including but not limited to making loan disbursal and meeting its expenses related to business operations only	Refer Note (a) below	7.00%	5,000.00	-	-

(a) Loan is repayable in 8 equal half yearly installments starting from date of first disbursement

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ix Terms of repayment and security provided in respect of term loan outstanding as at at 31 March 2022 aggregating to INR 6,985.49 Lakhs (31 March 2021: NIL, 1 April 2020: Nil) obtained from Kookmin Bank :

(INR in Lakhs)

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of onward lending for tractor finance	Refer Note (a) and (b) below	7.50%	6,985.49	-	-

(a) Loan is repayable in equated quarterly installments after 12 months from the date of first drawdown
(b) First Pari Passu charge on receivables of standard assets (Book Debts) in the nature by hypothecation of asset cover of 110% shall be maintained by the Borrower on the outstanding loan exposure all the times.

x Terms of repayment and security provided in respect of term loan outstanding as at at 31 March 2022 aggregating to INR 4,992.31 Lakhs (31 March 2021: NIL, 1 April 2020: Nil) obtained from Kotak Mahindra Bank :

(INR in Lakhs)

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of onward lending for tractor finance	Refer Note (a) (b) below	3 Month MCLR + 0.20% spread = 7.10%	4,992.31	-	-

(a) Loan is repayable in 16 equal quarterly installments with first instalment due at the end of 3 months from the date of disbursement of each tranche
(b) First Pari Passu hypothecation charge on all existing and future receivables of the borrower (Asset Cover 1.10 x)

xi Terms of repayment and security provided in respect of term loan outstanding as at at 31 March 2022 aggregating to INR 4,985.05 Lakhs (31 March 2021: NIL, 1 April 2020: Nil) obtained from Axis Bank :

(INR in Lakhs)

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
For the purpose of onward lending for tractor finance	Refer Note (a) (b) below	1 Year MCLR = 7.35%	4,985.05	-	-

(a) Loan is repayable in 6 equal half yearly installments commencing after a moratorium period of 6 months from date of first disbursement (for each tranche)
(b) First Pari Passu charge on present and future all the standard business receivables of the company with an asset cover of 1.20 times of the outstanding TL amount

15 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Loan receipts pending application	352.80	169.01	143.03
Delinquency Fund	39.36	-	-
	392.16	**169.01**	**143.03**

16 Current tax liabilities (Net)

Provision for income tax (net) [Advance Tax,Tax deducted at source recivable and Income Tax Refund as on 31 March 2022: INR 695.70 lakhs,11.90 lakhs and 33.72 lakhs]	92.17	-	-
	92.17	-	-

17 Provisions

Provision for employee benefits			
- Gratuity	57.44	30.53	11.40
- Provision for compensated absences	105.60	63.67	53.99
Total	**163.04**	**94.20**	**65.39**

18 Other non-financial liabilities

Statutory dues and taxes payable	109.27	60.29	104.83
Total	**109.27**	**60.29**	**104.83**

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19 Equity share Capital

19(a) Equity share Capital

	Equity Shares (Face Value = INR 10/-)	
Authorised equity share capital	**Number of shares**	**Amount**
As at 1 April 2020	1,00,00,00,000	1,00,000.00
Increase/decrease during the year	-	-
As at 31 March 2021	1,00,00,00,000	1,00,000.00
Increase/decrease during the year	-	-
As at 31 March 2022	**1,00,00,00,000**	**1,00,000.00**
Issued equity share capital (subscribed and fully paid up)	**Number of shares**	**Amount**
At 1 April 2020	20,00,00,001	20,000.00
Shares issued during the year	-	-
At 31 March 2021	20,00,00,001	20,000.00
Shares issued during the year	-	-
At 31 March 2022	**20,00,00,001**	**20,000.00**

19(b) Terms/ rights attached to shares

(1) The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The entity declares and pays dividends in Indian rupees. The dividend proposed by board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2022, 31 March 2021 and 31 March 2020, no dividend has been declared by the Company. In the event of liquidation of the entity, the holders of equity shares will be entitled to receive remaining assets of the entity, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(2) As per the Shareholders Agreement (SHA) entered among the Company, Indian Farmers Fertiliser Cooperative Ltd (IFFCO), ICICI Bank Ltd, Star Global Resources Ltd (STAR), IFFCO Kisan Sanchar Ltd, Aurum Vriddhi Finance Private Limited and N H Capital Co. Limited (N H Capital), each party shall sell/ transfer its Shares in the Company only in accordance with the SHA. The SHA also prescribes that notwithstanding anything to the contrary in the SHA (except for the Transfer of Existing Share Warrants in accordance with the SHA or Transfer to Affiliate(s) and/or Associate(s)), IFFCO, STAR and N H Capital shall not Transfer any of its Shares in the Company for a period of three years from the effective date of the SHA i.e 14 January 2020.

19(c) Details of shares held by the holding company and their subsidiaries :

	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number	**Amount (Rs/ lakhs)**	**Number**	**Amount (Rs/ lakhs)**	**Number**	**Amount (Rs/ lakhs)**
Equity shares with voting						
Indian Farmers Fertiliser Cooperative Limited - (the Holding Company by virtue of control)	7,26,50,000	7,265.00	7,26,50,000	7,265.00	7,26,50,000	7,265.00
IFFCO Kisan Sanchar Limited - (Fellow subsidiary)	1,00,00,000	1,000.00	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	8,26,50,000	**8,265.00**	**8,26,50,000**	**8,265**	**8,26,50,000**	**8,265**

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19(d) Details of shareholders (as per the register of shareholders) holding more than 5% equity shares in the Company

	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Equity shares of INR 10 each fully paid						
Indian Farmers Fertiliser Cooperative Limited - (the Holding Company)	7,26,50,000	36.33%	7,26,50,000	36.33%	7,26,50,000	36.33%
IFFCO Kisan Sanchar Limited - (Fellow	1,00,00,000	5.00%	1,00,00,000	5.00%	1,00,00,000	5.00%
NH Capital Co. Limited	5,00,00,001	25.00%	5,00,00,001	25.00%	5,00,00,001	25.00%
Star Global Resources Limited	2,50,00,000	12.50%	2,50,00,000	12.50%	2,50,00,000	12.50%
Star Global Investment Trust	1,25,00,000	6.25%	1,25,00,000	6.25%	1,25,00,000	6.25%
Aurum Vriddhi Finance Private Limited	1,50,00,000	7.50%	1,50,00,000	7.50%	1,50,00,000	7.50%
ICICI Bank Limited	1,48,50,000	7.42%	1,48,50,000	7.42%	1,48,50,000	7.42%

19(e) Pursuant to resolutions passed by the Board and Shareholders on 18 March 2019 and 15 April 2019 respectively, the Company has approved to issue Share Warrants to the existing shareholders of the company in the ratio of 1:1(1,500 lakhs Nos.) at a price of Rs 12/-(Rs 10/- at a premium of Rs. 2/-) being the price paid by ICICI Bank while acquiring shares in the company. Each warrant will get converted to one equity share by the 14th Oct 2023 in maximum three tranches as may be decided by Board from time to time keeping In view the capital requirements of the company*. Further, under the SHA referred above, the parties have agreed that 500 Lakhs new share warrants, convertible into equity Shares on a 1:1 basis (1 Share per share warrant) will be Issued to NH Capital. For each call made by the Board against existing Share Warrants, NH Capital shall be entitled to, within four (4) calendar months to request for its pro rata portion of the new share warrants from the Company. Upon this request, Board shall issue NH Capital's Share Warrants at a predetermined price which shall be higher of either the fair market value ("FMV") as of the date of issuance or Rs. 18/- per NH Capital's Share Warrant.

*No money has been called for against these share warrants by the Company during the current and previous year.

19(f) Share holding of Promoters

Share held by promoters at the year ending on 31 March 2022			
Promoter name	**No of Shares**	**% of Total Shares**	**% Changes during the year**
Indian Farmers Fertiliser Cooperative	7,26,50,000	36.33%	-
IFFCO Kisan Sanchar Limited	1,00,00,000	5.00%	-

Share held by promoters at the year ending on 31 March 2021			
Promoter name	**No of Shares**	**% of Total Shares**	**% Changes during the year**
Indian Farmers Fertiliser Cooperative	7,26,50,000	36.33%	-
IFFCO Kisan Sanchar Limited	1,00,00,000	5.00%	-

Share held by promoters at the year ending on 1 April 2020			
Promoter name	**No of Shares**	**% of Total Shares**	**% Changes during the year**
Indian Farmers Fertiliser Cooperative	7,26,50,000	36.33%	-
IFFCO Kisan Sanchar Limited	1,00,00,000	5.00%	-

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20 Other equity

	As at 31 March	As at 31 March 2021	As at 1 April 2020
Securities premium	4,297.00	4,297.00	4,297.00
Statutory reserves fund as per Section 45-IC of the RBI Act, 1934 (refer note b)	814.46	413.05	114.76
Retained earnings	1,868.61	263.12	(375.59)
Employee stock option plan reserve	152.92	43.24	10.94
Total other equity	**7,132.99**	**5,016.41**	**4,047.11**
Securities premium			
Opening balance	4,297.00	4,297.00	297.00
Add : Premium on shares issued during the year	-	-	4,000.00
Closing balance	**4,297.00**	**4,297.00**	**4,297.00**
Statutory reserve u/s 45-IC of RBI Act			
Opening balance	413.05	114.76	-
Add : Transfer during the year from Surplus in statement of profit and loss	401.41	298.29	114.76
Closing balance	**814.46**	**413.05**	**114.76**
Share based payment outstanding reserve			
Opening balance	43.24	10.94	-
Add: Granted/vested during the year	109.68	32.30	10.94
Less : Exercised during the year	-	-	-
Closing balance	**152.92**	**43.24**	**10.94**
Retained earnings			
Opening balance	263.12	(375.59)	(375.59)
Add : Profit for the year	2,007.03	942.72	-
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(401.41)	(298.29)	-
Add: Other Comprehensive Income for the year, Net of Tax	(0.13)	(5.72)	
Closing balance	**1,868.61**	**263.12**	**(375.59)**
Other Comprehensive Income			
Opening balance	(5.72)	-	-
Add/(Less): Remeasurement gain on defined benefit plan	(0.13)	(5.72)	-
Closing balance	**(5.85)**	**(5.72)**	-

a) **Securities premium:** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) **Statutory reserves fund as per Section 45-IC of the RBI Act, 1934:** As per Section 45-IC of the RBI Act,1934 every non-banking financial company is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company has transferred twenty per cent of its net profit in special reserve. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

c) **Retained earnings:** Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

d) **Employee stock option plan reserve:** The Employee stock options plan reserve represents amount of reserve created by recognition of employee benefit expense at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company in pursuance of the Employee Stock Option Plan.

