

**DIRECTORS' REPORT**  
**2017-18**

Dear Member,

Your Directors have pleasure in presenting the 1<sup>st</sup> Annual Report of the Company and the Company's audited Financial Statement for period 7<sup>th</sup> December, 2017 (date of incorporation) to 31<sup>st</sup> March, 2018 (end of Financial Year).

**CORPORATE INFORMATION:**

Kisan Rural Finance Limited was incorporated on 7<sup>th</sup> December, 2017 as a Wholly Owned Subsidiary Company of IFFCO Kisan Sanchar Limited (IFFCO Kisan) to enter into NBFC business and provide multiple financing options to the rural customers. The Authorised Capital of the Company as on 31<sup>st</sup> March, 2018 was Rs. 20.00 crore out of which Rs. 3.00 Crore consisting of 30,00,000 Equity Shares of Rs. 10/- each has been subscribed by IFFCO Kisan and its Nominee Shareholders.

The Company was issued the Certificate of Registration (CoR) by Reserve Bank of India (RBI) on 11.06.2018 subsequent to which the Company has begun lending operations in line with in the business plan approved by the Board.

**FINANCIAL PERFORMANCE OF COMPANY:**

The Company has prepared its financial statements for the period 7<sup>th</sup> December, 2017 till the end of Financial Year on 31<sup>st</sup> March, 2018. Since this was the first year of operation of the Company, previous year figures do not exist. As per RBI regulations, the company could begin lending business only upon receipt of the CoR from RBI, which was issued by RBI on 11<sup>th</sup> June 2018. Therefore, there were no business operations in the FY 2017-18.

The financial highlights of the Company's operations are as follows:

<b>Particulars</b>	<b>(₹ In lakh)</b>
Gross Revenue from Business Operations	-
Other Income	4.17
Total Revenue	<u>4.17</u>
Total Expenditure <i>(Including preliminary expenses of Rs 19.85 Lakh)</i>	52.15
<b>Profit/ Loss Before Tax</b>	<b>(47.98)</b>
Tax Expenses	-
<b>Profit/ (Loss) After Tax</b>	<b><u>(47.98)</u></b>

### **SHARE CAPITAL**

During the year, there was no change in the issued, subscribed or paid up equity share capital of the Company. As on 31<sup>st</sup> March 2018, it stood at ₹ 300/- lakh, divided into 30 lakh equity shares of ₹ 10 each.

### **DIVIDEND**

The Directors do not recommend any dividend for the Financial Year ended on 31<sup>st</sup> March, 2018.

### **DEPOSITS**

During the year, the Company has not accepted any deposits covered within the meaning of Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

**KISAN FINANCE - OUTLOOK FOR FY 2018-19**

The Certificate of Registration (CoR) was issued by RBI to the Company on 11<sup>th</sup> June 2018 and the Company has begun its lending operations. A detailed business plan had been approved by the Board of the Company and operations are being undertaken as per the approved plan. In line with the plan for FY 2018-19, business operations have already begun in Rajasthan and Madhya Pradesh, and will be launched in Uttar Pradesh by October 2018. More states will be added from FY 2019-20 onwards. Necessary infrastructure is in place and recruitment is almost complete.

With the uncertainties around demonetization behind us and the GST processes having stabilized, NBFCs are witnessing a growth in demand and retail credit is expected to grow in the FY 2018-19, especially among self-employed borrowers which is the key target segment for Kisan Finance.

The Company intends to be a pioneer on several fronts in the NBFC industry. It will be entirely rural focused in the initial years and will leverage on its core strength, i.e the deep farmer connect through its holding company and the ultimate parent. With a committed management and employee force, high focus on IT and automation to achieve operational efficiency, service oriented objectives and robust policies, the Company is confident of achieving excellent results in the FY 2018-19.

**EXTRACTS OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return in prescribed Form MGT-9, part of the Board's Report, is enclosed as **Annexure-I**.

**BOARD OF DIRECTORS**

**Number of Meetings of the Board:** During the Financial Year 2017-18, 2 (Two) Board Meetings were held on 08/12/2017 and 28/03/2018.

