

4<sup>TH</sup> ANNUAL REPORT  
(2020-2021)



**IFFCO KISAN FINANCE LIMITED**

IFFCO House, 34, Nehru Place,

New Delhi-110019

# IFFCO KISAN FINANCE LIMITED

(FORMERLY KISAN RURAL FINANCE LIMITED)

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



## ADDENDUM TO NOTICE OF FOURTH ANNUAL GENERAL MEETING

IFFCO Kisan Finance Limited ("The Company") had issued a Notice (Original Notice), dated 19<sup>th</sup> July, 2021 of the 4<sup>th</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Wednesday, 15<sup>th</sup> September, 2021 at 11.00 A.M at the registered office of the Company at IFFCO House, 34, Nehru Place, New Delhi-110019, through Video Conferencing (VC) / Other Audit Visual Means (OAVM) to transact two Ordinary Business items as specified in the said notice.

Further to the above notice, the following resolution will also be transacted at the 4<sup>th</sup> AGM in addition to the Items mentioned in the Original Notice.

### **Ordinary Business**

3. To appoint M/s S. N. Dhawan & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, appointment procedure and eligibility criteria prescribed under the RBI Guidelines (Ref.No.DoS.CO.ARG/ SEC.01/08.91.001/2021-22) dated April 27, 2021 and applicable RBI regulations, M/s S. N. Dhawan & Co LLP, Chartered Accountants [Firm Registration No. 000050N/N500045] be and are hereby appointed as Statutory Auditors of the Company for a period of three years starting from FY 2021-22, to hold office from the conclusion of 4<sup>th</sup> AGM till the conclusion of 7<sup>th</sup> AGM of the

Company 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.

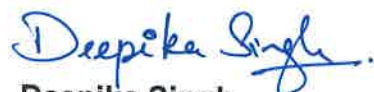
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize their terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with the relevant, prevailing statutory/ regulatory provisions including their terms of appointment as per RBI Guidelines vide notification dated April 27, 2021 and Policy for appointment of Statutory Auditors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

Except the aforementioned change, the entire contents of the Original Notice including date, time, business to be transacted at the AGM, notes etc., shall remain the same.

This addendum forms an integral part of the Original Notice and the Original Notice should be read in conjunction with this addendum.

**By order of the Board  
for IFFCO Kisan Finance Limited**



**Deepika Singh  
Company Secretary**

**Date: 31/08/2021  
Place: New Delhi**

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## NOTICE

**NOTICE** is hereby given to all the members of IFFCO Kisan Finance Limited that the Fourth Annual General Meeting of the Company will be held at on **Wednesday, 15<sup>th</sup> September, 2021** 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 31<sup>st</sup> March, 2021, 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** Mr. Rakesh Kapur (DIN 00007230), 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. Manish Gupta (DIN: 01335184) 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**

A handwritten signature in blue ink that reads "Deepika Singh" with a flourish at the end.

**Deepika Singh**

**Company Secretary**

**Date: 19/07/2021**

**Place: New Delhi**

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM” or “Meeting”) through VC / OAVM, upto 31<sup>st</sup> December, 2021 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

Company Secretary

Date: 19/07/2021

Place: New Delhi

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## ATTENDANCE SLIP

I hereby record my presence at the 4<sup>th</sup> Annual General Meeting of the Company being held on Wednesday, 15<sup>th</sup> September, 2021, 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 4<sup>th</sup> Annual General Meeting of the Company on 15<sup>th</sup> September, 2021 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

- Name : \_\_\_\_\_ of \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- Name : \_\_\_\_\_ of \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- 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 4<sup>th</sup> Annual General Meeting of the Company to be held on the Wednesday, 15<sup>th</sup> September, 2021, 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 31 <sup>st</sup> March, 2021, and the reports of the Directors and the Auditors thereon.		
2. a) Re –appointment of Mr. Rakesh Kapur, who retires by rotation		
b) Re –appointment of Mr. Manish Gupta, who retires by rotation		
3. To appoint M/s S. N. Dhawan & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company		

Signed this \_\_\_ day of \_\_\_\_\_ 2021.

Signature of shareholder

Signatures of proxy holders

Affix  
Rupee 1/-  
Revenue  
Stamp

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



**DIRECTORS' REPORT****2020-2021**

Dear Members,

Your Directors have pleasure in presenting the 04<sup>th</sup> (Fourth) Annual Report on the business and operations of the Company together with Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March, 2021.

**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 17<sup>th</sup> February 2020, your Company is an Investment and Credit Company (NBFC-ICC). At present, the company is operating in the rural areas of Uttar Pradesh, Madhya Pradesh, Rajasthan and Bihar. During the year 2020-21, your Company disbursed retail loans to borrowers amounting to Rs. 327.34 Cr. The highlights of the Company's financial performance in the FY 2020-2021 are given below:

(All amounts in Rs Lacs)

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Gross Revenue from Operations</b>	8552.92	5695.60
<b>Other Income</b>	221.88	130.32
<b>Total Income</b>	8774.80	5825.92
<b>Total Expenses</b>	6749.78	5187.86
<b>Profit/Loss before tax</b>	2025.02	638.06
<b>Income Tax – Current Year</b>	672.60	166.82
<b>Deferred Tax</b>	(139.01)	(102.54)
<b>Profit for the year</b>	1491.43	573.78
<b>Earning per share (equity shares, par value INR 10 each)</b>	0.75	0.38

The disbursements during the FY 2020-21 amounted to Rs 32734 Lacs where the Company had less than a year to operate after the outbreak of the COVID-19 pandemic as compared to Rs 40775 Lacs in the FY 2019-20 which was the first full

year of operations for the Company. In this period, the Company earned a total income of Rs 8775 Lacs and incurred an expense of Rs 6750 Lacs, thereby making a net profit before taxes of Rs 2025 Lacs. The expenses incurred primarily consist of finance cost of Rs 2568 Lacs, employee costs of Rs 1664 Lacs, other operating expenses of Rs 1881 Lacs, provisions of Rs 547 Lacs and depreciation of Rs 89 Lacs.

Your Company continues to be a pioneer on several fronts in the NBFC sector. It remains fully 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. Its loan book consists of entirely rural customers. It relies heavily on a robust IT infrastructure and all the processes including documentation are paperless. Yet, the Company carries out credit appraisals through face to face interaction with the borrowers. Based on its performance and quality of service, your company is confident of generating a good name for itself in times to come. It remains focused on healthy growth of its business in a carefully calibrated manner and is hopeful of delivering improved performance in the years to follow.

### **Economic Outlook**

Amid the Coronavirus pandemic, the Indian economy contracted by 7.3% in the FY 2020-21 though the last quarter showed growth. This was the first full-year contraction in the Indian economy in the last four decades since 1979-80. The economy, which was facing a slowdown even before the pandemic, now confronts a crash of consumer demand - constituting over 55% of the economy - as household incomes and jobs have declined. As of now, the economy is projected to grow anywhere between 8.0-9.5% in FY22 from the low levels it achieved in FY21.

The drop in domestic demand, investments and retail deposits are worrying factors. Lockdowns during the second wave of Covid-19 have impacted sentiments in rural India which had escaped largely unhurt during the first wave. Fuel price hike leading to overall inflation across most commodities could see an impact on non-essential



services and even consumer durables. Most economic indicators are lower than pre-pandemic levels – Per capita income, MNREG scheme outlay and even business confidence in the MSME sector. The “Save now, Don’t spend” trend has seen savings touch a high of 21% of GDP in Q1FY22.

Mega trends expected this year are the significantly higher usage of internet in tier 3-4 cities, mobile device usage driven by 500 million smart phone users, shift of off-line financial transactions by customers to online, especially using mobile devices will drive credit growth. Fin-tech companies have led the road into tier 3-4 towns and the average ticket size for loans is reducing. Key drivers of growth in retail lending business will include improved customer experience through interactive videos, big data utilisation to create lending models and technology usage largely through API exchange and cloud based tech solutions.

The NBFCs have faced asset quality and liquidity risks amid the pandemic. Further impact depends on how strong the subsequent waves of corona virus, if any, will be and whether restrictions on movement will be again put in place and their duration and severity. Expanded curbs could derail the fragile recovery in India's NBFC sector since a nation-wide lockdown was gradually relaxed from mid-2020. SMEs, commercial vehicle operators, microfinance and other wholesale borrowers remain at greater risk of stress in this environment, particularly as financial buffers would have narrowed after the severe economic shock over the past year. The production and supply chains remain susceptible to labour shortages if the large-scale urban-to-rural labour migration in 2020 recurs. However, reports indicate that the national government and authorities in several states have indicated that fresh restrictions will not be as extensive as those in April-June 2020, particularly as vaccine rollout progresses. Consumers and businesses are also likely to better adapt their economic activity to the second wave of restrictions, as seen in other countries. The liquidity and funding environment has improved for better-rated entities after July, 2020 and the sector's capitalisation remains reasonable to absorb moderate asset quality stress.

Retail Lending, which peaked at Rs. 612 billion in Dec 20 has grown by 70% over last three years. Housing dominates as always with almost 50% of the book; Personal loans now at an all time high of 13% followed by Loans against Property at 11% and vehicle loans at 8%.

Tractor sales, after seeing a life time high in FY21, are likely to see a base correction during FY22. In the implements and agri equipment side, demand is expected to be relatively higher. Unsecured and small ticket loans will be in demand in FY22, with conserving savings being the dominant trend.

NBFCs have increased their focus on collections and have tightened underwriting standards, therefore portfolio growth may remain contained in the shorter term. There is largely a stable outlook on retail NBFCs for FY22. However, wholesale NBFCs continue to face significant asset-quality challenges and increased competition from banks.