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(Amounts in INR lakhs, unless otherwise stated)

21 Interest Income

	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial instruments measured at Amortized cost		
- Interest income from financing activities	11,870.77	8,402.54
- Interest income from dealers	107.80	34.81
- Interest on deposits with banks	0.27	-
- Other interest income	0.03	-
	11,978.87	**8,437.35**

Note:
There is no loan asset measured at FVTPL or FVTOCI.

22 Commission income

Commission income (refer note 44)	39.14	41.55
	39.14	**41.55**

Reconciliation of commission income of amount invoiced and revenue booked		
Amount invoiced	39.14	41.55
Revenue booked	39.14	41.55

23 Net gain on fair value changes

Net gain on financial instruments at FVTPL		
Investment in Mutual Funds	54.75	71.77
Total	**54.75**	**71.77**
Fair value changes:		
- Realised	54.75	71.77
- Unrealised	-	-
	54.75	**71.77**

24 Others

Income from advertisement (refer note 44)	242.40	106.80
Other operating revenue	79.57	13.66
	321.97	**120.46**

25 Other Income

Provision no longer required written back	27.60	-
Liability no longer required written back	107.30	-
Changes in financial liabilities due to modification	427.15	-
Other non-operating income	-	1.57
	562.05	**1.57**

26 Finance costs

On financial liabilities measured at amortized cost		
- Interest on borrowings	3,937.80	2,521.57
- Interest expense on lease liabilities	0.72	-
- Other borrowing costs	200.97	146.65
Total	**4,139.49**	**2,668.22**

27 Impairment of financial instruments

On financial instruments measured at amortised cost		
- Bad debts and write offs (net of recoveries)	421.14	325.63
- Loans	556.24	1,192.85
	977.38	**1,518.48**

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28 Employee benefits expenses

Salaries, allowance and bonus	2,136.84	1,469.32
Gratuity expense (refer note 33)	27.12	11.49
Compensated absence expense (refer note 33)	53.24	19.09
Contribution to provident and other funds	165.64	129.96
Employee stock options expense	109.68	32.30
Staff welfare expenses	80.13	46.32
Total	**2,572.65**	**1,708.48**

Note: Gratutity expenses Includes INR 1.15 Lakhs (31 March 2021: INR 1.10 lakhs) paid to IFFCO as gratuity contribution of Mr Rakesh Dhasmana (CFO).

29 Depreciation and amortisation expenses

Depreciation of property, plant and equipment (refer note 10)	56.07	59.21
Depreciation on right of use assets (refer note 41)	1.74	-
Amortisation of intangible assets (refer note 11(a))	33.87	29.87
Total	**91.68**	**89.08**

30 Other expenses

Power and fuel	8.75	3.64
Rent	110.90	58.17
Repair and maintenance		
- Buildings	20.13	21.63
- Others	149.83	22.87
Insurance	3.91	1.70
Rates and taxes	189.60	134.25
Sales Incentives and Dealers Commission	1,080.53	635.78
Legal and professional charges*	300.79	195.59
Director sitting fees	16.50	12.00
Travelling expenses	236.63	118.93
Communication expenses	72.18	50.17
Branding & promotion	49.82	26.45
Printing & stationery	24.70	12.74
Contractual staff	74.53	50.15
Corporate Social Responsibility (CSR) expenses (refer note 40)	3.08	-
Loss on sale of fixed Assets	0.72	2.17
Bank Charges	43.61	18.76
Miscellaneous expenses	76.10	25.76
	2,462.31	**1,390.76**

***Includes payments to statutory auditors (exclusive of Goods and Service Tax)**

- For Audit	12.00	13.25 #
- For Tax Audit	2.50	3.5 #
- For Certification	3.00	2.42 #
- Reimbursement of expenses	0.80	0.16 #
	18.30	**19.33**

Paid to erstwhile auditors

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(Amounts in INR lakhs, unless otherwise stated)

31 Income tax

The major components of income tax expense/(credit) are :

a) Income tax expense/(credit) recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax		
- Provision for Current Tax	833.49	648.13
- Adjustment Relating To earlier periods	(14.83)	24.47
Total current tax expenses	818.66	672.60
Deferred tax		
- Relating to origination and reversal of temporary differences	(112.42)	(317.64)
Total deferred tax expenses/(benefits)	(112.42)	(317.64)
Total income tax expense	**706.24**	**354.96**

b) Income tax recognised in other comprehensive income (OCI)
Deferred tax related to items recognised in OCI during the year

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax on remeasurements of defined benefit plans	(0.05)	(1.93)

c) The income tax expense for the year can be reconciled to the profit before tax as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	2,713.27	1,297.68
Accounting profit before income tax	**2,713.27**	**1,297.68**
Tax expense at statutory income tax rate of 25.17% (31 March 2021: 25.17%)	682.93	326.63
Effect of non-deductible expenses	40.69	0.52
Adjustment Relating To earlier periods	(14.83)	24.47
Disallowance of share based payment expense	-	-
Disallowance Corporated social Responsibility	0.78	
Others	(3.33)	3.35
Tax expense at the effective income tax rate of 25.17% (31 March 2021: 25.17%)	**706.23**	**354.96**

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	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
d. Deferred tax assets			
Deferred tax liability			
Property, plant and equipment and other intangible assets	9.08	-	-
Total deferred tax liabilities	**9.08**	**-**	**-**
Deferred tax asset			
Property, plant and equipment and other intangible assets	-	6.74	1.11
Preliminary expenses	-	1.00	1.99
Provision for gratuity	16.44	9.61	2.87
Provision for compensated absences	26.58	16.03	13.59
Provision for statutory bonus	29.05	20.03	5.13
Provision for standard assets and non performing assets	543.44	496.39	197.56
Provision for loss on repossessed assets	-	4.76	4.76
Share options outstanding account	-	2.77	1.02
Others	-	(63.37)	(53.64)
Gross deferred tax asset	**615.51**	**493.96**	**174.39**
Net Deferred Tax (Liability)/ Asset	**606.43**	**493.96**	**174.39**

Movement of deferred tax assets	As atMarch 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2022
Liabilities				
Property, plant and equipment and other intangible assets	-	9.08	-	9.08
Deferred Tax Liabilities	**-**	**9.08**	**-**	**9.08**
Assets				
Property, plant and equipment and other intangible assets	6.74	(6.74)	-	-
Preliminary expenses	1.00	(1.00)	-	-
Provision for gratuity	9.61	6.78	0.05	16.44
Provision for compensated absences	16.03	10.55	-	26.58
Provision for statutory bonus	20.03	9.02	-	29.05
Provision for standard assets and non performing assets	496.39	47.05	-	543.44
Provision for loss on repossessed assets	4.76	(4.76)	-	-
Share options outstanding account	2.77	(2.77)	-	-
Others	(63.37)	63.37	-	-
Deferred Tax Assets	**493.96**	**121.50**	**0.05**	**615.51**
Net Deferred tax asset	**493.96**	**112.42**	**0.05**	**606.43**

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Movement of deferred tax assets	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2021
Liabilities				
Property, plant and equipment and other intangible assets	-	-	-	-
Deferred Tax Liabilities	-	-	-	-
Assets				
Property, plant and equipment and other intangible assets	1.11	5.63	-	6.74
Preliminary expenses	1.99	(0.99)	-	1.00
Provision for gratuity	2.87	4.81	1.93	9.61
Provision for compensated absences	13.59	2.44	-	16.03
Provision for statutory bonus	5.13	14.90	-	20.03
Provision for standard assets and non performing assets	197.56	298.83	-	496.39
Provision for loss on repossessed assets	4.76	-	-	4.76
Share options outstanding account	1.02	1.75	-	2.77
Others	(53.64)	(9.73)	-	(63.37)
Deferred Tax Assets	**174.39**	**317.64**	**1.93**	**493.96**
Net Deferred tax asset	**174.39**	**317.64**	**1.93**	**493.96**

Movement of deferred tax assets	As at March 31, 2019	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2020
Liabilities				
Property, plant and equipment and other intangible assets	0.91	(0.91)	-	-
Deferred Tax Liabilities	0.91	(0.91)	-	-
Assets				
Property, plant and equipment and other intangible assets	0	1.11	-	1.11
Preliminary expenses	3.1	(1.11)	-	1.99
Provision for gratuity	1.84	1.03	-	2.87
Provision for compensated absences	14.32	(0.73)	-	13.59
Provision for statutory bonus	0	5.13	-	5.13
Provision for standard assets and non performing assets	0	197.56	-	197.56
Provision for loss on repossessed assets	0	4.76	-	4.76
Share options outstanding account	0	1.02	-	1.02
Others	-	(53.64)	-	(53.64)
Deferred Tax Assets	**19.26**	**155.13**	-	**174.39**
Net Deferred tax asset	**18.35**	**156.04**	-	**174.39**

During the year ended 31 March 2020, the Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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32 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Basic	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Profit for basic EPS being net profit attributable to owners of the Company (A)	2,007.03	942.72
Weighted average number of equity shares in calculating basic EPS (B)	2,000.00	2,000.00
Basic earnings per equity share (A)/(B)	1.00	0.47
Diluted		
Profit for basic EPS being net profit attributable to owners of the Company (A)	2,007.03	942.72
Weighted average number of equity shares in calculating basic EPS	2,000.00	2,000.00
Effect of the dilutive shares	2,013.16	2,002.50
Weighted average number of equity shares in calculating diluted EPS (B)	4,013.16	4,002.50
Diluted earnings per equity share (A)/(B)	0.50	0.24

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33 Employee benefits

A Defined contribution plans

The Company's contribution towards its provident fund is a defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognized by the Income Tax authorities.

	As at 31 March 2022	As at 31 March 2021
-Provident fund	131.64	106.03
- Employee's state insurance	34.00	23.93
Total	**165.64**	**129.96**

B Compensated absences - other long term employee benefit plan

The employees of the Company are entitled to compensated absences which are both accumulating and non accumulating in nature. The employees can carry forward up to the specified portion of the unutilised accumulated compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences of privilege leave is determined by actuarial valuation using the projected unit credit method as eligible to carry forward to the employement period are based on the additional amount expected to be paid as a result of the unutilised entitlement that has accumulated at the balance sheet date. Actuarial gains/losses are immediately taken to the statement of profit and loss.

The employees of the Company are also entitled for sick leaves and casual leaves which is calculated for the period 1 January to 31 December period as per the policy these leaves are lapsed at the period end and not eligible for carry forward, accordingly the provision for available leave as at 31 March 2022 has been created on accumulated balances of leave available to employees.

The Company recognized INR 53.24 Lakhs (31 March 2021: INR 19.09 Lakhs) for compensated absences in the Statement of Profit and Loss.