The particulars of attendance of Directors during the Board Meetings are as follows:

Sl. No.	Name of Director	Designation	No. of Meetings held	No. of Meetings attended
1	Shri Rakesh Kapur	Director	2	2
2	Shri Ranjan Sharma	Managing Director	2	2
3	Shri Sandeep Malhotra	Director	2	2
4	Shri Rajender Mohan Malla *	Independent Director	2	1

Note: \* Shri Rajender Mohan Malla was appointed as Independent Director in the 1<sup>st</sup> Board Meeting held on 08/12/2017 and ceased to be a Director w.e.f. 25/04/2018.

#### **Changes in the Composition of the Board and Declaration by Independent Directors**

The Company was incorporated on 7<sup>th</sup> December, 2017. The Board of Directors of Kisan Rural Finance Limited comprised of three First Directors, nominated by the Promoter IFFCO Kisan Sanchar Limited (IFFCO KISAN) for the purpose of registration of the Company.

Shri Ranjan Sharma, Director, was appointed as the Managing Director of the Company in the 1<sup>st</sup> Board Meeting held on 8<sup>th</sup> December, 2017. Further, since the Company was set up to carry out the NBFC activities, it was felt appropriate to invite eminent and experienced professionals on the Board of the Company. Accordingly, the Board of Directors appointed Shri Rajendra Mohan Malla, a veteran banker with rich qualification and experience, as Independent Director of the Company in the 1<sup>st</sup> Board Meeting. The appointment of Shri Rajendra Mohan Malla as Independent Director and Shri Ranjan Sharma as Managing Director was subsequently approved by the Shareholders at their Extra ordinary General Meeting.

Due to some pre-occupations, Shri Rajendra Mohan Malla resigned from Kisan Finance on 25<sup>th</sup> April, 2018 and ceased to be a Director from that date.

**COMMITTEES OF THE BOARD**

The Company does not have any Committee of the Board as the provisions of Sections 135 and 178 of Companies Act, 2013 are not applicable for the Company as on date.

**AUDITORS & THEIR REPORT**

The Board at its 1<sup>st</sup> Meeting held on 8<sup>th</sup> December, 2017 had appointed M/s G.S. Mathur & Co., Chartered Accountants as Company's first Auditors. M/s G.S. Mathur & Co., Chartered Accountants will hold office until the conclusion of the forthcoming first Annual General Meeting (AGM). The Report of the Auditors to the Shareholders of the Company is annexed to the financial statements for the year ended 31st March, 2018. There is no specific observation in the Report of the Auditors which requires clarification.

Section 139(1) of the Companies Act, 2013 provides that every company shall, at the first Annual General Meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting. The Company has planned to engage the services of one of the big four firms of Chartered Accountants as Statutory Auditors of the Company. In view of this, the Company has selected M/s Deloitte Haskins & Sells, LLP and also received consent and confirmation under Section 139(1) of the Companies Act 2013 from them confirming that if they are appointed as Statutory Auditors of the Company by the members at the forthcoming AGM, the same would be within the limit specified under the provisions of Companies Act, 2013.

**INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial control with reference to the Financial Statements and no material weakness was observed.

**RELATED PARTY TRANSACTIONS**

All contract/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arms' length basis. The particulars of contracts or arrangements with related parties referred to in sub-Section (1) of Section 188 in the prescribed Form AOC-2 are annexed as **Annexure-II**.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

During the year under review, your Company has not entered into the transactions falling within the purview of Section 186 of the Companies Act, 2013 and rules made thereunder, therefore no loan has been taken by the Company during the year under review nor any investment made or guarantee given on behalf of any other person by the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

**INFORMATION PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2013:**

Statement giving the details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with requirements of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, is as follows :-

**A. Conservation of Energy**

As the Company primarily deals with NBFC activities and provides multiple financing options to the rural customers, particulars related to the energy conservation is not applicable to the Company.

**B. Technology Absorption, Adoption And Innovation**

The point regarding technology absorption, adoption or innovation is not applicable to the company, being an NBFC.

**C. Foreign Exchange Earnings And Outgo**

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

Foreign Exchange Earning	NIL
Foreign Exchange Outgo	NIL

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors has prepared the annual accounts on a going concern basis;
- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

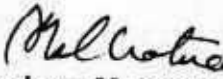
**ACKNOWLEDGEMENT**

Your Directors record their appreciation and gratitude to the Reserve Bank of India, as well as other regulatory and statutory authorities for their valuable support and guidance. Your Directors also acknowledge the dedicated services rendered by all the employees of the Company.