Among NBFCs, a negative outlook is evident on NBFCs offering commercial vehicle loans, loans against property, and small microfinance institutions, and a stable outlook on housing financiers, tractors and gold financiers for the next financial year. Operating costs are expected to normalize to pre-covid levels for NBFCs, leading to a moderation in pre-provision buffers to absorb higher-than-envisaged credit loss. Outlook for tractor loans is largely stable to positive, as evident from views of credit rating agencies and analysts, as well as YOY performance of domestic tractor sales. The debt servicing capability of tractor loan borrowers has improved because of three good consecutive harvests, favourable monsoons and increased rural expenditure outlay budgeted by the government. However, after the second wave of the pandemic, the rural borrowers have turned cautious in deployment of surplus cash, fearing for uncertainties which might unfold in the coming months.

While stress among NBFCs has moderated thanks to government schemes, asset quality concerns are expected to remain elevated. Any recovery would hinge on the economy gaining momentum in FY22. Lower, softer delinquencies are expected with moderate addition to gross non-performing assets. NBFCs can expect growth in the vehicle-financing space as collection efficiency continued to show improvement. NBFCs have intensified their collection efforts and leveraged technology and redoubled efforts on the digital collection mode side.

### **Impact of Covid-19 pandemic on the Company**

During the year under review, your company's disbursement plans were adversely impacted by Covid-19 pandemic. The business came to a virtual halt in April and May and resumed only gradually in the coming months while fixed costs continued to get incurred. The plan to launch new products or expand in new geographies was put to hold to save on associated fixed costs. Similarly, several costs, including those related to manpower, were rationalized to ensure business viability. Since the lockdown coincided with the harvest season in your Company's areas of operation, it provided the much needed liquidity to farmers. The Company remained focused on improving its collections while taking all possible measures to avoid deterioration in the quality of its portfolio.

### **Moratorium on loans extended to Borrowers**

The Reserve Bank of India, issued guidelines on 27<sup>th</sup> March, 2020 permitting all commercial banks, co-operative banks, All India Financial Institutions, and NBFCs to give moratorium to customers in respect of instalments falling due between 1<sup>st</sup> March, 2020 to 31<sup>st</sup> May, 2020. On 22<sup>nd</sup> May, 2020 it was further extended for June, July and August, 2020. Accordingly, the Company also offered moratorium to some of its customers basis a Board approved policy. As at the end of the year under review, 2.64% of your company's loan book remains under moratorium.

### **Share Capital**

During the FY 2020-2021, there was no change in the issued, subscribed or the paid up capital of the Company. As on 31<sup>st</sup> March, 2021, 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**

Inspite of the COVID crisis and developments adversely affecting the availability of funds to NBFCs after default in loan repayments by some major NBFCs, your company was able to access funds from Banks due to support extended by IFFCO. 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.

### **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 31<sup>st</sup> March, 2021. 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:**

Your Directors express their profound grief on the sad demise of Mr. Kamal Kumar Verma who was a director on the Company's Board. The demise of Mr. Verma, who held the important position of Sr. Executive Director (Finance & Accounts) in IFFCO, is an irreparable loss for IFFCO and its associate companies. He always provided valuable guidance with his active involvement in the deliberations of Board and Committees, formulation of various policies and monitoring their implementation. He was also instrumental in strengthening the relationship of the Company with its lenders. The Board places on records its sincere appreciation for valuable services rendered by Mr. Verma as a director of the Company.

Pursuant to the Amended and Restated Shareholder's Agreement executed on 14<sup>th</sup> January, 2020, M/s Aurum Vriddhi Finance Private Limited withdrew the nomination of Mr. Srirang Athalye w.e.f. 21<sup>st</sup> May, 2020. Mr. Ilhyoun Park, representative of NH Capital Co., Ltd was appointed as a Nominee Director on the Board of the Company w.e.f. 16<sup>th</sup> July, 2020. Mr. Devender Kumar, representative of IFFCO was appointed as the Nominee Director of the Company w.e.f 08<sup>th</sup> March, 2021 in the place of Mr. Kamal Kumar Verma.

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

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
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. Sandeep Malhotra	Nominee Director
08.	Mr. Ilhyoun Park	Nominee Director
09.	Mr. Ranjan Sharma	Managing Director

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

**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, Mr. Rakesh Kapur and Mr. Manish Gupta, 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 Mr. Rakesh Kapur and Mr. Manish Gupta as Directors at the ensuing Annual General Meeting.

**Auditors**

The Company in its First Annual General Meeting has appointed M/s Deloitte Haskins & Sells, Chartered Accountants, (Registration Number 117366WW-100018) as the Statutory Auditors of the Company to hold office from the conclusion of First Annual General Meeting until the conclusion of 6<sup>th</sup> Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company from time to time.

The Report given by the Auditors on the Financial Statements of the Company for the FY 2020-21 is a part of the Annual Report. The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

**Secretarial Audit**

The Board of Directors of the Company has appointed M/s Amit Agrawal & Associates, Company Secretaries to conduct the Secretarial Audit of the Company 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 2020-21 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**

The Company has in place adequate internal financial control with reference to the Financial Statements. The same is subject to review periodically by the internal auditors for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation has been observed.

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. The Audit Committee of the Board of Directors regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls.

### **Corporate Social responsibility (CSR)**

FY 2020-2021 was the first year when the provisions relating to section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 were applicable on the Company. Since the Company was required to spend a very nominal amount of Rs. 15,988/- as CSR expenditure during the FY 2020-2021, a comprehensive CSR policy was not adopted and the Managing Director was given the authorised to identify the CSR projects in line with the activities specified under Schedule VII of the Companies Act, 2013 focusing on rural development. Since, the CSR amount of Rs. 15,988 to be spent in the FY 2020-2021 was very nominal to initiate any of the CSR programmes, your Company shall spend the same together with the CSR expenditure to be incurred in the FY 2021-2022.

Further, the Board shall ensure that ensured in future years, when the Company's profits are expected to increase which in turn will increase the amount of CSR expenditure to be undertaken by the Company, the management team shall prepare a comprehensive CSR Policy in line with Schedule VII of the Companies Act, 2013.

Pursuant to Section 135 (9) of the Companies Act, 2013, the Board shall discharge the functions of CSR Committee and oversee the implementation of the CSR Policy of the Company and the 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 is also communicated to employees through e-mails. 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.

### **Meetings of Board of Directors**

The Board meets at regular intervals to discuss and decide on Company's policy 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 31<sup>st</sup> March, 2021. The dates on which the meetings were held are as follows:

<b>Sr. NO.</b>	<b>Types of Meeting</b>	<b>Date of Meeting</b>
1	Board Meeting	04 <sup>th</sup> June, 2020
2	Board Meeting	16 <sup>th</sup> July, 2020
3	Board Meeting	12 <sup>th</sup> November, 2020
4	Board Meeting	08 <sup>th</sup> March, 2021

### **Details of attendance of Directors in the Board meetings:**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Type of Meeting</b>	<b>Total No. Of Meetings Held during tenure</b>	<b>Meeting Attended</b>
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	3	3
9	Mr. Devender Kumar	Board Meeting	1	1
10	Mr. Kamal Kumar Verma*	Board Meeting	3	3

\* Mr. Kamal Kumar Verma ceased to be a director w.e.f. 06<sup>th</sup> December, 2020.

### **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 with 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 Board in its meeting held on 08<sup>th</sup> March, 2021 re-constituted the Audit Committee and appointed Mr. Devender Kumar as the member of the Committee in place of Mr. Kamal Kumar Verma, who ceased to be the director of the Company due to death.

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 4 (four) times during the Financial Year ended on 31<sup>st</sup> March, 2021. The dates on which the meetings were held are as follows:

Sr. No.	Types of Meeting	Date of Meeting
1	Audit Committee Meeting	04 <sup>th</sup> June, 2020
2	Audit Committee Meeting	16 <sup>th</sup> July, 2020
3	Audit Committee Meeting	11 <sup>th</sup> November, 2020
4	Audit Committee Meeting	08 <sup>th</sup> March, 2021

#### **Details of attendance of Members of the Audit Committee:**

Sr. No.	Name of Director	Type of Meeting	Total No. Of Meetings Held during tenure	Meeting Attended
1	Mr. P. H. Ravikumar	Audit Committee	4	4
2	Ms. Manju Agarwal	Audit Committee	4	4
3	Mr. Kamal Kumar Verma*	Audit Committee	3	3

\* Mr. Kamal Kumar Verma ceased to be a director w.e.f. 06<sup>th</sup> December, 2020.

#### **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, 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 Nomination and Remuneration Committee 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 Nomination and Remuneration Committee 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 Meeting of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board of Directors of the Company met 4 (four) times during the Financial Year ended on 31<sup>st</sup> March, 2021. The dates on which the meetings were held are as follows:

<b>Sr. NO.</b>	<b>Types of Meeting</b>	<b>Date of Meeting</b>
1	Nomination and Remuneration Committee	04 <sup>th</sup> June, 2020
2	Nomination and Remuneration Committee	16 <sup>th</sup> July, 2020
3	Nomination and Remuneration Committee	09 <sup>th</sup> October, 2020
4	Nomination and Remuneration Committee	23 <sup>rd</sup> February, 2021

#### **Details of attendance of Directors in the Nomination and Remuneration Committee meetings:**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Type of Meeting</b>	<b>Total No. Of Meetings Held during tenure</b>	<b>Meeting Attended</b>
1	Ms. Manju Agarwal	Board Meeting	4	4
2	Mr. P. H. Ravikumar	Board Meeting	4	4
3	Mr. Rakesh Kapur	Board Meeting	4	4
4	Mr. Manish Gupta	Board Meeting	4	3



### **Subsidiary, Joint Venture and Associate Company**

The Company has no subsidiary or joint venture or associate company as on 31<sup>st</sup> March, 2021, 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, 2021, 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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, transfer to any reserves**

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. 298 Lacs in special reserve.

**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.

**Adherence to RBI Norms and Standards**

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 40.61%, which is well above the prescribed minimum of 15% by RBI.

As a prudent practice, the Company's current provisioning standards are more stringent than Reserve Bank of India (RBI) prudential norms. In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulation by accelerating the provisioning to an early stage of delinquencies based on past experience and emerging trends.