C Defined benefit plans

Gratuity - defined benefit plan

The Company's gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months with ceiling of Rupees 20 lakhs in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Gratuity - defined benefit plan	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Present value of un-funded defined benefit obligation	57.44	30.53	11.40
Net liability arising from defined benefit obligation	**57.44**	**30.53**	**11.40**

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a) Reconciliation of the net defined benefit liability

Movement in the present value of defined benefit obligation is as follows :

Reconciliation of present value of defined benefit obligation for Gratuity

	Gratuity	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	30.53	11.40
Benefits paid	(0.40)	
Current service cost	25.64	10.87
Interest cost	1.48	0.61
Actuarial (gains) losses		
- changes in financial assumptions	(2.60)	1.31
- changes in demographic assumptions	-	5.55
- experience adjustments	2.78	0.79
Balance at the end of the year	**57.44**	**30.53**

b) Amount recognised in statement of profit and loss in respect of these employee benefits are as follows:

	Gratuity	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	25.64	10.87
Net interest expense	1.48	0.61
Components of defined benefit costs recognised in profit or loss	**27.12**	**11.48**
Remeasurement of the net defined benefit liability		
- changes in financial assumptions	(2.60)	1.31
- changes in demographic assumptions	-	5.55
- experience adjustments	2.78	0.79
Components of defined benefit costs recognised in other comprehensive income	0.18	7.65

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 March 2022. The present value of the defined benefit liability, and the related current service cost, were measured using the projected unit credit method.

c) The principal assumption used for the purpose of actuarial valuation are as follows:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 1 April 2020
Discount rate	5.50 % per annum	4.85% per annum	5.35% per annum
Expected rate of salary increase	8.00 % per annum	8.00 % per annum	7.5% per annum
Retirement age	60 years	60 years	60 years
Attrition rate			
Sales and collection executives (E1 to E3)	39.69%	39.69%	30.00%
Officer (J1 to J4)	18.69%	18.69%	30.00%
Manager (M1 to M6)	21.43%	21.43%	30.00%
Above manager (S1 to S4)	7.00%	7.00%	30.00%
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14

Notes:

(1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.

(2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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d) The plan typically exposes the Company to actuarial risks such as: interest rate, longetivity risk and salary risk.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability.

Longetivity risk

The present value of the defined benefit plan 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 plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

e) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity

For the year ended 31 March 2022	Increase	Decrease
Impact of change in discount rate by 1%	(53.80)	65.22
Impact of change in salary growth rate by 1%	61.37	(53.85)
Impact of change in employee turnover rate by 50%	(43.13)	79.85
Impact of change in mortality rate by 10%	(57.45)	57.43

For the year ended 31 March 2021	Increase	Decrease
Impact of change in discount rate by 1%	(28.32)	33.02
Impact of change in salary growth rate by 1%	32.92	(28.36)
Impact of change in employee turnover rate by 50%	(20.54)	47.61
Impact of change in mortality rate by 10%	(30.53)	30.53

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

f) The table below summarises the maturity profile and duration of the gratuity liability:

	Gratuity Liability	
Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
1 year	0.72	0.07
2 to 5 years	35.30	15.63
6 to 10 years	23.81	14.30
More than 10 years	27.55	16.25
Total	**87.39**	**46.25**

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34 Share based payments

(a) To align the interest of the employees with those of stockholders, the Company, has instituted a "Employee Stock Option Scheme (ESOP)".
The performance vesting conditions of these awards is successful completion of the employment with the company till the respective dates of the vesting and that ranges between 1-5 years in general and evaluation of performance of the employee and the Company basis the criterias approved by Nomination & Remuneration Committee. There are no market conditions attached to the awards.

(b) The salient terms of the scheme are set out hereunder:
In the extraordinary general meeting held on 15 April 2019, the shareholders approved the ESOP Pool upto 5% of the paid up capital of the paid up share capital i.e 75,00,000 shares which was later increased upto 1,00,00,000 shares in the 3rd AGM held on 4th August 2020.

The ESOP allows the grant of options to permanent employees of the Company and its subsidiaries or Holding Company (whether in India or abroad), but does not include an employee or director who is a promoter or a person belonging to the promoter group or a director who either himself or through relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, an employee on deputation basis or/and secondment basis working in the Company unless the salary being paid to such an employee is being borne by the Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination & Remuneration Committee grants the options to the employees deemed eligible. The exercise price of each option and fair value of each share is determined on the date of grant. The options granted vest on achievement of performance criteria or any other criteria as specified by the Nomination & Remuneration Committee and is communicated in the
grant letter. Further, the vesting takes place on staggered basis over the respective vesting period. The option can be exercised, within a period of 5 years from the respective vesting and in accordance with terms and conditions of the plan.

Particulars	ESOP Scheme 2019*			
	Date of Grant	Number of Options Granted(in Lakhs)	Vesting Period	Exercise Price(INR per option)
Grant - I	04-Jun-19	10.75	5 Yrs	12
Grant - II	04-Jun-20	6.50	5 Yrs	18
Grant - III	07-Dec-20	19.90	From the grant date: -10% in 1st Year -12.5% in 2nd Year -15% in 3rd Year -22.5% in 4th Year -40% in 5th Year	18
Grant - IV	23-Feb-21	29.05	From the grant date: -10% in 1st Year -15% in 2nd Year -25% in 3rd Year -50% in 4th Year	18
Grant - V	28-Jul-21	4.00	From the grant date: -10% in 1st Year -12.5% in 2nd Year -15% in 3rd Year -22.5% in 4th Year -40.0% in 5th Year	22

Date of Board Approval of the relevant scheme	18.03.2019
Date of Shareholder's approval of the relevant scheme	15.04.2019
Date of Last Modification	24.08.2020
Method of Settlement (Cash/Equity)	Equity

** In the previous year, ESOP Scheme was modified by way of altering clause 5 of the ESOP Scheme (Share Pool of the Plan) to give effect to the increase in the Share Pool upto 5% of the paid up share capital of the Company convertible into 100 Lakhs Equity shares of INR 10 each*

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(c)The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Employee Stock Options (ESOPs)	March 31, 2022		March 31, 2021	
	Number of Options Granted (in lakhs)	**WAEP**	**Number of Options Granted (in lakhs)**	**WAEP**
Outstanding at the beginning of the year	61 95	17.27	10.75	12.00
Options granted during the year	4 00	22.00	55.45	18.00
Options exercised during the year	-	-	-	-
Options forfeited during the year	(0 80)	18.00	(4.25)	13.41
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	**65.15**	**17.55**	**61.95**	**17.27**
Vested options outstanding at the end of the year (Exercisable)	3 83	13.51	1.50	12.00

The ESOPs outstanding at the end of the year had exercise price range of INR 12-22 (as at 31 March 2021: INR 12-18), and a weighted average remaining contractual life of 6.83 years (as 31 March 2021: 7.32 years).

The life of the options granted (Vesting and exercise period) ranges from 6 years to 10 years.

(d) Fair value of share options granted in the year

Options were priced using Black Scholes Model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

Plan Type	ESOP	
Particulars	**March 31, 2022**	**March 31, 2021**
Weighted average fair value of options granted during the year (INR)	7.40	5.80
The key assumptions used are:		
-Weighted average share price	22.00	18.00
-Weighted average exercise price	22.00	18.00
-Risk free interest rate (based on US treasury bonds yields)	5.56%- 6.70%	4.89% - 6.45%
-Expected life in years	2.83 - 5.83 years	2.68 - 7.18 years
-Expected volatility*	17.21% - 20.67%	16.92% - 19.75%

*Expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the awards is indicative of future trends, which may not be necessarily be the actual outcome.

(e) Amount of expense recognised in the statement of profit and loss

	ESOP	
Particulars	**March 31, 2022**	**March 31, 2021**
-Expenses arising from share based payments during the year	109.68	32.30
Total	**109.68**	**32.30**

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35 Fair value measurements

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Financial assets				
a) Measured at fair value through profit or loss (FVTPL)				
- Investment in mutual funds	Level 1	-	-	1,198.28
b) Measured at amortised cost				
- Cash and cash equivalents	Level 3	669.09	235.05	247.15
- Bank balance other than included in (a) above	Level 3	8.08	-	-
- Loans	Level 3	86,286.61	60,487.19	47,174.15
- Security deposits	Level 3	27.09	17.81	28.72
- Trade receivables	Level 3	4.51	14.21	0.53
- Other receivables	Level 3	46.80	16.87	19.14
		87,042.18	60,771.13	47,469.69
Total financial assets		**87,042.18**	**60,771.13**	**48,667.97**
Financial liabilities				
a) Measured at amortised cost				
- Borrowings	Level 3	59,078.91	35,321.70	24,006.09
- Trade payables	Level 3	979.16	862.15	778.56
- Other payables	Level 3	3.11	47.57	6.90
- Lease liabilities	Level 3	104.43	-	-
- Other financial liabilities	Level 3	392.16	169.01	143.03
		60,557.77	**36,400.43**	**24,934.58**
Total financial liabilities		**60,557.77**	**36,400.43**	**24,934.58**

b) The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:
Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

c) There were no transfers between any levels for Fair value measurements.

d) The following methods / assumptions were used to estimate the fair values:

i) The carrying value of trade receivables, cash and cash equivalents, other bank balances, trade payables, other payables, security deposits, other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) Loans
The Company gives fixed rate loan for which the Company has used the present value technique for valuation. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Borrowings

Floating rate borrowings:
The floating rate borrowings are valued on the basis of MCLR + Spread. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

Fixed rate borrowings:
The Company has used the present value technique for valuation of the Fixed Rate borrowings by the Company. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

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(Amounts in INR lakhs, unless otherwise stated)

36 Capital management

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019- 20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, effective from the financial year ended 31 March 2020, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Tier - I capital	26,314.77	24,424.15	23,820.87
Tier - II capital	430.16	89.79	109.95
Total Capital	26,744.93	24,513.94	23,930.82
Aggregate of Risk Weighted Assets	86,567.93	60,717.81	48,644.15
Tier - I capital ratio	30%	40%	49%
Total Capital ratio	31%	40%	49%

Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier II capital" includes the following -
(a) preference shares other than those which are compulsorily convertible into equity;
(b) revaluation reserves at discounted rate of fifty five percent;
(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.
(d) hybrid debt capital instruments; and
(e) subordinated debt to the extend aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets -
Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

37 Financial risk management objectives and policies

The company's management monitors and manages key financial risk relating to the operations of the Company by analyzing exposures by degree & magnitude of risk. The company's activities expose it a variety of financial risks- credit risk, liquidity risks and the market risk (including interest rate risk, currency risk and other price risk).

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments.

The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount. Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

a) Maximum exposure to the Credit risk

This table below shows the Company's maximum exposure to the credit risk.