Finally, your Directors express their sincere thanks to the Statutory Auditors, Company's Bankers and Vendors and other constituents for their continued support.

On behalf of the Board,  
For Kisan Rural Finance Limited

Date: 01.08.2018  
Place: New Delhi

  
Sandeep Malhotra  
Director  
DIN: 00343938

  
Ranjan Sharma  
Managing Director  
DIN: 00425415



## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014

## I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U65929DL2017PLC326899
2.	Registration Date	7 <sup>th</sup> December, 2017
3.	Name of the Company	Kisan Rural Finance Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	IFFCO House, 34, Nehru Place, New Delhi-110019 Mr. Ranjan Sharma Phone no.: 011-46729900
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code Product/service	% to total turnover of the Company
1	NIL	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	IFFCO Kisan Sanchar Limited	U32308DL2007 PLC161809	Holding	100%	Section 2 (46) of the Companies Act, 2013

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Shareholders Category	No. of Shares held at the beginning of the year w.e.f. 07/12/2017				No. of Shares held at the end of the year i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	NIL	00	00	00	00	00	00	00	00
b) Central Govt.	NIL	00	00	00	00	00	00	0	00
c) State Govt.(s)	NIL	00	00	00	00	00	00	00	00
d) Bodies Corp.	NIL	29,99,994	29,99,994	99.9998%	00	29,99,994	29,99,994	99.9998%	00
e) Banks / FI	NIL	00	00	00	00	00	00	00	00
f) Any other	NIL	6	6	0.0002%	00	6	6	0.0002%	00
<b>Sub-Total (A) (1):-</b>	<b>NIL</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>100%</b>	<b>00</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>100%</b>	<b>NIL</b>
(2) Foreign									
a) NRI-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total <b>(A) (2) :-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>NIL</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>100%</b>	<b>NIL</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>100%</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Public Shareholding (B) = (B1)+(B2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>NIL</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>100%</b>	<b>NIL</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>100%</b>	<b>NIL</b>

ii) Shareholding of Promoter-

S N	Name of Shareholders	Shareholding at the beginning of the year w.e.f. 07/12/2017			Shareholding at the end of the year, i.e. 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IFFCO Kisan Sanchar Limited and its Nominees	30,00,000	100 %	0	30,00,000	100 %	0	0
	Total	30,00,000	100%	0	30,00,000	100%	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.		Shareholding at the beginning of the year w.e.f. 07/12/2017		Cumulative Shareholding during the year, up to 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30,00,000	100%	30,00,000	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0		0	
	At the end of the year	30,00,000	100%	30,00,000	100%

There was no change in Promoters' Shareholding during the year 2017-18.

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

There is no Shareholder other than Promoter and its Nominees.

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shri Ranjan Sharma (Managing Director)	Shareholding at the beginning of the year w.e.f. 07/12/2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	.0001%	1	.0001%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	00	00	00	00
	At the end of the year	1	.0001%	1	.0001%

SN	Shri Sandeep Malhotra (Director)	Shareholding at the beginning of the year w.e.f. 07/12/2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	.0001%	1	.0001%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	00	00	00	00
	At the end of the year	1	.0001%	1	.0001%

## V. INDEBTEDNESS

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

<b>Particulars</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>	NIL	NIL	NIL	NIL
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of Managing Director
		Shri Ranjan Sharma w.e.f. 08/12/2017
1	Gross Salary (in ₹)	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - others, specify...	NIL
5	Others, please specify	NIL
	Total (A)	NIL

### B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of Director
	Independent Director	Shri Rajender Mohan Malla
(a)	Fee for attending Board / Committee Meetings (in ₹)	25,000
(b)	Commission	NIL
(c)	Others, please specify	NIL
	Total (in ₹)	25,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/  
WTD: NIL**

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					

# G. S. Mathur & Co.

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
KISAN RURAL FINANCE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of Kisan Rural Finance Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising a summary of significant accounting policies and other explanatory 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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements,





whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the year ended on that date.