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**

##### **A. CONSERVATION OF ENERGY**

The Disclosure with respect to conservation of energy pursuant to Section 134(3)(m) of the Companies Act, 2013.

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 Company.

##### **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 Credit policy and Asset Liability Management (ALM) Policy. Rural Financing includes Customer Risk, Channel Risk, Assets Risk, Weather Risk, Operational Risk and Other Risks.

#### **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-2**).

### 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 15<sup>th</sup> April 2019. Further, the shareholders in the Third Annual General Meeting held on 24<sup>th</sup> August, 2020 had amended the ESOP Scheme. The Nomination and Remuneration Committee of the Company administers the scheme. The scheme provides for grant of options to the 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	Number of options granted	Vesting Period	Exercise Price
Grant I	04.06.2019	10,75,000	5 Years	12/-
Grant II	04.06.2020	6,50,000	5 Years	18/-
Grant III	19.10.2020	19,90,000	From the grant date 10% in 1 <sup>st</sup> Year 12.5% in 2 <sup>nd</sup> Year 15% in 3 <sup>rd</sup> Year 22.5% in 4 <sup>th</sup> Year 40% in 5 <sup>th</sup> Year	18/-
Grant IV	23.02.2021	29,05,000	From the grant date 10% in 1 <sup>st</sup> Year 15% in 2 <sup>nd</sup> Year 25% in 3 <sup>rd</sup> Year 50% in 4 <sup>th</sup> Year	18/-

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 4,25,000 options during the FY 2020-2021 due to resignation of the grantees without exercising the options vested in them.

### **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 director 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.



**Acknowledgments**

Your directors would like to express their sincere appreciation for the assistance and cooperation received from the RBI, 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:** 19/07/2021  
**Place:** New Delhi



# Amit Agrawal & Associates Company Secretaries

Office: H-63, Vijay Chowk, Laxmi Nagar, Delhi-110092, INDIA

Ph : +91-11-22024525, 43019279, Mob.: +91-9811272307

E-mail : amitagcs@gmail.com, amit2kas@yahoo.com

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

Sir/Madam

Our report in form no. MR-3 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. That we have not visited the office premises of the company and all the information has been gathered through E mail and other online modes.
7. The Secretarial Audit report is neither an assurance as to the viability of the company
8. Nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

(CS Amit Agrawal)  
Practicing Company Secretary  
Membership No.5311  
Certificate of Practice No. 3647



Date: 29.06.2021

Place: Delhi



AMIT AGRAWAL & ASSOCIATES  
(Company Secretaries)

H-63, Vijay Chowk,  
Laxmi Nagar, Delhi-110092  
Phone No. 011-22024525  
E-mailed.: amitagcs@gmail.com

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**  
**[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 **31<sup>st</sup> March, 2021** 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 **31<sup>st</sup> March, 2021** 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  
(Company Secretaries)

H-63, Vijay Chowk,  
Laxmi Nagar, Delhi-110092  
Phone No. 011-22024525  
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 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) The Reserve Bank of India Act, 1934
  - i) 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 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.





AMIT AGRAWAL & ASSOCIATES  
(Company Secretaries)

H-63, Vijay Chowk,  
Laxmi Nagar, Delhi-110092  
Phone No. 011-22024525

E-mailed.: amitagcs@gmail.com

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.

*We further report that the report is issued on the basis of documents and papers provided to us by the management of the Company in the form of electronic mode. Due do COVID 19 the physical verification is not possible.*

Place : Delhi  
Date : 29.06.2021

For Amit Agrawal & Associates  
(Company Secretaries)



CS Amit Agrawal  
(Proprietor)

M. No. F5311, C.P. No. : 3647  
UDIN: F005311C000535148

**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

**(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: 2020-21**



(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	2020-21 (Amt. in Rs. Lacs)
IFFCO Kisan Sanchar Limited	Fellow Subsidiary	Rent for office space utilities leased	1.75
		Call Centre related Charges	17.52
Indian Farmers Fertiliser Cooperative Limited (IFFCO)	Holding Enterprise	Rent and maintenance for office space	41.17
		Loan availed	20000
		Fee for issuance of Letter of Comfort	138.42
		Reimbursement of expenses	6.48
IFFCO-Tokio General Insurance Company Limited	Fellow Subsidiary	Insurance arrangement:	
		a) Deposit given for issuance of insurance policies	492.34
		b) Insurance premium adjusted against deposit (Direct Business and other)	485.18
		c) Group Medical Insurance, Accidental Insurance, Assets Insurance	35.80
Mr. Ranjan Sharma	Managing Director	Reimbursement of Expenses	0.20



- (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 12<sup>th</sup> 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

A handwritten signature in blue ink, appearing to read "U S Awasthi", with a horizontal line underneath.

Dr. U S Awasthi  
Chairman  
DIN:00026019

Date: 19/07/2021  
Place: New Delhi

# Deloitte Haskins & Sells LLP

**Chartered Accountants**  
7th Floor, Building 10, Tower B  
DLF Cyber City Complex  
DLF City Phase - II  
Gurugram - 122 002, Haryana  
India  
Tel: +91 124 679 2000  
Fax: +91 124 679 2012

## INDEPENDENT AUDITOR'S REPORT

**To The Members of IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and 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 Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Emphasis of Matter

We draw attention to Note 38 to the financial statements, which fully describes that the Company has recognised provision on receivables under financing activities as per policy approved by the Board of Directors and after evaluating current circumstances to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.



# Deloitte Haskins & Sells LLP

## 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 Directors' report, but does not include the financial statements and our auditor's report thereon. The Directors' report is 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' 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 Auditor's 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 and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibility 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



## Deloitte Haskins & Sells LLP

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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.



## **Deloitte Haskins & Sells LLP**

- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company has paid/provided managerial remuneration (i.e. sitting fees) in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

- 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. Refer Note 28(i)(a) forming part of the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 28(ii)(d) forming part of the financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 28(ii)(e) forming part of the financial statements.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in blue ink, appearing to read "Rajesh Kumar Agarwal".

**RAJESH KUMAR AGARWAL**  
(Partner)

(Membership No. 105546)  
(UDIN: 21105546AAAAEA5770)

Place: New Delhi  
Date: June 29, 2021



# Deloitte Haskins & Sells LLP

## **"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)** ("the Company") as of March 31, 2021 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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,



# Deloitte Haskins & Sells LLP

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**


Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



  
**RAJESH KUMAR AGARWAL**  
(Partner)  
(Membership No. 105546)  
(UDIN: 21105546AAAAEA5770)

Place: New Delhi  
Date: June 29, 2021

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified during the year by the management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) Pursuant to Proviso (b) to Section 185(1) and Section 186(11)(a) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meetings of the Board and its powers) Rules, 2014 the loan made, guarantee given or security provided by a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India is exempt from the applicability of provisions 185 and 186 of the Act. Hence, reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly the directives issued by Reserve bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including, Provident fund, Income-tax, Goods and Services Tax, Employees' State Insurance, cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that operations of the Company during the year did not give rise to any liabilities for Customs Duty and Excise Duty.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.



## Deloitte Haskins & Sells LLP

- (c) There are no dues of Goods and Services Tax which have not been deposited as on March 31, 2021. Details of dues of Income-tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In lakhs)	Amount Unpaid (Rs. In lakhs)
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	A.Y 2019-20	4.58	4.58

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan from government and not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Term loans raised during the year have been applied by the Company for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration (i.e sitting fees) in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



**Deloitte  
Haskins & Sells LLP**

- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



  
**RAJESH KUMAR AGARWAL**  
(Partner)  
(Membership No. 105546)  
(UDIN: 21105546AAAAEA5770)

Place: New Delhi  
Date: June 29, 2021

**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**BALANCE SHEET AS AT 31 MARCH 2021**

	<b>Note No.</b>	<b>As at 31 March 2021 (Rupees in Lakhs)</b>	<b>As at 31 March 2020 (Rupees in Lakhs)</b>
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	20,000.00	20,000.00
(b) Reserves and surplus	4	5,759.13	4,260.73
		<b>25,759.13</b>	<b>24,260.73</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	24,963.12	19,385.00
(b) Long-term provisions	6	925.85	343.20
		<b>25,888.97</b>	<b>19,728.20</b>
<b>3. Current liabilities</b>			
(a) Trade payables	7		
- total outstanding dues of micro enterprises and small enterprises; and	29	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	7	863.85	768.18
(b) Other current liabilities	8	10,886.08	4,901.73
(c) Short-term provisions	9	25.32	31.53
		<b>11,775.25</b>	<b>5,701.44</b>
		<b>63,423.35</b>	<b>49,690.37</b>
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	10	119.86	117.64
(b) Intangible assets	10	65.21	37.23
(c) Intangible assets under development	11	7.78	2.19
(d) Long-term loans and advances	12	42.44	42.36
(e) Deferred tax assets (net)	13	241.55	102.54
(f) Long term receivables under financing activities	14	37,357.29	30,416.57
		<b>37,834.13</b>	<b>30,718.53</b>
<b>2. Current assets</b>			
(a) Current investments	15	-	1,198.08
(b) Trade receivables	16	31.08	19.67
(c) Cash and cash equivalents	17	235.05	247.15
(d) Receivables under financing activities	18	23,279.61	15,950.35
(e) Short-term loans and advances	19	90.52	84.48
(f) Other current assets	20	1,952.96	1,472.11
		<b>25,589.22</b>	<b>18,971.84</b>
		<b>63,423.35</b>	<b>49,690.37</b>

See accompanying notes forming part of the financial 1-39 statements

In terms of our report attached

For and on behalf of Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**RAJESH KUMAR AGARWAL**  
Partner