Particulars	**As at 31 March 2022**	**As at 31 March 2021**	**As at 1 April 2020**
Financial Assets at amortised cost - Loans & Advances (Gross)	88,445.68	62,090.01	47,584.12
Less : Impairment loss allowances	2,159.07	1,602.82	409.97
Financial Assets at amortised cost (Net) - Loans &	**86,286.61**	**60,487.19**	**47,174.15**
Financial Assets at amortised cost - Receivables (Gross)	51.31	31.08	19.67
Less : Impairment loss allowances	-	-	-
Financial Assets at amortised cost - Receivables (Net)	**51.31**	**31.08**	**19.67**

Cash and cash equivalents, bank deposits

The Company maintains its cash and cash equivalents, bank deposits with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Trade receivables, Trade advances and Security deposits

The Company monitors the credit rating of the counterparties on regular basis. These instruments generally have a maturity between 30 to 45 days (e.g. trade receivables and trade advances) and carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status.

Inputs, assumptions and techniques used for estimating impairment:

Definition of Default

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is 90 days past due and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD).

Calculation of expected credit losses

IFFCO Kisan Finance has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD. For stage 1 assets, the 12 month ECL is calculated. For assets in stage 2 and 3, Lifetime ECL is calculated using the lifetime PD.

The key elements in calculation of ECL are defined as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. 12 month PD estimation process is done based on historical internal data. While arriving at the PD, the entity also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

EAD - The Exposure at Default represents the gross carrying amount of financial assets at reporting date which includes principal outstanding and interest accrued on reporting date and expected drawdown on committed facility.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on historical recovery experience of collaterals and other relevant factors.

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Forward Looking Economic Inputs

The Company incorporates forward looking information into qualitative and quantitative assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as GDP and Consumer Price Index (CPI), as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Gross Stage 1 (DPD< 30 days) performing asset and 12 month ECL	83,936.25	59,435.14	46,428.98
Less : Impairment loss allowance	180.86	37.98	82.42
Net Stage 1 Assets	**83,755.39**	**59,397.16**	**46,346.56**
ECL provision coverage	0.22%	0.06%	0.18%
Gross Stage 2 (30>DPD< 90 days) under performing assets increase in credit risk and lifetime ECL	1,320.99	338.88	227.43
Less : Impairment loss allowance	249.30	51.81	27.53
Net Stage 2 Assets	**1,071.69**	**287.07**	**199.90**
ECL provision coverage	18.87%	15.29%	12.10%
Gross Stage 3 (DPD=>90) non-performing assets credit impaired and lifetime ECL	3,188.43	2,315.99	927.70
Less : Impairment loss allowance	1,728.91	1,513.03	300.02
Net Stage 3 Assets	**1,459.52**	**802.96**	**627.68**
ECL provision coverage	54.22%	65.33%	32.34%
Total loans & advances	**88,445.68**	**62,090.01**	**47,584.12**
Less : Impairment loss allowance	2,159.07	1,602.82	409.97
Net loans & advances	**86,286.61**	**60,487.19**	**47,174.15**
ECL provision coverage	2.44%	2.58%	0.86%

Credit impairment charge to the income statement

Particulars	As at 31 March 2022	As at 31 March 2021
- New and increased provisions (net)	556.24	1,192.85
- Bad debts and write offs (net of recoveries)	421.14	325.63
Total charge to the income statement	**977.38**	**1,518.48**

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances that were written off are still eligible for enforcement activity.

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c) Movement in gross exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April 2020 (Opening Balance)	46,428.98	227.43	927.70	47,584.12	82.42	27.53	300.02	409.97
Add / (Less):								
- Transfers between Stages								
a) Transfers to Stage I	359.19	(70.43)	(288.76)	-	101.06	(7.67)	(93.39)	-
b) Transfers to Stage II	(359.50)	359.50	-	-	(0.94)	0.94	-	-
c) Transfers to Stage III	(2,324.25)	(92.53)	2,416.79	-	(15.26)	(11.06)	26.32	-
- Assets originated or purchased	33,218.25	58.80	75.61	33,352.66	13.35	12.47	242.49	268.31
- Assets derecognised during the year	(323.06)	(25.33)	(42.36)	(390.75)	(1.02)	(3.65)	-	(4.67)
- Amount recovered during the year	(17,564.47)	(118.56)	(772.99)	(18,456.02)	(141.62)	33.25	1,037.58	929.21
Gross carrying amount as at 31 March 2021 (Closing Balance)	**59,435.14**	**338.88**	**2,315.99**	**62,090.01**	**37.98**	**51.81**	**1,513.03**	**1,602.82**
Gross carrying amount as at 1 April 2021 (Opening Balance)	**59,435.14**	**338.88**	**2,315.99**	**62,090.01**	**37.98**	**51.81**	**1,513.03**	**1,602.82**
Add / (Less):								
- Transfers between Stages								
a) Transfers to Stage I	383.19	(70.25)	(312.95)	-	10.47	(10.47)	-	-
b) Transfers to Stage II	(1,167.89)	1,175.19	(7.30)	-	204.39	4.77	(209.16)	-
c) Transfers to Stage III	(2,344.20)	(207.43)	2,551.63	-	(7.61)	(32.08)	39.69	-
- Assets originated or purchased	54,534.26	518.41	368.79	55,421.46	90.13	116.94	298.66	505.73
- Assets derecognised during the year	(240.24)	-	(196.90)	(437.14)	(0.06)	-	(128.80)	(128.87)
- Amount recovered during the year	(26,664.00)	(433.81)	(1,530.84)	(28,628.65)	(154.42)	118.34	215.45	179.37
Gross carrying amount as at 31 March 2022 (Closing Balance)	**83,936.25**	**1,320.99**	**3,188.43**	**88,445.68**	**180.87**	**249.31**	**1,728.87**	**2,159.06**

d) Security/Collateral and other credit enhancements

Company would generally have its credit exposures backed by farm equipments like tractors and harvesters as a primary security. The amount and type of security/collateral required depends on an assessment of the credit risk of the counterparty and product offered. As Security/collateral is a source of mitigating credit risk, assessment of the condition of the securities/collaterals and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the financial year.

e) Credit Concentration

The Company monitors concentration of credit risk on the basis of geography in which the borrower operates.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Uttar Pradesh	30,161.28	24,427.13	20,376.06
Madhya Pradesh	27,199.23	20,991.09	16,370.66
Rajasthan	21,896.89	13,947.33	9,936.28
Bihar	4,961.69	1,759.39	392.16
Delhi	1,887.66	-	-
Telangana	351.69	-	-
Andhra Pradesh	202.25	-	-
Haryana	62.89	-	-
Gross Carrying amount	86,723.58	61,124.94	47,075.16

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ii) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements.

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Maturities of financial liabilities

Contractual maturities of significant financial Liabilities as on 31 March 2022, 31 March 2021 and 1 April 2020 based on undiscounted payments are as follows:

Maturities of financial liabilities

As at 31 March 2022	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings				
- Principal	20,356.11	40,293.00	-	60,649.11
- Interest	3,970.53	3,247.83	-	7,218.36
Trade payables	979.16	-	-	979.16
Other Payables	3.11	-	-	3.11
Other financial liabilities	392.16	-	-	392.16
	25,701.07	43,540.83	-	69,241.90

As at 31 March 2021	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings				
- Principal	12,308.81	38,649.71	-	50,958.52
- Interest	3,362.91	3,751.97	-	7,114.88
Trade payables	862.15	-	-	862.15
Other Payables	47.57	-	-	47.57
Other financial liabilities	169.01	-	-	169.01
	16,750.45	42,401.68	-	59,152.13

As at 1 April 2020	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings				
- Principal	4,790.00	19,394.75	-	24,184.75
- Interest	2,079.39	2,216.11	-	4,295.50
Trade payables	778.56	-	-	778.56
Other Payables	6.90	-	-	6.90
Other financial liabilities	143.03	-	-	143.03
	7,797.88	21,610.86	-	29,408.74

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include foreign currency receivables, deposits, trade payables and loans. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Company ensures optimization of cash through fund planning and robust cash management practices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

As at 31 March 2022

Particulars	Impact on profit/loss before	
	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans	590.79	(590.79)

As at 31 March 2021

Particulars	Impact on profit/loss before	
	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans	353.22	(353.22)

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(b) Pricing risk

The Company's Investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading. A 5 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately NIL (31st March 2021 : NIL). A similar percentage decrease would have resulted equivalent opposite impact.

(Amounts in INR lakhs, unless otherwise stated)

38 Related party transactions

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) Holding company
Indian Farmers Fertiliser Cooperative Limited

b) Entity's fellow subsidiaries (entities with whom the Company has transactions)
IFFCO Kisan Sanchar Limited
IFFCO-Tokio General Insurance Company Limited

c) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them Significant Influence over the Company and Key Management Personnel (KMP)

Ranjan Sharma	Managing Director
Rakesh Dhasmana	Chief Financial Officer
Deepika Singh	Company Secretary

ii) Transactions with related parties	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
(a) Loan availed during the year		
-Indian Farmers Fertiliser Cooperative Limited	5,000.00	-
borrowings		
-Indian Farmers Fertiliser Cooperative Limited	170.52	-
(c) Rent		
-Indian Farmers Fertiliser Cooperative Limited	25.15	24.57
-IFFCO Kisan Sanchar Limited		0.62
Building		
-Indian Farmers Fertiliser Cooperative Limited	14.64	16.60
-IFFCO Kisan Sanchar Limited	0.72	1.13
(e) Insurance		
-IFFCO-Tokio General Insurance Company Limited	64.19	35.80
borrowers		
-IFFCO-Tokio General Insurance Company Limited	763.45	485.18
(g) Branding & promotion		
-IFFCO Kisan Sanchar Limited	19.35	21.90
Fees		
-Indian Farmers Fertiliser Cooperative Limited	200.87	138.42
(i) Reimbursement of expenses		
-Indian Farmers Fertiliser Cooperative Limited	7.20	6.84
-IFFCO Kisan Sanchar Limited	-	3.49
-Ranjan Sharma	0.84	0.20
-Rakesh Dhasmana	0.51	0.88
(j) Remuneration to Key Management Personnel (KMP)		
Compensation of key management personnel of the Company		
Short-term employee benefits	80.32	49.13
Post-employment gratuity	1.82	1.31
Other long term employee benefit- Compensated Absence	16.45	0.31
Share based payments	15.58	6.08

iii) Outstanding balances with related parties	**As at 31-Mar-22**	**As at 31-Mar-21**	**As at 1 April 2020**
(a) Other advance			
-IFFCO-Tokio General Insurance Company Limited	1.35	5.40	8.51
(b) Trade payables			
-Indian Farmers Fertiliser Cooperative Limited	5.92	0.07	0.13
-IFFCO Kisan Sanchar Limited	0.07	5.76	7.08
(c) Borrowings			
-Indian Farmers Fertiliser Cooperative Limited	5,000.00	-	-

(iv) Terms and Conditions
All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

39 Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities

The Company does not have any pending litigations which would impact its financial position as on 31 March 2022, 31 March 2021 and 1 April 2020.