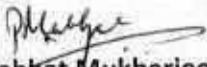
### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) Presently, the company has no branch office(s) and requirement about audited accounts of branch office is not applicable;
  - d) 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;
  - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;
  - f) On the basis of written representations received from the Directors as on 31st March 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018, from being appointed as a Director in terms of Section 164(2) of the Act;
  - g) With respect to the adequacy of Internal Financial Control over financial reporting of the company and the operating effectiveness of such control refer to Annexure-B to the Auditors Report;
  - h) With respect to the other matters to be included in the Auditor's report in accordance with the Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. There are no pending litigations as confirmed by the company and therefore requirement of disclosure of impact of pending litigations on its financial position in its financial statements does not arise;
- ii. As there are no long term contracts including derivative contracts, the requirement of making provision, as required under the applicable law or accounting standards, for, material foreseeable losses, if any, on long term contracts including derivative contracts, does not arise;
- iii. Since the company was incorporated only on 07.12.2017, and NBFC license, though applied, is yet to be granted as on 31.03.2018 by RBI to the company, the requirement of transferring amounts to Investor Education and Protection Fund is not applicable at present.

For **G.S. Mathur & Co**  
Chartered Accountants  
Firm Reg. No. 008744N

  
**Prabhakar Mukherjee**  
(Partner)  
Membership No. 081616



Place: New Delhi  
Delhi: 06 June 2018

## ANNEXURE -A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors Report to the members of Kisan Rural Finance Limited on the financial statements for the year ended 31st March, 2018; we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The Company has a regular system of physical verification of its fixed assets. Accordingly, the fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of assets.  
c) There are no immovable properties held by the company.
- (ii) The nature of the company's business/activities/transactions does not require it to hold inventories, hence, Clause 3(ii) of the Order are not applicable to the company.
- (iii) The company has not granted any loan, secured, or unsecured, to the companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the provisions of Clause, 3(iii) (a), (b) & (c) of the Order are not applicable to the Company.
- (iv) There is no transaction during the year which attracts the provision of Section 185 &186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under are not applicable.
- (vi) According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of business carried out by the Company. Therefore, provisions of Clause 3(vi) of the Order are not applicable to the Company.
- (vii) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income tax, service tax, cess and any other statutory dues as applicable to it with appropriate authorities. As per our information there are no disputes of dues of income tax, service tax, custom duties, excise duties or VAT etc.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks, Government or of debenture holders. Hence the question of default in repayment of loans or borrowings to aforesaid institution, bank, Government and debenture holders does not arise.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans.
- (x) No fraud by the company or on the Company by its officers or employees was noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration, hence not applicable.
- (xii) Since the Company is not a Nidhi Company, therefore, provisions of Clause 3(xii) of the Order are not applicable to the Company.



- (xiii) All the transactions with the related parties entered into by the company are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of which have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is in the process of registering under Section 45-IA of the Reserve Bank of India Act, 1934 to carry on business as NBFC vide Company application reference no. 15013, dated 21-12-2017.

For **G.S. Mathur & Co**  
Chartered Accountants  
Firm Reg. No. 008744N

  
**Prabhat Mukherjee**  
(Partner)  
Membership No. 081616



Place: New Delhi  
Delhi: 06 June 2018

**"Annexure B" to the Independent Auditor's Report on the Standalone Financial Statements of Kisan Rural Finance Ltd. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.**

We have audited the internal financial controls over financial reporting of Kisan Rural Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

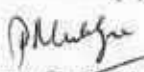
### Inherent Limitations of Internal Financial Controls over Financial Reporting

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, the Company have, 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 31st March 2018, 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.

For **G.S. Mathur & Co**  
Chartered Accountants  
Firm Reg. No. 008744N

  
**Prabhāt Mukherjee**  
(Partner)  
Membership No. 081616



Place: New Delhi  
Delhi: 06 June 2018

## **Note No . 1**

### **Corporate Information:**

The Company KISAN RURAL FINANCE LIMITED was incorporated on 7th December, 2017 vide registration No.U65929DL2017PLC326899 under The Companies Act, 2013 to run primarily as a NBFC company for penetrating financing in rural areas and to facilitate loan to farmers of rural India.