Place : Gurugram  
Date : 29.06.2021



**Ranjan Sharma**  
Managing Director  
DIN No: 00425415  
Place : New Delhi  
Date : 29.06.2021

**Rakesh Dhasmana**  
Chief Financial Officer  
Place : New Delhi  
Date : 29.06.2021

**Devender Kumar**  
Director  
DIN No: 08785668  
Place : New Delhi  
Date : 29/06/21

**Deepika Singh**  
Company Secretary  
Place : New Delhi  
Date : 29.06.2021





**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Note No.</b>	<b>For the year ended 31 March 2021 (Rupees in Lakhs)</b>	<b>For the year ended 31 March 2020 (Rupees in Lakhs)</b>
1. Revenue from operations	21	8,552.92	5,695.60
2. Other income	22	221.88	130.32
<b>3. Total revenue (1+2)</b>		<b>8,774.80</b>	<b>5,825.92</b>
<b>4. Expenses</b>			
(a) Employee benefits expense	23	1,664.23	1,414.18
(b) Finance costs	24	2,567.53	1,872.09
(c) Depreciation and amortisation expense	10	89.08	69.83
(d) Provisions and contingencies	25	547.63	254.26
(e) Other expenses	26	1,881.31	1,577.50
<b>Total expenses</b>		<b>6,749.78</b>	<b>5,187.86</b>
<b>5. Profit/(Loss) before tax (3-4)</b>		<b>2,025.02</b>	<b>638.06</b>
<b>6. Tax expense:</b>			
(a) <u>Current tax expense</u>			
- Pertaining to profit/(loss) for the current period		648.13	166.82
- Adjustment of tax relating to earlier periods		24.47	-
(b) Deferred tax charge /(credit)	13	(139.01)	(84.20)
(c) Deferred tax charge /(credit) pertaining to previous year	13	-	(18.34)
		<b>533.59</b>	<b>64.28</b>
<b>7. Profit/(Loss) for the year (5-6)</b>		<b>1,491.43</b>	<b>573.78</b>
<b>8. Earnings per Equity Share</b> (Face value of Rs. 10 per share)			
- Basic (Face value per share INR 10)	36	0.75	0.38
- Diluted	36	0.37	0.19

See accompanying notes forming part of the financial 1-39 statements

In terms of our report attached

**For and on behalf of Board of Directors**

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**RAJESH KUMAR AGARWAL**  
Partner

Place : Gurugram  
Date : 29.06.2021



**Ranjan Sharma**

Managing Director

DIN No: 00425415

Place : New Delhi

Date : 29.06.2021

**Devender Kumar**

Director

DIN No: 08785668

Place : New Delhi

Date : 29/06/21

**Rakesh Dhasmana**

Chief Financial Officer

Place : New Delhi

Date : 29.06.2021

**Deepika Singh**

Company Secretary

Place : New Delhi

Date : 29.06.2021



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March 2021**

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax	2,025.02	638.06
<b>Adjustments for:</b>		
Gain on redemption of mutual funds	(71.96)	(20.65)
Depreciation and amortisation expense	89.08	69.83
Share options outstanding account (Refer Note 35)	6.97	4.03
Loss on Disposal of Fixed Assets	2.34	-
Write off on receivables under financing activities	227.66	-
Provision on standard assets	50.75	127.94
Provision for Non performing assets (More than 90 days)	496.88	126.32
<b>Operating profit before working capital changes</b>	<b>2,826.74</b>	<b>945.53</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Long-term loans and advances	(8.24)	(37.80)
Receivables under financing activities	(14,328.63)	(31,999.10)
Short-term loans and advances	(6.04)	(54.29)
Other current assets	(480.85)	(1,142.89)
Trade receivables	(11.41)	(19.67)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Provisions	28.81	58.32
Trade payables	95.67	535.83
Other current liabilities	(11.59)	71.84
<b>Cash generated / (used in) operations</b>	<b>(11,895.54)</b>	<b>(31,642.23)</b>
Taxes paid (including Tax deducted at source) (net of refunds)	(664.44)	(166.81)
<b>Net cash flow from operating activities (A)</b>	<b>(12,559.98)</b>	<b>(31,809.04)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment and intangible assets including intangible assets under development	(95.92)	(70.87)
Investments in mutual funds	(36,395.00)	(24,322.18)
Proceeds from redemption of mutual funds	37,665.04	23,144.75
<b>Net cash flow from investing activities (B)</b>	<b>1,174.12</b>	<b>(1,248.30)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares including Securities premium	-	9,000.00
Proceeds from borrowings	17,000.00	33,100.00
Repayment of borrowings	(5,626.24)	(1,425.00)
Repayment of borrowings to related party	-	(7,500.00)
<b>Net cash flow from financing activities (C)</b>	<b>11,373.76</b>	<b>33,175.00</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(12.10)</b>	<b>117.66</b>
Cash and cash equivalents at the beginning of the year	247.15	129.50
<b>Cash and cash equivalents at the end of the year</b>	<b>235.05</b>	<b>247.15</b>

See accompanying notes forming part of the financial statements

1-39

In terms of our report attached

For and on behalf of Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**RAJESH KUMAR AGARWAL**  
Partner

Place : Gurugram  
Date : 29.06.2021



**Ranjan Sharma**

Managing Director  
DIN No: 00425415  
Place : New Delhi  
Date : 29.06.2021

**Devender Kumar**

Director  
DIN No: 08785668  
Place : New Delhi  
Date : 29.06.2021

**Rakesh Dhasmana**

Chief Financial Officer  
Place : New Delhi  
Date : 29.06.2021

**Deepika Singh**

Company Secretary  
Place : New Delhi  
Date : 29.06.2021



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2021**

**1 Corporate information**

IFFCO Kisan Finance Limited (formerly known as Kisan Rural Finance Limited till 05 January 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 Non-government Company limited by shares. The Company is registered as Non-Banking financial (Non deposit accepting) Company with the 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 running as a Non- Banking Financial Company for penetrating finances in rural areas. The Company is engaged predominantly in financing of Vehicles (Tractor). Tractor Loans are bifurcated into two segments i.e. Agri Loans and Commercial Loans and it gives loans under three categories- Used Tractor Financing, New Tractor financing and Used Tractor Re-financing. Company has branches in Uttar Pradesh, Madhya Pradesh, Bihar and Rajasthan.

The financial statements of the Company has been prepared for the year ended 31 March 2021.

**2 Significant accounting policies**

The significant accounting policies have been predominantly presented below in the order of the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and guideline issued by Reserve Bank of India (RBI).

**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

**2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)**

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.

**2.4 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.5 Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant & Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Leasehold land is amortised over the duration of the lease.

Furniture & Fixtures - 5 years

Computers and Information technology equipment - 1 to 6 years

Office equipment - 1 to 5 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer Software – 3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.



## 2.6 Revenue recognition

### Income from services

i. Interest income on loans is accounted after applying interest rate implicit in the contract. In case of non-performing assets (NPAs), interest income is recognized on receipt basis as per RBI guidelines. Interest recognised as income in the previous year is reversed in the month in which loan is classified as Non Performing, as per RBI norms.

ii. Income by way of service charges like processing fee, documentation charges, Subvention Income received from dealers/manufacturers are recognized on disbursement of loan.

iii. Income in the nature of overdue interest and bounce charges are recognized on realization, due to uncertainty of collection.

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

v. Income from non-financing activity is recognized as per the terms of contract, on accrual basis.

vi. The Company will recognize income on recoveries of loan assets written off on realization or when the right to receive the same without any uncertainties of recovery is established.

vii. Income are recognized net of Goods and Services Tax, Wherever applicable.

## 2.7 Other income

Interest income and income from advertisement and other non-operating income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 2.8 Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of Property, plant and equipment and Intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 *The Effects of Changes in Foreign Exchange Rates*, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure on Property, plant and equipment and Intangible assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, plant and equipment and Intangible assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

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

Property, plant and equipment and Intangible assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

### 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.

### Intangible assets under development:

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.





**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2021**

**2.09 Foreign currency transactions and translations**

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

**2.10 Investments**

The current investments as appearing in the Balance Sheet consist of only such investments that are by their nature readily realisable and intended to be held for not more than one year from the respective dates on which they were made. All other investments have been shown in the Balance Sheet as 'non-current investments'. In accordance with the requirements of the Schedule III of the Act, the portion of the long-term investment as per AS 13 which is expected to be realised within twelve months from the Balance Sheet date has been shown as current investment.

'Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

**2.11 Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences and long service awards.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets, if any, out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.



**2.12 Employee share based payments**

The Company has constituted an Employee Stock Option Plan. Employee Stock Options are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

**2.13 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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. 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.

**2.14 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

**2.15 Leases**

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**2.16 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, if any, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.





#### **2.17 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

#### **2.18 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

#### **2.19 Insurance claims**

Insurance claims are accounted for on the 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.

#### **2.20 Goods and Service tax input credit**

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

#### **2.21 Operating Cycle**

Based on the nature of products / activities of the Company and the 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.

#### **2.22 Repossession of Assets**

The accounts, where underlying security is repossessed and where management estimates irrecoverability of portion of loans, are provided for to the extent of difference between amount (net) outstanding in the books after provision as per RBI norms and value of underlying security as determined by the approved valuer and is recognised under the accounting head "Provision for Non performing assets".

#### **2.23 Provision for loan assets**

Provision for loan assets is recorded at rates which are equal to or higher than the rates specified by the Reserve Bank of India in their guidelines on prudential norms. Refer Note 6 for rates used by the Company.