(ii) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
executed on capital account and not provided for (net of advance)	12.38	4.90	50.00
b. Loan sanctioned but not disbursed and or partially d	1.48	2.81	16.31
c. For lease commitments (refer note 41)	-	-	-

d. The Company has other commitments on account of contracts remaining to be executed which are entered into the normal course of business. The Company did not have any other long term commitments including derivative contracts or material non-cancellable contractual commitments / contracts for which there were any foreseeable losses which might have material impact on the financial statements.

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

40 Expenditure on Corporate Social Responsibility

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, requires that the board of directors of every eligible company, shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gross amount required to be spent by the Company during the year	13.98	0.16
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.08	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	10.90	0.16

The Management of the company had approved an annual CSR plan and was able to spend an amount of INR 3.08 lakhs (Including PY CSR Amount) during the FY 21-22. The unspent amount on the ongoing projects has been deposited with "IFFCO Kisan Finance Limited-Unspent CSR Account - 2021-22" with Axis Bank.

41 Leases

Company as a lessee

The Company's leased assets primarily consist of lease of office space.

The Company has elected to apply the practical expedient available under Ind AS 116 for short term leases. The Company does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Below are the summary of financial information related to the above lease contracts:

Movement in right of use assets:

Cost

Particulars	Lease of office space	Total
As at 1 April 2020:	-	-
Additions	-	-
As at 31 March 2021	-	-
Additions	105.63	**105.63**
As at 31 March 2022	**105.63**	**105.63**

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Accumulated depreciation

Particulars	Lease of office space	Total
As at 1 April 2020	-	-
Charge for the year		-
As at 31 March 2021	-	-
Charge for the year	1.74	1.74
As at 31 March 2022	**1.74**	**1.74**
Net carrying amount		
As at 31 March 2022	**103.89**	**103.89**
As at 31 March 2021	-	-
As at 1 April 2020	-	-

Amounts recognised in profit or loss:

Particulars	ended 31 March 2022	ended 31 March 2021
Depreciation expense on right-of-use assets	1.74	-
Interest expense on lease liability	0.72	-
Expenses relating to short-term leases	110.90	58.17

	As at March 31, 2022	As at March 31, 2021
Movement in lease liabilities:		
Opening balance	-	-
Additions	105.63	
Amounts recognised in statement of profit and loss as interest expense	0.72	-
Payment of lease liabilities	(1.92)	-
Closing Balance	**104.43**	-

Notes:

1 The maturity analysis of lease liabilities is presented in Note 37.

42 Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act,2006

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount due to micro and small	-	-	-
- Interest due on above	-	-	-
2. Amount of interest paid by the buyer in terms of	-	-	-
3. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but	-	-	-
4. Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
5. Amount of further interest remaining due and payable even in the succeeding years, until such date	-	-	-

43 Segment information

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment "financing Activities". The chief operating decision maker (CODM) monitors the operating results as a whole for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, thus the disclosures requirements under Ind AS 108 – "Segment Reporting" are not applicable.
No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2022 or 31 March 2021.
There are no operations outside India and hence there is no external revenue or assets which require disclosure.

(Amounts in INR lakhs, unless otherwise stated)

44 Disclosures for revenue from contracts with customers (Refer note 22 & 24)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Income recognised as per financial statements		
Commission income (refer note 44)	39.14	41.55
Income from advertisement (refer note 44)	242.40	106.80
Other operating revenue	79.57	13.66
	361.11	**162.01**

44.1 Reconciliation of revenue recognised in statement of profit and loss with contracted price:

Revenue as per contracted price	361.11	162.01
Less: Variable consideration (including consideration payable	-	-
	361.11	**162.01**

Note: There are no unsatisfied (or partially unsatisfied) performance obligation as at the reporting date.

44.2 Geographical markets

India	361.11	162.01
Outside India	-	-
	361.11	**162.01**

44.3 Timing of revenue recognition

Services transferred at a point in time	361.11	162.01
Services transferred over time	-	-
	361.11	**162.01**

44.4 Contract balances

The following table provides information about Contract balances from contract with customers.

		As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
(a)	Trade receivables (refer note 5(a))	4.51	14.21	0.53
(b)	Other receivables (refer note 5(b))	46.80	16.87	19.14

45 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31 March 2022

Particulars	1 April 2021	Cash flows (net)	Impact due to modification in interest rates	Others	31 March 2022
Borrowings	35,321.70	24,100.35	(427.15)	84.01	59,078.91
Total	**35,321.70**	**24,100.35**	**(427.15)**	**84.01**	**59,078.91**

Year ended 31 March 2021

Particulars	1 April 2020	Cash flows (net)	Impact due to modification in interest rates	Others	31 March 2021
Borrowings	24,006.09	11,373.76	-	(58.15)	35,321.70
Total	**24,006.09**	**11,373.76**	**-**	**(58.15)**	**35,321.70**

Note: Others include mainly amortisation of transaction costs incurred towards origination of borrowings and changes in accrued interest.

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(Amounts in INR lakhs, unless otherwise stated)

46 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

	As at 31 March 2022			As at 31 March 2021			As at 1 April 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
(a) Cash and cash equivalents	669.09	-	**669.09**	235.05	-	**235.05**	247.15	-	**247.15**
(b) Bank balance other than included in (a) above	8.08	-	**8.08**	-	-	**-**	-	-	**-**
(c) Receivables									
- Trade receivables	4.51	-	**4.51**	14.21	-	**14.21**	0.53	-	**0.53**
- Other receivables	46.80	-	**46.80**	16.87	-	**16.87**	19.14	-	**19.14**
(d) Loans	32,748.61	53,538.00	**86,286.61**	971.08	59,516.11	**60,487.19**	15,950.35	31,223.80	**47,174.15**
(e) Investments	-	-	**-**	-	-	**-**	1,198.28	-	**1,198.28**
(f) Other financial assets	(2.18)	29.27	**27.09**	1.58	16.23	**17.81**	20.73	7.99	**28.72**
Total financial assets	**33,474.91**	**53,567.27**	**87,042.18**	**1,238.79**	**59,532.34**	**60,771.13**	**17,436.18**	**31,231.79**	**48,667.97**
Non-financial assets									
(a) Current tax assets (Net)	-	-	**-**	-	26.21	**26.21**	-	34.37	**34.37**
(b) Deferred tax assets (Net)	-	606.43	**606.43**	-	493.96	**493.96**	-	174.39	**174.39**
(c) Property, plant and equipment	-	100.46	**100.46**	-	119.86	**119.86**	-	117.64	**117.64**
(d) Intangible assets	-	70.11	**70.11**	-	65.21	**65.21**	-	37.23	**37.23**
(e) Intangible assets under development	-	4.13	**4.13**	-	7.78	**7.78**	-	2.19	**2.19**
(f) Right-of-use assets	-	103.89	**103.89**	-	-	**-**	-	-	**-**
(g) Other non-financial assets	128.04	-	**128.04**	87.18	-	**87.18**	118.12	-	**118.12**
Total non-financial assets	**128.04**	**885.02**	**1,013.06**	**87.18**	**713.02**	**800.20**	**118.12**	**365.82**	**483.94**
Total assets	**33,602.95**	**54,452.29**	**88,055.24**	**1,325.97**	**60,245.36**	**61,571.33**	**17,554.30**	**31,597.61**	**49,151.91**
Liabilities									
Financial liabilities									
(a) Payables									
(I) Trade payables									
(i) Total outstanding dues of micro enterprise	-	-	**-**	-	-	**-**	-	-	**-**
(ii) Total outstanding dues of creditors other	979.16	-	**979.16**	862.15	-	**862.15**	778.56	-	**778.56**
(II) Other payables									
(i) Total outstanding dues of micro enterprise	-	-	**-**	-	-	**-**	-	-	**-**
(ii) Total outstanding dues of creditors other	3.11	-	**3.11**	47.57	-	**47.57**	6.90	-	**6.90**
(b) Borrowings	20,070.40	39,008.51	**59,078.91**	10,585.64	24,736.06	**35,321.70**	4,790.00	19,216.09	**24,006.09**
(c) Lease liabilities	18.94	85.49	**104.43**	-	-	**-**	-	-	**-**
(d) Other financial liabilities	392.16	-	**392.16**	169.01	-	**169.01**	143.03	-	**143.03**
Total financial liabilities	**21,463.77**	**39,094.00**	**60,557.77**	**11,664.37**	**24,736.06**	**36,400.43**	**5,718.49**	**19,216.09**	**24,934.58**
Non-financial liabilities									
(a) Current tax liabilities (Net)	92.17	-	**92.17**	25.32	68.88	**94.20**	31.53	33.86	**65.39**
(b) Provisions	45.78	117.26	**163.04**	60.29	-	**60.29**	104.83	-	**104.83**
(b) Other non-financial liabilities	109.27		**109.27**						
Total non-financial liabilities	**247.22**	**117.26**	**364.48**	**85.61**	**68.88**	**154.49**	**136.36**	**33.86**	**170.22**
Total liabilities	**21,710.99**	**39,211.26**	**60,922.25**	**11,749.98**	**24,804.94**	**36,554.92**	**5,854.85**	**19,249.95**	**25,104.80**

Note: Classification of assets and liabilities under the different maturity buckets is based on the certain estimates and assumptions as used by the company which has been relied upon by the auditors.

47 First Time Adoption of Ind AS

As stated in note 2, the financial statements for the year ended 31 March 2022 are the first annual financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2021, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2022, together with the comparative period data as at and for the year ended 31 March 2021, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2020, the Company's date of transition to Ind AS.
This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2020 and the financial statements as at and for the year ended 31 March 2021.

A Exemptions Applied :

Ind AS 101 First-Time Adoption of Indian Accounting Standards allows first-time adopters certain mandatory exceptions and certain optional exemption from the retrospective application of certain requirements of Ind AS.
The Company has applied the following exemptions and exceptions:

i) Mandatory exceptions :

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2020 and 31 March 2021 are consistent with the estimates as at the same date made in conformity with previous GAAP.
The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model.
- Determination of fair value of equity-settled share based transaction.
- Determination of the discounted value for financial instruments carried at amortised cost.

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets into amortised cost or FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification and measurement of financial assets into amortised cost or FVTOCI based on the facts and circumstances that exist on the date of transition.

c) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

d) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choice provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

ii) Optional exemptions:

a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment including capital work-in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets including intangible assets under development covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure its property, plant and equipment, Intangible assets and Intangible assets under development at their previous GAAP carrying value.

b) Leases

Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease in accordance with Ind AS 116, on the basis of facts and circumstances existing at that date.

The standard provides an option to apply Ind AS 116 on transition date either using full retrospective method or modified retrospective method along with some available practical expedients. Accordingly, the Company has elected to follow modified restrospective method for transition to Ind AS 116.

Accordingly, the Company has elected to follow modified retrospective method for transition to Ind AS 116. The company has also applied practical expedient wherein it has elected to apply short term lease exemption to leases for which term ends within 12 months of the date of initial application.

c) Revenue

The Company has applied Ind AS 115 'Revenue from contracts with customers' to contracts that are not completed on transition date. Further, the Company has applied full retrospective approach on transition date subject to some practical expedients as prescribed by the standard.