It is a subsidiary of IFFCO Kisan Sanchar Limited. During the year, the company has applied to RBI to be registered as a NBFC. However the RBI approval of the registration is awaited as at 31<sup>st</sup> March, 2018.

### **Statement of Significant Accounting Policies as on 31<sup>st</sup> March 2018**

#### **1.1) Basis for preparation of financial statements:**

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The complete financial statements have been prepared along with all disclosures. However Company has applied to RBI for the grant of licence to operate as a NBFC, which is awaited as at 31.03.2018.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / noncurrent classification of assets and liabilities.

#### **1.2) Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year



end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

**1.3) Revenue Recognition:**

Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measurable.

Revenue from investments are recognised on a time proportion basis as accrued.

**1.4) Fixed Assets, Depreciation and Amortization:**

Tangible Assets:

- a) Fixed assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on Assets is provided on Straight Line Method in accordance with useful life specified in schedule II of the Companies Act 2013.

**1.5) Operating Leases:**

As a lessee: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

**1.6) Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**1.7) Cash & Cash equivalents:**

Cash & Cash equivalents consist of Cash in Hand, balances with banks and term deposits with banks.





**1.8) Prepaid Expenses:**

Prepaid Expenses up to Rs. 50,000/- in each case except insurance premium is accounted for in the year in which the same is incurred.

**1.9) Prior Period Income/ Expenditures:**

Income/Expenditures items related to prior period(s) not exceeding Rs 50,000/- each except depreciation is treated as Income/Expenditures of Current Year.

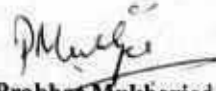


**KISAN RURAL FINANCE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH 2018**

Amount in Rs

Particulars	Note	Period Ended 31.03.2018	
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2.1	3,00,00,000	
(b) Reserves and Surplus	2.2	<u>(47,97,600)</u>	2,52,02,400
<b>(2) Non-Current Liabilities</b>			
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	2.3	43,62,305	
(b) Short Term Provisions	2.4	<u>2,43,598</u>	46,05,903
<b>TOTAL</b>			<u><u><b>2,98,08,303</b></u></u>
<b>II ASSETS</b>			
<b>1) Non Current Assets</b>			
(a) Fixed assets			
(i) Tangible Assets	2.5	40,31,537	40,31,537
<b>(2) Current Assets</b>			
(a) Cash and Cash Equivalents	2.6	2,17,25,113	
(b) Other Current Assets	2.7	<u>40,51,653</u>	2,57,76,766
<b>TOTAL</b>			<u><u><b>2,98,08,303</b></u></u>
Significant Accounting Policies	1		
Other Notes to Accounts	2.11 to 2.18		
Notes referred above integral part of these financial statements.			


As per our report of even date  
For G.S Mathur & Co.  
Chartered Accountants  
ICAI Firm Reg. No. 08744N

  
**Prabhat Mukherjee**  
Partner  
M. No. 081616



For and on behalf of the board of Directors  
**Kisan Rural Finance Limited**

  
**Ranjan Sharma**  
Managing Director  
DIN: 00425415

  
**Sandeep Malhotra**  
Director  
DIN: 00343938

Date 6 June 2018  
New Delhi-

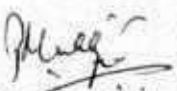
**KISAN RURAL FINANCE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDING 31st MARCH 2018**


Particulars	Note	Amount in Rs Period Ended 31.03.2018
Revenue from Operations		-
Other Income	2.8	4,16,917
<b>Total Revenue</b>		<b>4,16,917</b>
<b>Expenses :</b>		
Employee Benefits Expense	2.9	7,45,814
Depreciation and Amortization Expense	2.5	89,353
Other Expenses	2.1	43,79,350
<b>Total Expenses</b>		<b>52,14,517</b>
<b>Profit Before extraordinary items and tax</b>		<b>(47,97,600)</b>
Extraordinary Items		-
<b>Profit before Tax</b>		<b>(47,97,600)</b>
<b>Tax Expense</b>		
(1) Current Tax		-
(2) Deferred Tax		-
<b>Profit/(Loss) from the period from continuing operations</b>		<b>(47,97,600)</b>
<b>Profit/(Loss) from discontinuing operations</b>		-
<b>Tax expense of discontinuing operations</b>		-
<b>Profit/(Loss) from Discontinuing operations (after tax)</b>		-
<b>Profit/(Loss) for the period</b>		<b>(47,97,600)</b>
<b>Earning Per Share</b>		
(1) Basic		-1.60
(2) Diluted		-1.60