#### **2.24 Write-offs**

The Company reduces the gross carrying amount of a loan asset when the Company has no reasonable expectations of recovering a loan asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

3 Share capital	As at 31 March 2021		As at 31 March 2020	
	Number of shares in Lakhs	(Rupees in Lakhs)	Number of shares in Lakhs	(Rupees in Lakhs)
<b>Authorised</b>				
Equity shares of Rs. 10 each with voting rights	10,000.00	1,00,000.00	10,000.00	1,00,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs. 10 each with voting rights (Refer Notes (i) to (vi) below)	2,000.00	20,000.00	2,000.00	20,000.00
	<b>2,000.00</b>	<b>20,000.00</b>	<b>2,000.00</b>	<b>20,000.00</b>

**Notes:**

i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	Year ended 31 March 2021		Year ended 31 March 2020	
	Number of shares in Lakhs	(Rupees in Lakhs)	Number of shares in Lakhs	(Rupees in Lakhs)
<b>Equity shares with voting rights</b>				
Outstanding at the beginning of the year	2,000.00	20,000.00	1,500.00	15,000.00
Add - Shares issued during the year	-	-	500.00	5,000.00
Outstanding at the end of the year	<b>2,000.00</b>	<b>20,000.00</b>	<b>2,000.00</b>	<b>20,000.00</b>

ii. **Rights, preferences and restrictions**

(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 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.

iii. Details of shares held by the Holding company and their subsidiaries:

	As at 31 March 2021		As at 31 March 2020	
	Number of shares in Lakhs	% holding	Number of shares in Lakhs	% holding
Indian Farmers Fertiliser Cooperative Limited - (the Holding Company by virtue of control)	726.50	36.33%	726.50	36.33%
IFFCO Kisan Sanchar Limited - (Fellow subsidiary)	100.00	5.00%	100.00	5.00%

iv. Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2021		As at 31 March 2020	
	Number of shares in Lakhs	% holding	Number of shares in Lakhs	% holding
Indian Farmers Fertiliser Cooperative Limited - (the Holding Company)	726.50	36.33%	726.50	36.33%
IFFCO Kisan Sanchar Limited - (Fellow subsidiary)	100.00	5.00%	100.00	5.00%
NH Capital Co. Limited	500.00	25.00%	500.00	25.00%
Star Global Resources Limited	250.00	12.50%	250.00	12.50%
Star Global Investment Trust	125.00	6.25%	125.00	6.25%
Aurum Vriddhi Finance Private Limited	150.00	7.50%	150.00	7.50%
ICICI Bank Limited	148.50	7.42%	148.50	7.42%

v. The Company has issued shares during the previous year on the basis of valuation report issued by a registered valuer.

vi. 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 within a period of three years (upto 14 April 2022) in 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 in Notes ii(2), 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.



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**4 Reserves and surplus**

	<b>As at 31-Mar-2021 (Rupees in Lakhs)</b>	<b>As at 31-Mar-2020 (Rupees in Lakhs)</b>
<b>Securities premium</b>		
Opening balance	4,297.00	297.00
Add: Premium on shares issued during the year	-	4,000.00
<b>Closing balance</b>	<b>4,297.00</b>	<b>4,297.00</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(155.06)	(614.08)
Add: Profit / (Loss) for the year	1,491.43	573.78
Less: Amount transferred to Statutory Reserve fund	298.29	114.76
<b>Closing balance</b>	<b>1,038.08</b>	<b>(155.06)</b>
<b>Statutory reserve fund (U/s 45IC of RBI Act)</b>		
Opening Balance	114.76	-
Add: Amount transferred from the Surplus / (Deficit) in Statement of Profit and Loss (Refer Note below)	298.29	114.76
<b>Closing balance</b>	<b>413.05</b>	<b>114.76</b>
<b>Note:</b>		
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.		
<b>Share options outstanding account (Refer Note 35)</b>		
Opening Balance	4.03	-
Add: Reserve as per intrinsic value of stock options	6.97	4.03
<b>Closing balance</b>	<b>11.00</b>	<b>4.03</b>
	<b>5,759.13</b>	<b>4,260.73</b>



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
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As at 31-Mar-2021 (Rupees in Lakhs)	As at 31-Mar-2020 (Rupees in Lakhs)
24,963.12	19,385.00
<b>24,963.12</b>	<b>19,385.00</b>

**5 Long-term borrowings**

Term Loan from Banks - (Refer Note i to iv below) - Secured

**Notes :-**

i Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2021 aggregating to Rupees 9,499.99 Lakhs (including current maturities of Rupees 2,650.00 Lakhs) obtained from Bank of Baroda :

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-21		As at 31-Mar-20	
			Non-current (Rupees in Lakhs)	Current maturities (Refer Note 8) (Rupees in Lakhs)	Non-current (Rupees in Lakhs)	Current maturities (Refer Note 8) (Rupees in Lakhs)
For the purpose of onward lending for tractor finance	Refer Note (a), (b) and (c) below	1 year MCLR + 1.20% + 0.25% = Ranging from 8.95% - 9.80% p.a.	5,999.99	2,500.00	8,500.00	1,500.00
For the purpose of onward lending for tractor finance	Refer Note (d), (e) and (f) below	1 year MCLR + 1.20% + 0.25% = 8.85%	850.00	150.00	-	-

(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.



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

ii Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2021 aggregating to Rs. 12,885.00 Lakhs (including current maturities of Rs. 4,675.00 Lakhs) obtained from ICICI Bank :

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-21		As at 31-Mar-20	
			Non-current	Current maturities (Refer Note 8)	Non-current	Current maturities (Refer Note 8)
			(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)
For ongoing business requirement of the Company including onward lending for tractor finance	Refer Note (a), (b) and (c) below	1 year MCLR + 1.25% spread = Ranging from 9.80% - 10.00%	2,850.00	2,850.00	5,700.00	2,375.00
For the purpose of onward lending for tractor finance	Refer Note (d), (e) and (f) below	1 year MCLR + 1.35% spread = 9.55%	3,660.00	1,525.00	5,185.00	915.00
For the purpose of onward lending for tractor finance	Refer Note (g), (h) and (i) below	1 year MCLR + 1.35% spread = 8.65%	1,700.00	300.00	-	-

**Notes(continued) :-**

(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.





**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
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iii Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2021 aggregating to Rs. 4937.50 Lakhs (including current maturities of Rs. 1,260.63 Lakhs) obtained from HDFC Bank :

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-21		As at 31-Mar-20	
			Non-current	Current maturities (Refer Note 8)	Non-current	Current maturities (Refer Note 8)
			(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)
For the purpose of onward lending for tractor finance	Refer Note (a), (b) and (c) below	1 year MCLR + spread = 8.40%	3,676.86	1,260.64	-	-

- (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.

iv Terms of repayment and security provided in respect of term loan outstanding as at 31 March 2021 aggregating to Rs. 8,226.26 Lakhs (including current maturities of Rs. 2,000.00 Lakhs) obtained from West Bengal State Co-Operative Bank Limited :

Purpose of loan	Repayment and Security	Rate of Interest	As at 31-Mar-21		As at 31-Mar-20	
			Non-current	Current maturities (Refer Note 8)	Non-current	Current maturities (Refer Note 8)
			(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)
For the purpose of onward lending for tractor finance	Refer Note (a), (b) and (c) below	8.85%	6,226.26	2,000.00	-	-

(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.

**6 Long-term provisions**

	As at 31-Mar-2021 (Rupees in Lakhs)	As at 31-Mar-2020 (Rupees in Lakhs)
Provision for employee benefits		
- Provision for gratuity ( Refer Note 30)	30.53	11.40
- Provision for compensated absences	38.35	22.46
Other Provisions (Refer Note 1 below)		
- Provision for standard assets	233.77	183.02
- Provision for Non performing assets (More than 90 days)	623.20	126.32
	<b>925.85</b>	<b>343.20</b>
Reconciliation of provision against standard assets		
- Opening balance	183.02	55.08
- Add: Addition during the year	50.75	127.94
- Closing balance	233.77	183.02
Reconciliation of provision against Non-Performing assets		
- Opening balance	126.32	-
- Add: Addition during the year	496.88	126.32
- Closing balance	623.20	126.32

**Note:-**

1. Provision for Standard assets and Non performing assets (More than 90 days) has been made as per below provisioning norms:

Ageing Bucket	Incremental Provision rates(ageing wise)
0-90 days	0.40%
91-120 days	15.00%
121- 180 days	20.00%
181- 365 days	40.00%
Above 1 Year	25.00%
Loss Assets	100.00%

Additionally, management in current year has provided additional provision of 3% as COVID-19 buffer on Non-Performing assets in order to ensure adequate coverage for losses.





**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>As at 31-Mar-2021 (Rupees in Lakhs)</b>	<b>As at 31-Mar-2020 (Rupees in Lakhs)</b>
<b>7 Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 29)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	863.85	768.18
	<b>863.85</b>	<b>768.18</b>
<b>8 Other current liabilities</b>		
Current maturities of long-term debt	10,585.64	4,790.00
Interest accrued but not due on borrowings	23.57	-
Receipts pending application	169.01	-
Payable to Customers	9.38	-
Statutory dues payable	60.29	104.83
Payable on purchase of property, plant and equipments	38.19	6.90
	<b>10,886.08</b>	<b>4,901.73</b>
<b>9 Short-term provisions</b>		
Provision for employee benefits		
- Provision for compensated absences	25.32	31.53
	<b>25.32</b>	<b>31.53</b>



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**10 Property, Plant & Equipment and Intangible assets (At cost)**