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B Statements of reconciliation between the previous GAAP and Ind AS are as under:
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The

(a) Reconciliation of equity as at 1 April 2020

Particulars	Notes	Regrouped previous GAAP*	Ind AS adjustments	Ind AS
Assets				
Financial assets				
(a) Cash and cash equivalents		247.15	-	247.15
(b) Receivables				
- Trade receivables		0.53	-	0.53
- Other receivables		19.14	-	19.14
(c) Loans	4,5	47,982.06	(807.91)	47,174.15
(d) Investments	3	1,198.08	0.20	1,198.28
(e) Other financial assets		28.72	-	28.72
Total financial assets		**49,475.68**	**(807.71)**	**48,667.97**
Non-financial assets				
(a) Inventories		-		-
(a) Current tax assets (Net)		34.37	-	34.37
(b) Deferred tax assets (Net)		102.54	71.85	174.39
(c) Property, plant and equipment		117.64	-	117.64
(g) Capital work-in-progress			-	-
(d) Other Intangible assets		37.23	-	37.23
(e) Intangible assets under development		2.19	-	2.19
(f) Other non-financial assets	2	74.13	43.99	118.12
Total non-financial assets		**368.10**	**115.84**	**483.94**
Total assets		**49,843.78**	**(691.87)**	**49,151.91**
		-		-
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments				
(a) Payables				
(I) Trade payables		778.56	-	778.56
(II) Other payables		6.90	-	6.90
(b) Borrowings	2	24,175.00	(168.91)	24,006.09
(c) Other financial liabilities		143.03	-	143.03
Total financial liabilities		**25,103.49**	**(168.91)**	**24,934.58**
Non-financial liabilities				
(a) Current tax liabilities (Net)				
(a) Provisions	8	374.73	(309.34)	65.39
(b) Other non-financial liabilities		104.83	-	104.83
Total non-financial liabilities		**479.56**	**(309.34)**	**170.22**
Total liabilities		**25,583.05**	**(478.25)**	**25,104.80**
Equity				
(a) Equity share capital		20,000.00	-	20,000.00
(b) Other equity	1-7	4,260.73	(213.62)	4,047.11
		24,260.73	**(213.62)**	**24,047.11**
Total liabilities and equity		**49,843.78**	**(691.87)**	**49,151.91**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

(Amounts in INR lakhs, unless otherwise stated)

(b) Reconciliation of equity as at 31 March 2021

Particulars	Notes	Regrouped previous GAAP*	Ind AS adjustments	Ind AS
Assets				
Financial assets				
(a) Cash and cash equivalents		235.05	-	235.05
(b) Receivables				
- Trade receivables		14.21	-	14.21
- Other receivables		16.87	-	16.87
(c) Loans	4,5	62,591.07	(2,103.88)	60,487.19
(d) Investments	3	-	-	-
(e) Other financial assets		17.81	-	17.81
Total financial assets		**62,875.01**	**(2,103.88)**	**60,771.13**
Non-financial assets				
(a) Current tax assets (Net)		26.21	-	26.21
(b) Deferred tax assets (Net)		241.55	252.41	493.96
(c) Property, plant and equipment		119.86	-	119.86
(d) Intangible assets		65.21	-	65.21
(e) Intangible assets under development		7.78	-	7.78
(f) Other non-financial assets		87.18	-	87.18
Total non-financial assets		**547.79**	**252.41**	**800.20**
Total assets		**63,422.80**	**(1,851.47)**	**61,571.33**
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Payables				
(I) Trade payables		863.30	(1.15)	862.15
(II) Other payables		47.57	-	47.57
(b) Borrowings	2	35,572.33	(250.63)	35,321.70
(c) Other financial liabilities		169.01	-	169.01
Total financial liabilities		**36,652.21**	**(251.78)**	**36,400.43**
Non-financial liabilities				
(a) Provisions	8	951.17	(856.97)	94.20
(b) Other non-financial liabilities		60.29	-	60.29
Total non-financial liabilities		**1,011.46**	**(856.97)**	**154.49**
Total liabilities		**37,663.67**	**(1,108.75)**	**36,554.92**
Equity				
(a) Equity share capital		20,000.00	-	20,000.00
(b) Other equity	1-7	5,759.13	(742.72)	5,016.41
		25,759.13	**(742.72)**	**25,016.41**
Total liabilities and equity		**63,422.80**	**(1,851.47)**	**61,571.33**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

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(c) Reconciliation of total comprehensive income for the year ended 31 March 2021

	Notes	Regrouped previous GAAP for the year ended 31 March 2021*	Ind-AS Adjustments	Ind AS for the year ended 31 March 2021
Income				
Revenue from operations				
Interest income	4	8,154.99	282.36	8,437.35
Fees and commission income	4	425.82	(384.27)	41.55
Net gain on fair value changes	3	71.96	(0.20)	71.77
Others		120.46	-	120.46
Total revenue from operations (I)		**8,773.23**	**(102.11)**	**8,671.13**
Other income		1.57	-	1.57
Total income (I+II)		**8,774.80**	**(102.11)**	**8,672.70**
Expenses				
Finance costs	2	2,705.87	(37.73)	2,668.14
Impairment on financial instruments	5	873.26	645.22	1,518.48
Employee benefits expense	1,6	1,690.80	17.68	1,708.48
Depreciation and amortisation expenses		89.08	-	89.08
Other expenses		1,390.77	-	1,390.76
Total expenses		**6,749.78**	**625.17**	**7,374.94**
Profit before tax (III-IV)		**2,025.02**	**(727.28)**	**1,297.76**
Tax expense :				
Current tax		672.60	-	672.60
Deferred tax		(139.01)	(178.63)	(317.64)
Total tax expense		**533.59**	**(178.63)**	**354.96**
Profit for the year (V-VI)		**1,491.43**	**(548.65)**	**942.80**
Other comprehensive income (OCI)				
Items that will not be subsequently reclassified to				
Remeasurement of the post employment defined benefit obligations	6	-	(7.65)	(7.65)
Income tax effect		-	-	1.93
Other comprehensive income for the year		**-**	**(7.65)**	**(5.72)**
Total comprehensive income for the year (VII+VIII)		**1,491.43**	**(556.30)**	**937.08**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

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(d) Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statements of cash flows presented under Ind AS and the Previous GAAP for the year ended March 31, 2021.

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(e) Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

Note 1: Employee Stock Option Plan

Under previous GAAP, the company recognised only the intrinsic value for the equity settled share based payment plan as an expense. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Accordingly, the related impact on Other equity, Balance sheet and Statement of Profit and loss is as given below.

	As at 1 April 2020	For the year ended March 2021	As at 31 March 2021
Impact of Ind AS adjustment	-	-	-
Balance sheet			
- Retained earnings	6.90	25.33	32.23
- Employee stock option plan reserve	(6.90)	(25.33)	(32.23)
Statement of Profit and Loss			
- Employee benefits expense	-	25.33	-

Note 2: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP the Company recognised processing costs on borrowings as incurred. At the date of transition, the Company elected to defer processing costs over the expected life of the borrowings which were outstanding on the date of transition. Accordingly, the related impact on Other equity, Balance sheet and Statement of Profit and loss is as given below.

	As at 1 April 2020	For the year ended March 2021	As at 31 March 2021
Impact of Ind AS adjustment	(212.90)	(37.73)	(250.63)
Balance sheet			
- Other equity	(212.90)	(37.73)	(250.63)
- Borrowings	168.90	81.73	250.63
- Prepaid borrowing costs	44.00	(44.00)	-
Statement of Profit and Loss			
- Finance cost	-	(37.73)	-

Note 3: Fair valuation of investment in mutual funds

Under previous GAAP, current investment in mutual funds are carried in the financial statements at lower of cost and fair value at each reporting date. Under the Ind AS, investments in mutual funds are measured at fair value through profit or loss at each reporting date. The related impact on Other equity, Balance sheet and Statement of Profit and loss is as given below.

	As at 1 April 2020	For the year ended March 2021	As at 31 March 2021
Impact of Ind AS adjustment	(0.20)	0.20	-
Balance sheet			
- Other equity	(0.20)	0.20	-
- Investments	0.20	(0.20)	-
Statement of Profit and Loss			
- Net gain on fair value changes	-	0.20	-

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Note 4: Interest income measured using effective interest method

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method. Under previous GAAP, interest income on non performing assets (i.e. loans that are 90 days past due) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount. Accordingly, the related impact on Other equity, Balance sheet and Statement of Profit and loss is as given below.

	As at 1 April 2020	For the year ended March 2021	As at 31 March 2021
Impact of Ind AS adjustment	397.95	101.91	499.86
Balance sheet			
- Retained earnings	397.95	101.91	499.86
- Loans	(397.95)	(101.91)	(499.86)
Statement of Profit and Loss			
- Interest income	-	(282.36)	-
- Fees and commission income		384.27	

Note 5: Impairment Allowance for expected credit loss

Under Previous GAAP, the provisioning on overdue assets was as per management estimates, subject to the minimum provision required as per Master Direction-Non Banking Financial Company - Systematically Important Non Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

	As at 1 April 2020	For the year ended March 2021	As at 31 March 2021
Impact of Ind AS adjustment	100.63	645.22	745.85
Balance sheet			
- Retained earnings	100.63	645.22	745.85
- Loans	(100.63)	(645.22)	(745.85)
Statement of Profit and Loss			
- Impairment expense	-	645.22	-

There is changes in the representation of the allowces for expected credit loss which earlier disclosed as liabilities now shown as net with the assets. The details of the adjustments disclosed in note 8 below.

Note 6: Remeasurement differences

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind AS. Under previous GAAP, the remeasurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said remeasurement differences net of the related tax impact are recognised in other comprehensive income. The related impact on Other equity, Balance sheet and Statement of Profit and loss is as given below.

	As at 1 April 2020	For the year ended March 2021	As at 31 March 2021
Impact of Ind AS adjustment	-	-	-
Statement of Profit and Loss			
Employee benefits expense	-	(7.65)	-
Statement of other comprehensive income			
Re-measurement (gains)/losses on defined benefit plans	-	7.65	-

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(Amounts in INR lakhs, unless otherwise stated)

Note 7: Other equity

Other equity as at transition date and as at 31 March 2021 has been adjusted consequent to the above Ind AS adjustments.

Note 8: Remeasurement of post-employment benefit obligations, provision on doubtful advances and Deferred tax

Post employment benefits

Under Ind AS, measurements Actuarial gains and losses are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Provision for Standard assets and non-performing assets

Under previous GAAP, the provision for standard assetss and non performing assets seprately disclosed as liabilities under the head "Provision". Under Ind AS, the provision presentation updated and disclosed as net with the assets. The related impact on Balance sheet is as giver below.