Significant Accounting Policies 1  
 Other Notes to Accounts 2.11 to 2.18  
 Notes referred above integral part of these financial statements


As per our report of even date  
 For G.S Mathur & Co.  
 Chartered Accountants  
 ICAI Firm Reg. No. 08744N

For and on behalf of the board of Directors  
**Kisan Rural Finance Limited**

  
**Prabhakar Mukherjee**  
 Partner  
 M. No. 081616



  
**Ranjan Sharma**  
 Managing Director  
 DIN: 00425415

  
**Sandeep Malhotra**  
 Director  
 DIN: 00343938

Date 6 June 2018  
 New Delhi-

**KISAN RURAL FINANCE LIMITED****Statement of Cash Flows****Year Ended 31.03.2018****Amount Rs****Cash flows from operating activities**

Cash paid to Supplier (20,13,395)  
Cash paid to Employees (3,50,501)

*Net cash used in operating activities* (23,63,896)

**Cash flows from investing activities**

Purchase of property, plant and equipment (62,32,424)  
Interest on Fixed Deposit 3,21,433

*Net cash used in investing activities* (59,10,991)

**Cash flows from financing activities**

Proceeds from issue of share capital 3,00,00,000

*Net cash used in financing activities* 3,00,00,000

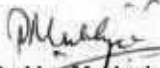
**Net increase in cash and cash equivalents 2,17,25,113**

**Cash and cash equivalents at beginning of period -**

**Cash and cash equivalents at end of period 2,17,25,113**

As per our report of even date  
For G.S Mathur & Co.  
Chartered Accountants  
ICAI Firm Reg. No. 08744N



  
**Prabhat Mukherjee**  
Partner  
M. No. 081616

For and on behalf of the board of Directors  
**Kisan Rural Finance Limited**

  
**Ranjan Sharma**  
Managing Director  
DIN: 00425415

  
**Sandeep Malhotra**  
Director  
DIN: 00343938

Date: 6 June 2018  
New Delhi-

**KISAN RURAL FINANCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

**Note No. 2.1 - Share Capital**

Amount in Rs

Particulars	Period Ended 31.03.2018
<b>Equity Share Capital</b>	
<b>Authorised Share Capital :</b>	
2,00,00,000 Equity Shares of Rs. 10 each	<u>20,00,00,000</u>
<b>Issued, Subscribed and Paid Up Share Capital:</b>	
30,00,000 Equity Shares of Rs. 10 each fully paid up	<u>3,00,00,000</u>
<b>Total</b>	<u><u>3,00,00,000</u></u>

**Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs10 per share. Each holder of equity shares is entitled to one vote per share

Reconciliation of Issued Share Capital	Number of shares held	Amount in Rs
Equity shares outstanding at the beginning of the year	-	-
Issued During year	30,00,000	3,00,00,000
Bought Back During year	-	-
Equity shares outstanding at the end of the year	<u>30,00,000</u>	<u>3,00,00,000</u>

Shareholders Holdings More than 5% of Shares in the Company	Number of shares held	% of Share holding
IFFCO Kisan Sanchar Limited (Holding Company)	30,00,000	100.00%
<b>Total</b>	<u>30,00,000</u>	<u>100.00%</u>

**Note No. 2.2 - Reserves & Surplus**

Amount in Rs

Particulars	Period Ended 31.03.2018
Current Year Transfer of Profit & Loss Account	(47,97,600)
<b>Balance at the end of the year (Total)</b>	<u>(47,97,600)</u>



**KISAN RURAL FINANCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

**Note No. 2.3 - Other Current Liabilities**

<b>Particulars</b>	<b>Amount in ₹</b>
	<b>Period Ended 31.03.2018</b>
Statutory Dues Payable	1,19,910
Salary Payable	3,91,851
Other Payables	34,14,587
Consultancy Charges Payable	3,24,871
Rent Payable	61,586
Audit Fees Payable	36,000
Certification Expenses Payable	13,500
<b>Total</b>	<b>43,62,305</b>