Particular	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01 April 2020	Additions	Deletion / Adjustments	As at 31 March 2021	As at 01 April 2020	Depreciation and amortisation for the year	Deletion / Adjustments	As at 31 March 2021	As at 31 March 2020
Property, Plant & Equipments	79.72 (31.62)	- (48.10)	-	79.72 (79.72)	22.23 (11.31)	25.23 (10.92)	(-)	47.46 (22.23)	57.49 (20.31)
Lease hold improvements	4.04 (7.68)	0.07 -	- (3.64)	4.11 (4.04)	1.73 (1.53)	1.05 (1.58)	- (1.38)	2.78 (1.73)	2.31 (6.15)
Furniture & Fixtures	71.88 (48.85)	46.50 (23.03)	0.39 -	117.99 (71.88)	28.62 (9.23)	24.65 (19.39)	0.21 (-)	53.06 (28.62)	43.26 (39.63)
Computer and Information technology equipment	34.61 (26.50)	16.88 (4.47)	6.90 3.64	44.59 (34.61)	20.02 (7.48)	8.28 (11.16)	5.05 1.38	23.25 (20.02)	14.58 (19.02)
Office equipment	<b>190.25</b> <b>(114.65)</b>	<b>63.45</b> <b>(75.60)</b>	<b>7.29</b> -	<b>246.41</b> <b>(190.25)</b>	<b>72.60</b> <b>(29.55)</b>	<b>59.21</b> <b>(43.05)</b>	<b>5.26</b> -	<b>126.55</b> <b>(72.60)</b>	<b>117.64</b> <b>(85.11)</b>
<b>Total - A</b>									
Intangible assets									
Computer Software	77.81 (77.81)	58.17 -	1.44 -	134.54 (77.81)	40.58 (13.80)	29.87 (26.78)	1.12 (1.38)	69.33 (40.58)	37.23 (64.01)
<b>Total - B</b>	<b>77.81</b> <b>(77.81)</b>	<b>58.17</b> -	<b>1.44</b> -	<b>134.54</b> <b>(77.81)</b>	<b>40.58</b> <b>(13.80)</b>	<b>29.87</b> <b>(26.78)</b>	<b>1.12</b> <b>(1.38)</b>	<b>69.33</b> <b>(40.58)</b>	<b>37.23</b> <b>(64.01)</b>
<b>Total - A+B</b>	<b>268.06</b> <b>(192.46)</b>	<b>121.62</b> <b>(75.60)</b>	<b>8.73</b> -	<b>380.95</b> <b>(268.06)</b>	<b>113.18</b> <b>(43.35)</b>	<b>89.08</b> <b>(69.83)</b>	<b>6.38</b> <b>(1.38)</b>	<b>195.88</b> <b>(113.18)</b>	<b>154.87</b> <b>(149.12)</b>

As at  
**31-Mar-21**  
(Rupees in Lakhs)

As at  
**31-Mar-2020**  
(Rupees in Lakhs)

7.78      2.19

**7.78**      **2.19**

**11 Intangible assets under development**  
Software under development



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)  
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	As at <u>31-Mar-2021</u> (Rupees in Lakhs)	As at <u>31-Mar-2020</u> (Rupees in Lakhs)
<b>12 Long-term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	16.23	7.99
Advance income tax (net of provisions for taxation - Rupees 652.71 Lakhs (As at 31 March 2020 -Rupees 166.82 Lakhs)	26.21	34.37
	<u>42.44</u>	<u>42.36</u>
<b>13 Deferred tax assets (net)</b>		
<u>(Deferred tax liability) / Deferred tax assets</u>		
Tax Impact of difference between carrying amount of property, plant and equipment in the financial statements and as per the Income tax Act.	6.74	1.11
Preliminary expenses	1.00	1.99
Provision for gratuity	7.68	2.87
Provision for compensated absences	16.03	13.59
Provision for statutory bonus	20.03	5.13
Provision for standard assets and non performing assets	182.54	72.07
Provision for loss on repossessed assets	4.76	4.76
Share options outstanding account	2.77	1.02
	<u>241.55</u>	<u>102.54</u>
Deferred tax assets (net) recognised	<u>241.55</u>	<u>102.54</u>
<p>The Company during the previous year ended March 31, 2020 elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised provision for Income Tax for the year ended March 31, 2020 and measured its Deferred Tax Assets (net) at Rupees 102.54 lacs basis the rate and provisions prescribed in the said section. Deferred tax assets (net) was not recognised till 31 March 2019 due to absence of virtual certainty supported by convincing evidence that sufficient future taxable income would have been available against which such deferred tax assets could be realised. However, the full impact of deferred tax assets (net) change was recognised in the Statement of Profit and Loss as tax benefit for the Year ended March 31, 2020 of Rupees 102.54 Lacs on account of one time credit for measurement of deferred tax assets (net) for the first time.</p>		
<b>14 Long term receivables under financing activities</b>		
Secured, considered standard assets	36,117.33	30,105.27
Secured, Non Performing assets (Refer Note (i) below and Note 6)	1,239.96	311.30
	<u>37.357.29</u>	<u>30.416.57</u>
<b>Note:</b>		
<p>(i) In its normal course of business, whenever default occurs, 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 2021 is Rupees 37.18 lakhs (Previous year Rupees 70.71 Lakhs) against gross loan asset value of Rupees 60.90 lakhs (Previous year Rupees 116.66 lakhs) (included above) and Company has booked provision for loss on such repossessed assets after booking provision for NPA on the same.</p> <p>(ii) The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rupees 227.66 Lakhs (During previous year Nil).</p>		
<b>15 Current investments</b>		
Investment in Mutual funds (CY - Nil. PY Nippon India Overnight Fund - Direct Growth Plan Units - 11.17 Lakhs @ Purchase value of Rupees 107.1692 per unit and NAV of Rupees 107.1868 per unit)		1,198.08
	<u>-</u>	<u>1,198.08</u>
<b>16 Trade receivables</b>		
Other Trade receivables - Unsecured, considered good	31.08	19.67
	<u>31.08</u>	<u>19.67</u>
<b>17 Cash and cash equivalents</b>		
Cash on hand	-	0.01
Balances with banks in current accounts	235.05	247.14
	<u>235.05</u>	<u>247.15</u>
<b>18 Receivables under financing activities</b>		
Secured, considered good	22,314.53	15,441.39
Unsecured, considered good	965.08	508.96
	<u>23.279.61</u>	<u>15.950.35</u>
<b>19 Short-term loans and advances</b>		
(Unsecured, considered good)		
Balances with government authorities	56.47	42.90
Security deposits	1.58	-
Other advances	7.16	29.14
Prepaid expenses	25.31	12.44
	<u>90.52</u>	<u>84.48</u>
<b>20 Other current assets</b>		
Interest accrued but not due on receivables	1,952.96	1,472.11
	<u>1,952.96</u>	<u>1,472.11</u>



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>Year ended 31-Mar-2021 (Rupees in Lakhs)</b>	<b>Year ended 31-Mar-2020 (Rupees in Lakhs)</b>
<b>21 Revenue from operations</b>		
(a) Interest income from financing activities	8,109.64	5,205.21
(b) Income from processing fees	309.98	340.86
(c) Income from valuation, stamping and other charges	98.49	91.09
(d) Interest income from dealers	34.81	58.44
	<b>8,552.920</b>	<b>5,695.60</b>
<b>22 Other income</b>		
(a) Gain on redemption of mutual funds	71.96	20.65
(b) Income from advertisement	106.80	98.61
(c) Other non-operating income	43.12	11.06
	<b>221.88</b>	<b>130.32</b>
<b>23 Employee benefits expense</b>		
(a) Salaries and wages	1,488.57	1,276.92
(b) Contributions to provident fund and other funds (Refer Note 30a)	106.03	88.28
(c) Gratuity expense ( Refer Note 1. below and note 30b)*	20.23	5.26
(d) Share based payment to employees	6.97	4.03
(e) Staff welfare expenses	42.43	39.69
	<b>1,664.23</b>	<b>1,414.18</b>
<b>Note 1</b> Gratuity expenses includes Rupees 1.10 Lakhs (Previous year Rupees 0.93 lakhs) paid to IFFCO as gratuity contribution of Mr Rakesh Dhasmana (CFO)		
<b>24 Finance costs</b>		
(a) Interest expense on borrowings	2,468.59	1,622.09
(b) Other borrowing costs	98.94	250.00
	<b>2,567.53</b>	<b>1,872.09</b>
<b>25 Provisions and contingencies</b>		
(a) Provision on standard assets	50.75	127.94
(b) Provision for Non performing assets (More than 90 days)	496.88	126.32
	<b>547.63</b>	<b>254.26</b>
<b>26 Other expenses</b>		
(a) Power and fuel	3.64	4.67
(b) Rent including lease rentals (Refer Note 31)	58.17	41.64
(c) Repair & maintenance		
- Building	21.56	5.34
- Others	22.87	12.50
(d) Insurance	28.27	16.85
(e) Rates & taxes	134.25	255.32
(f) Sales incentives and Dealers Commission	635.78	665.00
(g) Legal & professional charges (Refer Note (i) below)	334.02	221.96
(h) Director sitting fees	12.00	6.00
(i) Travelling expense	118.93	129.22
(j) Communication expenses	50.17	48.11
(k) Branding & promotion	26.45	49.48
(l) Printing & stationery	12.74	16.45
(m) Write off on receivables under financing activities	325.63	30.06
(n) Contractual staff	50.15	38.55
(o) Miscellaneous expenses	46.69	36.35
	<b>1,881.31</b>	<b>1,577.50</b>
<b>Note :</b>		
(i) <b>Includes payments to statutory auditors (exclusive of service tax/Goods and Services tax)</b>		
- For Audit	13.25	8.50
- For Tax Audit	3.50	1.75
- For Certification	2.42	0.50
- Reimbursement of expenses	0.16	0.82
	<b>19.33</b>	<b>11.57</b>



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**27 Segment Information** - The Company operates in a single business segment. The reporting requirements for primary and secondary segment disclosure prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment reporting are not applicable to these financial statements.

**28 Commitments and contingent liabilities (to the extent not provided for)**

**i. Contingent Liabilities**

a. The Company does not have any pending litigations which would impact its financial position as on 31 March 2021 and 31st March 2020.

**ii. Commitments**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
	(Rupees in Lakhs)	(Rupees in Lakhs)
a. Estimated amount of contract remaining to be executed on capital account	4.90	50.00
b. Loan sanctioned but not disbursed and or partially disbursed	2.81	16.31

c. For lease commitments - Refer note 31

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.

**29 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

Particulars	As at 31-Mar-21	As at 31-Mar-20
	(Rupees in lakhs)	(Rupees in lakhs)
a. Amount payable to suppliers under MSMED as at the end of the accounting period		
- Principal	-	-
- Interest due thereon	-	-
b. Payment made to suppliers beyond the appointed day during the period		
- Principal	-	-
- Interest due thereon	-	-
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the period) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as at the end of the accounting period	-	-
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-

**Note :**

Dues to Micro, Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**30 Employee Benefit Obligations:**

**(a) Defined contribution plan**

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.

The Company recognized Rupees 106.02 Lakhs [Previous year Rupees 88.28 Lakh] for provident fund contributions and Rupees 23.92 lakhs [Previous year Rupees 18.67 lakhs] for employees' state insurance scheme contributions in the Statement of Profit and Loss.