	As at 31 March 2020	As at 31 March 2021
Provision for standard assets	183.02	233.77
Provision for non performing assets	126.32	623.20
	309.34	**856.97**

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48 Disclosures in accordance with RBI circular no. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and subsequent circular no. DNBR (PD) CC.No. 029/ 03.10.001/ 2014-15 dated April 10, 2015 and

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;
The Company is a limited company registered with Reserve Bank of India as a Non- banking finance company vide certificate of registration no. **N-14.03423,** The Company is having a valid certificate of registration dated 13th March 2020 (earlier dated 11th June 2018) from Reserve bank

ii) Ratings assigned by credit rating agencies and migration of ratings during the year;
During the year the following ratings have been assigned to the Company

(Rupees in Lakhs)

Name of the rating agency	Amount	Rating	Type of facility	At the beginning of year	Change during Year	Remarks
CARE	30000	A- Stable	Term loans	A- Stable	NA	
CRISIL	17000	AA- Stable	Term loans	NA	NA	
CRISIL	8500	A1+	Short term rating	NA	NA	

iii) Penalties, if any, levied by any regulator;
No penalties have been levied by any of the regulators of the company.

iv) Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries
The Company has its main operations in India situated in Delhi/NCR and also has offices situated in Lucknow, Indore, Jaipur, Chandigarh, Hyderabad, Vijaywada. The company has not entered into any joint ventures and does not have any overseas subsidiaries.

I) Capital to risk assets ratio (CRAR)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	1st April, 2020
i) CRAR (%)	Adjusted Tier I and Tier II	Risk weighted assets	30.89%	40.37%	49.20%
ii) CRAR- Tier I capital (%)	Adjusted Tier I Capital	Risk weighted assets	30.40%	40.23%	48.97%
iii) CRAR- Tier II capital (%)	Adjusted Tier II Capital	Risk weighted assets	0.50%	0.15%	0.23%

(Rupees in Lakhs)

Basis of Ratios	As at 31st March 2022	As at 31st March 2021	As at 1st April 2020
a. Adjusted Tier I Capital	26,314.77	24,424.15	23,820.87
b. Adjusted Tier II Capital	430.16	89.79	109.95
Total Capital	26,744.93	24,513.94	23,930.82
c. Risk weighted assets	86,567.93	60,717.81	48,644.15

II) Investments

(Rupees in Lakhs)

Particulars	March 31, 2022	March 31, 2021	1st April, 2020
1) Value of Investments			
i) Gross Value of Investments (at cost)*			
a) In India	-	-	1,198.28
b) Outside India	-	-	-
ii) Provisions for Depreciation**			
a) In India	-	-	-
b) Outside India	-	-	-
ii) Net Value of Investments			
a) In India	-	-	-
b) Outside India	-	-	-
2) Movement of provisions held towards depreciation on investments.			
i) Opening Balance	-	-	-
ii) Add: Provisions made during the year	-	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-	-
iv) Closing Balance	-	-	-

*The company has investment in FVOCI and FVTPL category, the fair valuation of which is included in the gross value of investment.

III) Derivatives
a. The Company does not deal in derivatives during the FY 2021-22 and FY 2020-21, therefore no details are to be disclosed
b. The derivatives do not include embedded derviatives as per IND AS 109.

c. **Exchange Traded Interest Rate (IR) Derivatives**
The Company have no dealings in exchange traded interest rate derivatives during the FY 2021-22 and FY 2020-21, therefore no details are to be disclosed.

d. **Disclosures on Risk Exposure in Derivatives**
The Company does not deal in derivatives therefore no details are to be disclosed.

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IV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Maturity Pattern of Assets and Liabilities as at 31st March 2022

(Rupees in Lakhs)

Particulars	0-7 Days	8-14 Days	15-30 days	1-2 Month	2-3 Month	3-6 Month	6 month to 1 year	1 Year to 3 years	3 Year to 5 years	Over 5 years	Total
Liabilities											
Term Borrowings (including current Maturities)	625.0	-	1,917.55	105.05	1,855.77	4,552.66	11,014.37	35,522.16	4,056.55	-	59,649.11
EIR Adjustment			(1,032.35)	(32.76)	110.94	(92.87)	(7.09)	780.49	(296.56)	-	(570.20)
Closing Borrowings	**625.0**	**-**	**885.2**	**72.3**	**1,966.7**	**4,459.8**	**11,007.3**	**36,302.7**	**3,760.0**	**-**	**59,078.9**
Assets											
Receivables under financing activities	1,570.21	-	31.69	2,814.78	6,419.37	5,416.79	15,019.94	41,274.00	11,890.23	251.21	84,688.22
EIR Adjustment	571.30	-	0.00	594.95	1,230.71	709.48	-67.36	-321.36	-559.96	-122.40	2,035.36
Closing Loans	**2,141.51**	**-**	**31.69**	**3,409.73**	**7,650.08**	**6,126.27**	**14,952.58**	**40,952.64**	**11,330.27**	**128.81**	**86,723.58**
Trade Advances											**1,722.10**
Gross Loans and Advances											**88,445.68**

Maturity Pattern of Assets and Liabilities as at 31st March 2021

Particulars	0-7 Days	8-14 Days	15-30 days	1-2 Month	2-3 Month	3-6 Month	6 month to 1 year	1 Year to 3 years	3 Year to 5 years	Over 5 years	Total
Liabilities											
Term Borrowings (including current Maturities)	-	-	*1,355.05*	*105.05*	*1,017.55*	*2,565.16*	*5,542.82*	*22,431.28*	*2,531.84*	*(-)*	35,548.75
EIR Adjustment	-	-	-	-	-	-	*(227.05)*	-	-	-	(227.05)
Closing Borrowings	**-**	**-**	***1,355.05***	***105.05***	***1,017.55***	***2,565.16***	***5,315.77***	***22,431.28***	***2,531.84***	**-**	**35,321.70**
Assets											
Receivables under financing activities	1,111.46	-	-	2,025.19	5,578.71	3,752.31	10,811.93	30,203.15	7,151.37	2.78	60,636.90
EIR Adjustment	408.08	-	-	456.47	(293.12)	558.57	(45.88)	(267.62)	(338.56)	0.09	488.03
Closing Loans	**1,519.54**	**-**	**-**	**2,481.66**	**5,285.59**	**4,320.88**	**10,766.05**	**29,935.53**	**6,812.81**	**2.87**	**61,124.93**
Trade Advances											**965.08**
Gross Loans and Advances											**62,090.01**

Maturity Pattern of Assets and Liabilities as at 1st April 2020

Particulars	0-7 Days	8-14 Days	15-30 days	1-2 Month	2-3 Month	3-6 Month	6 month to 1 year	1 Year to 3 years	3 Year to 5 years	Over 5 years	Total
Liabilities											
Term Borrowings (including current Maturities)	-	-	*750.00*	-	*457.50*	*1,137.50*	*2,395.00*	*14,555.00*	*4,830.00*	*(-)*	24,175.00
EIR Adjustment	-	-	-	-	-	-	-	*(168.90)*	-	*(-)*	(168.90)
Closing Borrowings	**-**	**-**	**750.0**	**-**	**457.5**	**1,187.5**	**2,395.0**	**14,386.1**	**4,830.0**	**-**	**24,006.10**
Assets											
Receivables under financing activities	371.7	-	-	*1,362.69*	*3,391.17*	*2,712.26*	*7,603.54*	*24,366.60*	*6,049.97*	-	45,857.97
EIR Adjustment	360.1	-	-	*354.38*	*520.68*	*95.75*	*(15.17)*	*(69.57)*	*(28.97)*	-	1,217.19
Closing Loans	**731.83**	**-**	**-**	**1,717.07**	**3,911.85**	**2,808.01**	**7,588.37**	**24,297.03**	**6,021.00**	**-**	**47,075.16**
Trade Advances											**508.9[illegible]**
Gross Loans and Advances											**47,584.1[illegible]**

V) Instances of fraud

During the last three years there is no instances of fraud reported, Hence no disclosure required.

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VI) Exposures

A Exposure to Real Estate Sector

(Rupees in Lakhs)

Category	31st March 2022	31st March 2021	1st April 2020
a) Direct Exposure (includes loans and credit substitutes)			
i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-	-
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -			
Residential	-	-	-
Commercial Real Estate	-	-	-
Total Exposure to Real Estate Sector *	-	-	-

Includes exposure to sub-standards assets as well

B Exposure to Capital Market

Category	31st March 2022	31st March 2021	1st April 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
Total Exposure to Capital Market	-	-	-

C Details of financing of parent company products

The company has not financed any Parent company product during the current year and previous year	-	-

D Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The company has not exceeded any single or group borrower limits during the FY 2021-22 and FY 2020-21 as per prescribed RBI guidelines therefore no details are being provided	-	-

E Unsecured Advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Additional Disclosures

VII) Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement Profit and Loss	31st March 2022	31st March 2021	1st April 2020
Provisions for depreciation on Investment - Recognised in Profit and Loss	-	-	-
Provision towards NPA - Recognised in Profit and Loss	215.88	1,213.01	-
Provision for Standard Assets - Recognised in Profit and Loss	340.37	(20.16)	-
Provision made towards Income tax - Recognised in Profit and Loss	833.49	648.13	-
Provision made towards deferred tax - Recognised in Profit and Loss	(112.42)	(317.64)	-
Other provision and contingencies			-
Provision for gratuity - Recognised in Profit and Loss	27.12	11.49	-
Provision for compensated absences - Recognised in Profit and Loss	53.24	19.09	-
Provision towards NPA			
Stage III	1,728.91	1,513.03	300.02
Provision for Standard Assets			
Stage I	180.86	37.98	82.42
Stage II	249.30	51.81	27.53

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VIII) Draw Down from Reserves

The Company has not draw downed any amount from the Reserves during the current year and previous year

(Rupees in Lakhs)

IX) Concentration of Deposits, Advances, Exposures and NPAs	31st March 2022	31st March 2021	1st April 2020
Concentration of Deposits	-	-	-
Concentration of Advances	-	-	-
Total Advances to twenty largest borrowers	2,199.66	113.87	125.94
Percentage of Advances to twenty largest borrowers to Total Advances	2.54%	0.19%	0.27%
Concentration of Exposures			
Total Exposure to twenty largest borrowers / customers	2,199.66	113.87	125.94
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	2.54%	0.19%	0.27%
Concentration of NPAs**			
Total Exposure to top four NPA accounts	10.34	18.11	23.06

***Represent Stage III loans including interest*

	Sector-wise NPAs**	Percentage of NPAs to Total Advances in that sector		
1	Agriculture & allied activities	3.68%	3.79%	1.97%
2	MSME	-	-	-
3	Corporate borrowers	-	-	-
4	Services	-	-	-
5	Unsecured personal loans	-	-	-
6	Auto loans	-	-	-
7	Other personal loans(Loan against Property)	-	-	-