**Note No.2.4 - Short term provisions**

<b>Particulars</b>	<b>Amount in ₹</b>
	<b>Period Ended 31.03.2018</b>
<b>Provision for Expenses</b>	
Communication Expenses	2,622
Printing & Stationery	7,906
Repair & Maintenance	4,220
Travelling & Conveyance Expenses	45,000
Other Misc. Expenses	23,850
Consultancy Expenses	1,60,000
<b>Total</b>	<b>2,43,598</b>



KISAN RURAL FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note No.2.5 – Fixed Asset

Description	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK		
	As At 1.4.2017	Additions	Deletions/ Adjustments	As At 31.03.2018	As At 1.4.2017	For the Year	Deletions/ Adjustments	Up to 31.03.2018	As At 31.03.2018	As At 31.03.2017
<b>A)Tangible Assets:</b>										
Furniture & Fittings		4,05,675		4,05,675		3,441		3,441	4,02,234	-
Air conditioner/ Cooler		2,39,597		2,39,597		4,661		4,661	2,34,936	-
Computer Systems		50,751		50,751		1,773		1,773	48,978	-
Office Equipment		88,632		88,632		2,428		2,428	86,204	-
Computer Server & Network		1,74,100		1,74,100		125		125	1,73,975	-
Temporary Structure		31,62,135		31,62,135		76,925		76,925	30,85,210	-
<b>Sub Total</b>	-	<b>41,20,890</b>	-	<b>41,20,890</b>	-	<b>89,353</b>	-	<b>89,353</b>	<b>40,31,537</b>	-
<b>Grand Total(Current Year)</b>	-	<b>41,20,890</b>	-	<b>41,20,890</b>	-	<b>89,353</b>	-	<b>89,353</b>	<b>40,31,537</b>	-



**KISAN RURAL FINANCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

<b>Note -2.6 Cash and Bank Balance</b>	
	<b>Amount in Rs</b>
<b>Particulars</b>	<b>Period Ended 31.03.2018</b>
<b>a) Cash and Cash Equivalents</b>	
i) Balances in Current Accounts with Banks	15,24,055
ii) Cash in Hand	1,058
<b>b) Other Bank Balances</b>	
In Term Deposits with original maturity of more than three months	2,02,00,000
<b>Total</b>	<b>2,17,25,113</b>

<b>Note No. 2.7 - Other Current Assets</b>	
	<b>Amount in Rs</b>
<b>Particulars</b>	<b>Period Ended 31.03.2018</b>
Advance for Intangible Asset	25,00,000
TDS Receivable	41,692
GST Input	14,56,169
Accrued Interest on FD	53,792
<b>Total</b>	<b>40,51,653</b>





**KISAN RURAL FINANCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

<b>Note No. 2.8 Other Income</b>	<b>Amount in Rs</b>
<b>Particulars</b>	<b>Period Ended</b>
Interest from FD	31.03.2018
Interest from FD	4,16,917
<b>Total</b>	<b>4,16,917</b>



**KISAN RURAL FINANCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

**Note No. 2.9- Employee Benefit Expenses**

<b>Particulars</b>	<b>Amount in Rs</b>
	<b>Period Ended 31.03.2018</b>
Salary	7,45,814
<b>Total</b>	<b>7,45,814</b>

**Note No. 2.10- Other Expenses**

<b>Particulars</b>	<b>Amount in Rs</b>
	<b>Period Ended 31.03.2018</b>
Rent	99,435
Printing & Stationery	20,220
Communication Expenses	12,743
Travelling & Conveyance Expenses	2,78,894
Legal & Professional Fees	16,52,878
Repair & Maintenance	24,177
Advertisement	1,25,800
Director Sitting Fee	25,000
Audit Fees	40,000
Miscellaneous Expenses	1,15,718
Preliminary Expenses	19,84,485
<b>Total</b>	<b>43,79,350</b>



**Kisan Rural Finance Limited**

**Notes forming part of financial statements for the year ended 31<sup>st</sup> March, 2018**

**2.11 Capital Commitments:**

Estimated value of contracts remaining to be executed on capital account and not provided for is Rs. 75,00,000/- (previous year Rs. NIL/-)

**2.12 Related Party Disclosures:** Related party disclosure as per the Accounting Standard-18 on "Related Party Disclosures" are provided as below:

**A. Related Parties**

S.No.	Relation	Name of the Related Party
a)	Parent Holding Enterprise	Indian Farmers Fertiliser Cooperative Limited (IFFCO)
b)	Holding Company (Wholly Owned)	IFFCO Kisan Sanchar Limited
c)	Key Managerial Personnel	Mr. Ranjan Sharma (Managing Director)

**B. Transactions with Related Parties & Balances**

Amount in Rs.