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)**  
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**(b) Defined-Benefits Plans**

**Gratuity 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.

The following tables set out amounts recognised in the Company's financial statements as at 31 March 2021.

Particulars	As at	As at
	31-Mar-21	31-Mar-20
	(Rupees in Lakhs)	(Rupees in Lakhs)
<b>i. Movement in net liability</b>		
Present value of obligation at the beginning of the year	11.40	7.06
Current service cost	10.88	19.59
Interest expenses	0.61	0.55
Actuarial (Gain) / Loss	7.65	(15.81)
Benefits paid	-	-
Present value of obligations at the end of the year	<b>30.53</b>	<b>11.40</b>
<b>ii. Net liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	30.53	11.40
Fair Value of Plan Assets	-	-
Net liability recognised in the Balance Sheet	<b>30.53</b>	<b>11.40</b>
Current liability	-	-
Non-current liability	30.53	11.40
	<b>30.53</b>	<b>11.00</b>
Particulars	Year ended	Year ended
	31-Mar-21	31-Mar-20
	(Rupees in Lakhs)	(Rupees in Lakhs)
<b>iii. Expense recognized in Statement of Profit and Loss is as follows :</b>		
Service Cost	10.88	19.59
Interest Cost	0.61	0.55
Net Actuarial (Gain)/Loss	7.65	(15.81)
<b>Amount charged to Statement to Profit and Loss</b>	<b>19.13</b>	<b>4.33</b>
<b>iv Principal Actuarial assumptions for Gratuity and Compensated absences</b>		
Rate for discounting liabilities	4.40%	5.35%
Expected salary increase rate	8.00%	7.50%
Retirement Age	60	60
Mortality table used	100% of IALM 2012-14	100% of IALM 2012-14
Attrition / Withdrawal rates, based on employee grade: (per annum)		
Sales and collection executive(E1 to E4)	40%	30%
Officer(J1 to J4)	19%	30%
Manager(M1 to M6)	21%	30%
Above Manager(S1 to S4)	7%	30%

**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.

**31 Operating Lease**

The Company has acquired office premises under operating lease. Operating lease rentals paid during the year ended 31 March 2021 is Rupees 58.17 Lakhs (Previous year Rupees 41.64 Lakhs) The future minimum lease expense in respect of non-cancellable period of lease of the premises is as follows :

Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Not later than one year	20.67	16.40
Later than one year and not later than five years	17.29	0.41

**32 Corporate Social Responsibility (CSR)**

Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)

The details to Corporate Social Responsibility (CSR) expenditure are as follow:

Gross Amount Required to be spent by the Company during the year	0.16	-
Amount Spent during the year	-	-





**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**33 Related party disclosure**

**Name of the related parties and nature of relationship :**

<u>Description of relationship</u>	<u>Name of related parties</u>
Holding company	Indian Farmers Fertiliser Cooperative Limited
Fellow Subsidiary Fellow Subsidiaries (with whom transactions have taken place during the year)	IFFCO Kisan Sanchar Limited
Fellow Subsidiary Fellow Subsidiaries (with whom transactions have taken place during the year)	IFFCO-Tokio General Insurance Company Limited
Key Management Personnel ('KMP')	Ranian Sharma - Managing Director Rakesh Dhasmana - Chief Financial Officer Deepika Singh - Company Secretary

Note : Related parties have been identified by the Management.

**The nature of transactions during the year with the above-related parties were as follows:**

<u>Nature of transaction</u>	<u>Holding Company</u>	<u>Fellow Subsidiaries</u>	<u>Key Management Personnel</u>
<u>Loan availed during the year</u>			
Indian Farmers Fertiliser Cooperative Limited	-	-	-
	(7,500)	(-)	(-)
<u>Loan repaid during the year</u>			
Indian Farmers Fertiliser Cooperative Limited	-	-	-
	(7,500)	(-)	(-)
<u>Interest expense on borrowings</u>			
Indian Farmers Fertiliser Cooperative Limited	-	-	-
	(483)	(-)	(-)
<u>Rent</u>			
Indian Farmers Fertiliser Cooperative Limited	24.57	-	-
	(6.61)	(-)	(-)
IFFCO Kisan Sanchar Limited	-	0.62	-
	(-)	(2.42)	(-)
<u>Repair &amp; maintenance - Building</u>			
Indian Farmers Fertiliser Cooperative Limited	16.60	-	-
	(2.63)	(-)	(-)
IFFCO Kisan Sanchar Limited	-	1.13	-
	(-)	(-)	(-)
<u>Insurance</u>			
IFFCO-Tokio General Insurance Company Limited	-	35.80	-
	(-)	(-)	(-)
<u>Payment on behalf of borrowers</u>			
IFFCO-Tokio General Insurance Company Limited	-	485.18	-
	(-)	(589.62)	(-)
<u>Branding &amp; promotion</u>			
IFFCO Kisan Sanchar Limited	-	14.03	-
	(-)	(21.91)	(-)
<u>Miscellaneous expenses - LOC Fees</u>			
Indian Farmers Fertiliser Cooperative Limited	138.42	-	-
	(65.22)	(-)	(-)



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)  
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Nature of transaction	Holding Company	Fellow Subsidiaries	Key Management Personnel
<u>Reimbursement of expenses</u>			
Indian Farmers Fertiliser Cooperative Limited	6.84 (5.36)	- (-)	- (-)
IFFCO Kisan Sanchar Limited	- (-)	3.49 (2.65)	- (-)
Ranjan Sharma - Managing Director	- (-)	- (-)	0.20 (5.54)
Rakesh Dhasmana - Chief Financial Officer	- (-)	- (-)	0.88 (0.80)
<u>Employee benefits expense</u>			
Rakesh Dhasmana	- (-)	- (-)	42.42 (37.56)
Deepika Singh (Company Secretary)	- (-)	- (-)	6.31 (5.52)
<b>Balances outstanding at the end of the year:</b>			

	Holding Company	Fellow Subsidiaries	Key Management Personnel
<u>Other advance</u>			
IFFCO-Tokio General Insurance Company Limited	- (-)	7.16 (8.51)	- (-)
<u>Trade payables</u>			
Indian Farmers Fertiliser Cooperative Limited	0.07 (0.13)	- (-)	- (-)
IFFCO Kisan Sanchar Limited	- (-)	5.76 (7.08)	- (-)

**34 Following information is disclosed in terms of the Master Direction-Non Banking Financial Company- Non Systemically Important, Non deposit taking Company (Reserve Bank) Directions, 2016 dated 01 September 2016 as amended till 17 February 2020.**

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial company (as required in terms of Annex 2 of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

**a. Capital to risk assets ratio (CRAR)**

Particulars	As at 31 March 2021	As at 31 March 2020
CRAR (%)	40.61%	49.16%

**b. Exposure to Real Estate Sector**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Direct Exposure</b>		
<b>Residential Mortgages</b> (Lending Secured by mortgages on residential property that is or will be occupied by the borrowers or that is rented)	-	-
<b>Commercial Real Estate</b> [Lending fully Secured by mortgages on commercial estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse, space, hotels, land acquisitions, developments and construction etc.) Exposure would also include Non-fund based limits.]	-	-
<b>Investment in Mortgage Backed Securities (MBS) and other securitized exposures</b>	-	-
a) Residential	-	-
b) Commercial Real Estate	-	-
<b>Indirect Exposure</b>		
i) Fund based and non-fund based exposures on National Housing Bank and Housing Finance Corporation	-	-
ii) Investment in venture capital funds which primarily invests into Commercial Real Estate.	-	-





**Assets Side**

3.	<b>Break-up of Loans and Advances including bills receivables [other than those included in(4) below] :</b>			
	Secured	59,671.82	-	45,857.96
	Unsecured	965.08	-	508.96
4.	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>			
	Lease assets including lease rentals under sundry debtors :			
	-Financial lease	-	-	-
	-Operating lease	-	-	-
	Stock on hire including hire charges under sundry debtors :			
	-Assets on hire	-	-	-
	-Reposessed Assets	-	-	-
	Other loans counting towards assets financing activities			
	-Loans where assets have been reposessed	-	-	-
	-Loans other than above	-	-	-
5.	<b>Break-up of Investment</b>			
	<u>Current Investment</u>			
	<u>Quoted:</u>			
	-Shares			
	(a) Equity			
	(b) Preference			
	-Debentures and Bonds			
	-Units of mutual fund			1,198.08
	-Government securities			
	<u>Unquoted:</u>			
	Shares			
	- Equity			
	Preference			
	Debentures and Bonds			
	Units of mutual fund			
	Government securities			



**IFFCO KISAN FINANCE LIMITED (FORMERLY KNOWN AS KISAN RURAL FINANCE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Long Term Investments

Quoted:

-Shares	-	-	-
(a) Equity	-	-	-
(b) Preference	-	-	-
-Debentures and Bonds	-	-	-
-Units of mutual fund	-	-	-
-Government securities	-	-	-
<u>Unquoted:</u>			
Shares	-	-	-
- Equity	-	-	-
Preference	-	-	-
Debentures and Bonds	-	-	-
Units of mutual fund	-	-	-
Government securities	-	-	-

**6. Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category	31-Mar-21		31-Mar-20		(Rupees in Lakhs)
	Amount (net of provisions)		Amount (net of provisions)		
	Secured	Unsecured	Secured	Unsecured	
<u>Related Parties</u>					
-Subsidiaries	-	-	-	-	-
-Companies in the same group	-	-	-	-	-
- Other related parties	-	-	-	-	-
Other than related parties	58,814.85	965.08	45,548.62	508.96	46,057.58
<b>Total</b>	<b>58,814.85</b>	<b>965.08</b>	<b>45,548.62</b>	<b>508.96</b>	<b>46,057.58</b>

**7. Investor group-wise classification of all investment (current and long term) in shares and securities (both quoted and unquoted) :**