***Represent Stage III loans including interest*

(Rupees in Lakhs)

X) Movement of NPAs	31st March 2022	31st March 2021	1st April 2020
Net NPAs to Net Advances (%)	3.78%	3.89%	1.99%
Movement of NPAs (Gross)			
Opening balance	1,239.96	311.30	-
Additions during the year	2,215.07	1,186.11	311.30
Reductions during the year	(867.54)	(257.45)	-
Closing balance	2,587.49	1,239.96	311.30
IND AS Adjustment	600.95	1,076.03	616.40
Net Closing balance	3,188.43	2,315.99	927.70
Movement of Net NPAs			
Opening balance	616.76	184.98	
Additions during the year	1,293.12	689.23	184.98
Reductions during the year	(867.54)	(257.45)	-
Closing balance	1,042.34	616.76	184.98
IND AS Adjustment	417.19	186.20	442.70
Net Closing balance	1,459.53	802.96	627.68
Movement of provisions for NPAs (excluding provisions on standard assets)			
Opening balance	623.20	126.32	-
Provisions made during the year	419.14	496.88	126.32
Write-off / write-back of excess provisions	-	-	-
Closing balance	1,042.34	623.20	126.32
IND AS Adjustment	686.57	889.83	173.70
Net Closing balance	1,728.91	1,513.03	300.02

XI) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported

XII) Off- Balance sheet SPVs sponsored

The company does not have any Off- Balance sheet SPV, therefore no details to be reported

XIII) Customer Complaints	31st March 2022	31st March 2021	1st April 2020
No. of complaints pending at the beginning of the year	-	-	2
No. of complaints received during the year	3	19	5
No. of complaints redressed during the year	3	17	7
No. of complaints pending at the end of the year	-	2	-
XIV) Disclosure of Gold Loan Portfolio			
Total Gold Loan Portfolio	-	-	-
Total Assets	-	-	-
Gold loan portfolio as % of Total Assets	-	-	-
XV) Disclosure of Gold Auction			
Number of loan accounts	-	-	-
Outstanding Amount	-	-	-
Value fetched on auctions	-	-	-

XVI) Details of Off balance sheet exposure

Refer note 44 for details of contingent liabilities and commitments

XVII) Loan accounts past due 90 days and not treated as impaired			
Number of loan accounts	-	-	-
Loan outstanding	-	-	-
Overdue Amount	-	-	

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XXII) Schedule to the Balance Sheet

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Rupees in Lakhs)

S.No		Particulars Liabilities side	Amount Outstanding	Amount Overdue
1		**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
	a	Debentures : Secured	-	-
		Debentures : Unsecured	-	-
		(other than falling within the meaning of public deposits*)	-	-
	b	Deferred Credits	-	-
	c	Term Loans	59,078.91	-
	d	Inter corporate loans and borrowings	-	-
	e	Commercial Paper	-	-
	f	Public Deposit	-	-
	g	Other loans (lease liability)	104.43	-
2		**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)**		
	a	In the form of Unsecured debentures	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c	Other public deposits	-	-

		Assets side	Amount Outstanding
3		**Break-up of Loans and Advances including bills receivables ***	
	a	Secured	86,723.58
	b	Unsecured	1,722.10
4		**Break up of Leased Assets and stock on hire and other assets counting**	-
	1	Lease assets including lease rentals under sundry debtors	
	(a)	Financial lease	-
	(b)	Operating lease	-
	2	Stock on hire including hire charges under sundry debtors	
	(a)	Assets on hire	-
	(b)	Repossessed Assets	-
	3	Other loans counting towards asset financing activities	
	(a)	Loans where assets have been repossessed	-
	(b)	Loans other than (a) above	-
5		**Break up of investments**	
		Current Investments	
	1	**Quoted**	
	(i)	Shares	-
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others (Please specify)	-
	2	**Unquoted**	
	(i)	Shares	
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others	-

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Long Term Investments**		
1	**Quoted**	
(i)	Shares	
	(A) Equity	-
	(B) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others (Please specify)	-
2	**Unquoted**	
(i)	Shares	
	(A) Equity	-
	(B) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others - Units of Alternative Investment Fund & Security Receipts in Asset Reconstruction Company	-

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provision		
	Secured	Unsecured	Total
a Subsidiaries	-	-	-
b Companies in the same group	-	-	-
c other related parties	-	-	-
Other than related parties	84,564.51	1,722.10	86,286.61
Total			

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Market Value	Book value (net of provisions) #
Related Party		
a Subsidiaries	-	-
b Companies in the same group	-	-
c other related parties	-	-
Other than related parties	-	-
Total	-	-

8 Other information

Particulars	Amount
Gross Non Performing Assets	
a. Related parties	-
b. Other than related parties	3,188.43
Net Non Performing Assets	
a. Related parties	-
b. Other than related parties	1,459.53

* Net of Impairment loss allowance
# Book value is carrying value as per IND AS

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(Amounts In INR lakhs, unless otherwise stated)

Disclosure pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

As at 31st March 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	83,936.25	180.86	83,755.40	335.75	(154.89)
	Stage 2	1,320.99	249.30	1,071.69	-	249.30
Subtotal		**85,257.24**	**430.16**	**84,827.08**	**335.75**	94.41
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,072.04	1,665.71	1,406.33	460.81	1,204.90
Doubtful - up to 1 year	Stage 3	116.39	63.20	53.19	29.10	34.10
1 to 3 years	Stage 3			-	-	-
More than 3 years	Stage 3			-	-	-
Subtotal for doubtful		**116.39**	**63.20**	**53.19**	**29.10**	**34.10**
Loss				-		-
Subtotal for NPA		3,188.43	1,728.91	1,459.52	489.90	1,239.01
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	83,936.25	180.86	83,755.40	335.75	(154.89)
	Stage 2	1,320.99	249.30	1,071.69	-	249.30
	Stage 3	3,188.43	1,728.91	1,459.52	489.90	1,239.01
	Total	**88,445.67**	**2,159.07**	**86,286.60**	**825.65**	**1,333.42**

As at 31st March 2021

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	59,435.14	37.98	59,397.16	239.30	(201.32)
	Stage 2	338.88	51.81	287.07	-	51.81
Subtotal		**59,774.02**	**89.79**	**59,684.23**	**239.30**	(149.51)
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,315.99	1,513.03	802.96	129.92	1,383.11
Doubtful - up to 1 year	Stage 3			-		-
1 to 3 years	Stage 3			-		-
More than 3 years	Stage 3			-		-
Subtotal for doubtful				-	-	-
Loss				-		-
Subtotal for NPA		2,315.99	1,513.03	802.96	129.92	1,383.11
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	59,435.14	37.98	59,397.16	239.30	(201.32)
	Stage 2	338.88	51.81	287.07	-	51.81
	Stage 3	2,315.99	1,513.03	802.96	129.92	1,383.11
	Total	**62,090.01**	**1,602.82**	**60,487.19**	**369.22**	**1,233.60**

As at 1st April 2020

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	46,428.98	82.42	46,346.56	186.22	(103.80)
	Stage 2	227.43	27.53	199.90	-	27.53
Subtotal		**46,656.42**	**109.95**	**46,546.47**	**186.22**	(76.27)
Non-Performing Assets (NPA)						
Substandard	Stage 3	927.70	300.02	627.68	51.84	248.18
Doubtful - up to 1 year	Stage 3			-		-
1 to 3 years	Stage 3			-		-
More than 3 years	Stage 3			-		-
Subtotal for doubtful				-	-	-
Loss				-		-
Subtotal for NPA		927.70	300.02	627.68	51.84	248.18
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	46,428.98	82.42	46,346.56	186.22	(103.80)
	Stage 2	227.43	27.53	199.90	-	27.53
	Stage 3	927.70	300.02	627.68	51.84	248.18
	Total	**47,584.12**	**409.97**	**47,174.15**	**238.06**	**171.91**

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

IFFCO KISAN FINANCE LIMITED "IFFCO HOUSE" 1st&2nd FLOOR 34, NEHRU PLACE * NEW DELHI-110019 *

49 (a) Previous year/periods figures have been regrouped due to transition to INDAS.
49 (b) The financial Statements for the year ended March 31, 2021 were audited by previous statutory auditors Deloitte Haskins and Sells LLP .
49 (c) There are no event observed after the reported period which have an impact on the Company's operation
49 (d) The financial statements were approved for issue by Board of Directors on June 29, 2022
49 (e) Disclosure on significant ratios:

	Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2021
Debt-Equity Ratio,	[(Debt securities+ Borrowings (other than Debt Securities)]/Total equity	2.18	1.41	1.00
Net profit margin	Net profit after tax / total revenue from operations	16.19%	10.87%	N/A
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	69.19%	59.37%	51.08%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	3.60%	3.73%	1.95%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	1.68%	1.33%	1.33%
Asset cover ratio (no. of times)	Amount of secured assets / Secured debt	1.64	1.76	1.98
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	54.22%	65.33%	32.34%

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a. On 12 November 2021, the Reserve Bank of India (RBI) had issued a Circular No: DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances, the time period of which was extended till 30 September 2022 vide RBI Circular No: DOR.STR.REC.85/21.04.048/2021-22 dated 15 February 2022. The company had implemented the same in FY 21-22.

b. There is no restructuring of loan during the year and in the previous year accordingly as per Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016, RBI circular RBI/2021-22/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution framework - 2.0) there is no disclosure made in the financial statements.

c. Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk ("LCR") is not applicable as Company asset size is lower than 10,000 crore.

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51 Other Statutory Information

1 During the current financial year, company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

2 No penalties were imposed by the regulator during the financial year ended 31 March, 2022.

3 There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961

4 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

5 The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

7 The Company, as part of its normal business, grants loans and advances. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

No funds have been advanced or loaned (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

9 The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

10 The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

11 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

12 There is no revaluation of Property, Plant & Equipment, Intangible assets and Right to use assets during the current year or previous financial year.

13 There is no Securitization or assignment of loan during the current year or previous year.

14 There were no instances of fraud observed during the year.

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

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52 In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by Company exceeds the total Provision required under IRACP (Including Standard Asset provisioning),as at March 31, 2022 and accordingly no amount is required to be transferred to impairment reserve

53 **Approval of financial statements**

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorised for issue on June 29, 2022.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
Place : Gurugram
Date : 29.06.2022

S. N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors of
IFFCO Kisan Finance Limited
CIN: U65929DL2017PLC326899

Ranjan Sharma
Managing Director
Din No: 00425415
Place : New Delhi
Date : 29-06-22

Devender Kumar
Director
Din No: 08785668
Place : New Delhi
Date : 29/06/2022

Rakesh Dhasmana
Chief Financial Officer
Place : New Delhi
Date : 29.06.2022

Deepika Singh
Company Secretary
Place : New Delhi
Date : 29.06.2022

IFFCO KISAN FINANCE LIMITED
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