S.No.	Particulars	Related Party	Year Ended 31.03.2018
i)	<b><u>Transactions with Related Parties</u></b>		
	Preliminary Expenses	IFFCO Kisan Sanchar Limited (Holding Company)	19,33,485/-
	Communication Expenses	IFFCO Kisan Sanchar Limited (Holding Company)	7,810/-
	Trademark Expenses	IFFCO Kisan Sanchar Limited (Holding Company)	26,880/-
	Travelling Expenses	IFFCO Kisan Sanchar Limited (Holding Company)	1,05,116/-
	Other Misc. Expenses	IFFCO Kisan Sanchar Limited (Holding Company)	5,549/-
	Rent Paid	IFFCO (Parent Holding Company)	57,024/-
ii)	<b><u>Balances as at 31.03.2018</u></b>		
	Expenses Payable	IFFCO (Parent Holding Company)	61586/-
	Amount Payable	IFFCO Kisan Sanchar Limited (Holding Company)	20,78,840/-



**Kisan Rural Finance Limited**

**Notes forming part of financial statements for the year ended 31<sup>st</sup> March, 2018**

**2.13 Earnings per Share**

Earnings per share (EPS) has been computed in accordance with Accounting Standard-20 on "Earnings Per Share" by dividing Net Profit for the year attributable to equity shareholders by the weighted average number of shares outstanding for the year as under:

Amount in Rs.

Particulars	Year ended 31.03.2018
Net Profit for the year attributable to Equity share holders	(47,97,600)
Weighted average No. of shares (Nos.)	30,00,000
Nominal Value per Share	10
Basic EPS	(1.60)
Diluted EPS	(1.60)

**2.14 Transactions with Micro, Small and Medium Enterprises:**

Particulars	Year Ended 31.03.2018
1. Principal amount due and remaining unpaid to any Supplier as at end of Accounting Year	-
2. Interest due on Principal amount remaining unpaid as at the end of Accounting Year	-
3. Amount of Interest along with Principal Amount paid to Supplier beyond due date of payment	-
4. Amount of Interest accrued/due and remaining Unpaid at the end of Accounting Year	-

The above information has been provided to the extent such parties have been identified on the basis of information available with the company.

**2.15** Company has no contingent liabilities as on 31.03.2018.

**2.16 Operating Leases**

The Company's significant leasing arrangements are in respect of Operating leases of offices. These leasing arrangements are usually renewable on mutually agreed terms and are non-cancellable. Lease payments are shown as rent expenses in note no 2.10. Future minimum lease payments under non-cancelable operating leases are as under:



**Kisan Rural Finance Limited**  
**Notes forming part of financial statements for the year ended 31<sup>st</sup> March, 2018**

Amount in Rs.

	<b>As at March 31, 2018</b>
Rent payable for 1 year	7,37,028
Rent payable for 1 to 5 years	12,89,799
Rent payable for 5 years and above	NIL

Total lease rental cost recognized in the financial statement is of Rs. 0.99 Lacs .

- 2.17 In the opinion of the management, the value of assets other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- 2.18 The main objective of the Company is to do the business of financing. Since all activities are related to the main activity there are no reportable segment as per Accounting Standard Segment Reporting (AS 17).

For G.S. Mathur & Co.

For and on behalf of the Board of Directors of

Chartered Accountants

Kisan Rural Finance Limited

ICAI Firm Regn No.08744N



**Prabhat Mukherjee**

Partner

M. No. 081616

**Ranjan Sharma**

Managing Director

DIN: 00425415

**Sandeep Malhotra**

Director

DIN: 00343938

Place: New Delhi

Date: 6 June 2018