Category	31-Mar-21		31-Mar-20	
	Market	Book value	Market	Book value
	<u>Related Parties</u>			
-Subsidiaries	-	-	-	-
-Companies in the same group	-	-	-	-
- Other related parties	-	-	-	-
Other than related parties	-	-	1,198.28	1,198.08
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,198.28</b>	<b>1,198.08</b>



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8	Other information	(Rupees in Lakhs)	
		31-Mar-21	31-Mar-20
	<b>Particulars</b>		
	Gross non-performing assets*		
	- Related parties		
	- Other than related parties	1,239.96	311.30
	Net non-performing assets*		
	- Related parties		
	- Other than related parties	616.76	184.98
	Assets acquired in satisfaction of debt		

\*NPA disclosed above are in accordance with the NPA classification policy of overdue more than 90 days, as adopted by management. Refer Note 6 to Financials

**e. Public Disclosure on liquidity risk**

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on 04 November 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at 31 March 2021 is as under:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

S.No.	Number of Significant counterparties (Borrowings)	31-Mar-21		31-Mar-20	
		Amount	% of Total deposits	Amount	% of Total Liabilities
1	Term loans from 4 banks	35,548.76	NA	24,175.00	N/A

(ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits)

Nil

(iii) Top 10 borrowings (amount in Rs. Lakhs and % of total borrowings)

S.No.	Number of Significant counterparties (Borrowings)	31-Mar-21		31-Mar-20	
		Amount	% of Total deposits	Amount	% of Total Borrowings
1	Bank of Baroda - I	8,499.99	NA	10,000.00	NA
2	Bank of Baroda - II	1,000.00	NA	-	NA
3	ICICI Bank - I	5,700.00	NA	8,075.00	NA
4	ICICI Bank - II	5,185.00	NA	6,100.00	NA
5	ICICI Bank - III	2,000.00	NA	-	-
6	West Bengal State Co-Operative Bank Limited	8,226.26	NA	-	-
7	HDFC Bank	4,937.50	NA	-	-





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S.No.	Name of the Product	31-Mar-21		31-Mar-20	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities

1	Term Loans	35,548.76	94%	24,175.00	95%
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**v) Stock Ratios:**

- (a) Commercial papers as a % of total public funds, total liabilities and total assets  
 (b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets  
 (c) Other short-term liabilities, as a % of total liabilities  
 (d) Other short-term liabilities, as a % of total assets

22%  
11%

Note:

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus

**(vi) Institutional set-up for liquidity risk management**

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board of Directors also approves constitution of Asset Liability Committee (ALCO) which is the decision making unit responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks. In addition to monitoring the risk levels of the Company, the ALCO reviews the results of and progress in implementation of the decisions made in the previous meetings. The meetings of ALCO are held Quarterly or more frequently, if needed. The ALCO discusses the ability of the Company to meet its liabilities as they become due and ensures that the probability of an adverse situation developing is reduced. An important objective of the Liquidity Risk Management framework is to ensure that periods of liquidity stress which may arise because of market conditions are endured. The ALCO measures the liquidity positions of the Company on an ongoing basis and also examines how liquidity requirements are likely to evolve under different assumptions. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

**f. Disclosure of Restructured Accounts**

The Company has not made any restructuring of its loan assets for the years ended 31 March 2021 and 31st March 2020.

**g. Moratorium in accordance with the Reserve Bank of India (RBI) guidelines:**

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to three months on the payment of installments which became due between 01 March 2020 and 30 June 2020 to all eligible borrowers. The Company continued to recognize interest income during the moratorium period the granting of a moratorium period did not result in NPA and however, post moratorium period the NPA recognition criteria has been applicable.

**Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning**

Particulars	(Rupees in Lakhs)	
	March 31, 2021	March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (as of February 29, 2020)*	432.49	170.91
Respective amounts where asset classification benefits is extended (net of accounts which have moved out of SMA/overdue category during the moratorium period)#	-	-
Provisions made during the period (As per para 4, Applicable to NBFC's covered under Ind AS)	NA	NA
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provision	-	-

\*Outstanding as on March 31, 2021 on account of SMA categories cases where moratorium benefit is extended by the Company up to May 31, 2020.  
 #Asset classification as per RBI Prudential norms is considered.



**35 Employee Stock Option Plan**

**IFFCO Stock Option Plan, 2019**

Particulars	ESOP Scheme 2019			
	Date of Grant	Number of Options Granted (in Lakhs)	Vesting Period	Exercise Price (Rupees per options)
Grant - I	04.06.2019	10.75	5 Yrs	12
Grant - II	04.06.2020	6.50	5 Yrs	18
Grant - III	19.10.2020	19.90	From the grant Date: -10% in 1st Year -12% in 2nd Year -15% in 3rd Year -22% in 4th Year -40% in 5th Year	18
Grant - IV	23.02.2020	29.05	From the grant Date: -10% in 1st Year -15% in 2nd Year -25% in 3rd Year -50% in 4th Year	18

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

Vesting Conditions #

# Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the NRC and communicated in the grant letter. Further, the vesting takes place on staggered basis over the respective vesting period.

\* In current 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 Rupees 10 each

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year ended 31 March 2021		During the year ended 31 March 2020	
	Options (Numbers in Lakhs)	Weighted average exercise price per option (Rupees)	Options (Numbers in Lakhs)	Weighted average exercise price per option (Rupees)
Option outstanding at the beginning of the year	10.75	12.00	-	-
Granted during the year	55.45	18.00	10.75	12
Exercised during the year:	-	-	-	-
Forfeited during the year	(4.25)	13.41	-	-
Options outstanding at the end of the year	61.95	17.27	10.75	12
Exercisable at the end of the year	1.50	12	-	-
The weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	-	-
Range of exercise price for options outstanding at the end of the year		12-18		12

The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year (as reported)	Rupees in Lakhs	1,491.43	573.78
Add: stock based employee compensation (intrinsic value)	Rupees in Lakhs	6.97	4.03
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (Refer below assumptions considered)	Rupees in Lakhs	(13.31)	(6.43)
Net Profit / (Loss) (proforma)	Rupees in Lakhs	1,485.09	571.39
Basic earnings per share (as reported)		0.75	0.38
Basic earnings per share (proforma)		0.74	0.38
Diluted earnings per share (as reported)		0.37	0.19
Diluted earnings per share (proforma)		0.37	0.19

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31-Mar-21	31-Mar-20
Risk Free Interest Rate	6.06%	7.03%
Expected Life	5 years	5 years
Expected Annual Volatility of Shares	5.50%	5.00%
Expected Dividend Yield	19%	20%



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**36 Earnings per share**

Particulars	Unit	Year ended 31-Mar-21	Year ended 31-Mar-20
Profit/(Loss) for the year	Rupees in Lakhs	1,491.43	573.78
Weighted average number of equity shares of Rs. 10 each used in computing the basic earnings per share	Numbers in Lakhs	2,000.00	1,517.81
Basic earnings/(loss) per share	Rupees in Lakhs	0.75	0.38
Add: Effect of ESOPs which are dilutive	Numbers in Lakhs	39.55	7.16
Add: Effect of share warrants which are dilutive	Numbers in Lakhs	2,000	1,446.58
Weighted average number of equity shares - for Diluted EPS	Numbers in Lakhs	4,039.55	2,971.55
Diluted earnings/(loss) per share	Rupees in Lakhs	0.37	0.19

**37 Approval of financial statements**

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 29 June 2021.

**38 Impact of COVID-19**

(a) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance and will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us. Reserve Bank of India (RBI) has issued guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and in accordance therewith, the Board of Directors of the Company, vide Circular Resolution dated March 30, 2020 and Board Resolution dated 04 June 2020, approved the policy to offer moratorium to its eligible borrowers on the payment of principal amount, EMI instalments and/or interest, falling due between March 01, 2020 and May 31, 2020. For all such accounts where moratorium was granted, the asset classification remained standstill during the moratorium period (i.e. the number of days past due excluded the moratorium period for the purpose of asset classification as per the prudential norms). The classification of Receivables under Financing activities as on 31 March 2021 into Current and Non-current has been done by the Company based on the revised repayment schedule after considering the moratorium granted.

Further, the Company has, based on currently available information and based on the provisioning policy approved by the Board of Directors, determined the prudential estimate of the provisions for standard assets and non-performing assets which is higher than that prescribed under the income recognition and asset classification (IRAC) norms as per the RBI Master Directions. In estimating these provisions, the Company has considered internal and external sources of information up to the date of approval of these financial statements.

In view of the current uncertainties, the eventual outcome of COVID 19 global health pandemic may be different from those estimated as on the date of approval of financial statements and Company will continue to monitor any material changes for future economic conditions. However, based on the current indicators of future economic conditions, the Company considers these provisions to be adequate and expects to recover the carrying amount of these loans.

(b) RBI circular dated April 7, 2021 advised all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 01, 2020 to August 31, 2020 in conformity with the Supreme Court judgement dated March 23, 2021 ("Supreme Court judgement"). Further, the circular stated that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association ("IBA") in consultation with other industry participants/bodies, which shall be adopted by all lending institutions and also advised all lending institutions to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial results for the year ended March 31, 2021.

The IBA has released clarification on identification of borrowers and the calculation methodology of the amount to be refunded/adjusted in relation to compound interest/interest on interest/ penal interest vide letter CIB/ADV/MBR/9833 dated April 19, 2021.

The Company has estimated the said amount and made a provision of Rs.9.38 lakhs through a charge in its Statement of Profit and Loss for the year ended March 31, 2021.

**39 Previous year figures have been regrouped/reclassified to confirm to current year Financial Statements.**

**For and on behalf of Board of Directors**

  
**Ranjan Sharma**

Managing Director  
DIN No: 00425415  
Place : New Delhi  
Date : 29.06.2021

  
**Devender Kumar**

Director  
DIN No: 08785668  
Place : New Delhi  
Date : 29/06/21

  
**Rakesh Dhasmana**

Chief Financial Officer  
Place : New Delhi  
Date : 29.06.2021

  
**Deepika Singh**

Company Secretary  
Place : New Delhi  
Date : 29.06.2021

