

INDEPENDENT AUDITORS' REPORT**To the Members of IFFCO Kisan Sanchar Limited****Report on the Audit of Standalone Financial Statements****1. Opinion**

We have audited the accompanying standalone financial statements of IFFCO Kisan Sanchar Limited ("the company") which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss, the Cash Flow Statement for the year 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 standalone 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 March 31, 2021, and profit, and its cash flows for the year ended on that date.

2. Basis of Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion on the standalone financial statements.

3. Emphasis of Matter

We draw attention to the below matters in the notes to the standalone financial statements:

Note no. 2.49 to the standalone financial statements regarding provision of liability towards bonus in lines with norms for government employees for the year in respect of contractual staff deployed under Kisan Call Center and non-payment thereof due to non-settlement of such matter with DOA.

Note no. 2.50 to the standalone financial statements regarding applicability of retrospective amendment towards bonus and non-payment thereof since sub-judice before various high courts.



Note no. 2.51 to the standalone financial statements regarding provision of liability towards gratuity for contractual staff deployed under Kisan Call Centre and non-payment thereof as the matter is under active consideration before DOA.

Our report is not qualified in respect of these matters

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

5. Information other than the financial statements and Auditor's Report thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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.

7. Auditor's Responsibility for Audit of Standalone Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the management's use going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist related to the events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economics decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider



quantitative materiality and qualitative factors in i) planning the scope of audit work and evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the standalone 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 the 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 be reasonably be thought to bear on our independence, and where applicable, related safeguards.

8. Report on other Legal and Regulatory Requirements

l) 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of 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 control 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 our best of our information and according to the explanations given to us, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- h) With respect to the other matters 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 explanation given to us:
- i. The Company does not have any impact of pending litigations on its financial position except specifically reported in Refer Note No. 2.26



- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
- II) 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 B**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Rajnish & Associates
Chartered Accountants
ICAI Firm's Reg. No. 014666N


Sumit Kant Bhatnagar
Partner

M.No:- 095554

UDIN:- 21095554AAACH 2445



Place: New Delhi

Dated: June 30, 2021

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 8(I)(f) under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors Report of the even date to the members of IFFCO Kisan Sanchar Limited on the Standalone financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls 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 Sanchar Limited** ("the Company") as of March 31, 2021 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 (the "Guidance Note") 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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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, 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 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 essential components of internal control stated in the Guidance Note issued by ICAI.

For Rajnish & Associates

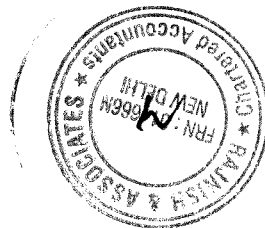
Chartered Accountants

ICAI Firm's Reg. No. 014666N


Sumit Kant Bhatnagar
Partner

M.No:- 095554

UDIN:- 21095554 AAAACH 2445



Place: New Delhi

Dated: June 30, 2021

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 8 (II) under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors Report of the even date to the members of IFFCO Kisan Sanchar Limited on the standalone financial statements for the year ended March 31, 2021]

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) There are no immovable properties held by the company, hence the provision of clause (i) (c), of paragraph 3 is not applicable to the Company.

(ii) Inventories

The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) Transactions with parties' u/s 189 of the Companies Act, 2013

In our opinion and according to the information and explanations given to us, 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. Hence the provisions of clause (iii) (a), (b) & (c) of paragraph 3 are not applicable to the Company.

(iv) Loans, Investments, Guarantees, and Security

In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the company.

(v) Deposits from the public

In our opinion and according to the information and explanations given to us, company has not accepted deposits from the public; hence compliance of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under with regards to acceptance of deposit is not required.

(vi) Maintenance of Cost records

In our opinion and according to the information and explanations given to us, the company is in service industry. The company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) Statutory Dues

- a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authority undisputed statutory dues including Provident Fund, Employees State



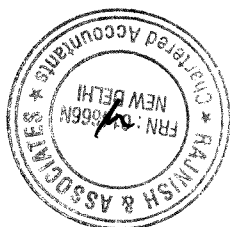
Insurance, Income Tax, VAT, Service Tax, Excise Duty, Goods & Service Tax, Royalty, Cess and other Statutory dues as applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, VAT, Goods & Service Tax, Royalty, Cess and other statutory dues applicable to it, were outstanding as on 31.03.2021 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us there are no disputed demands of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except e-tds demands raised by Income Tax Department for Rs. 7,16,040/- in respect of earlier years.

(viii) Repayment of dues of financial institution or bank etc.

In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any loans or borrowing from a financial institution, bank, Government or debenture holders. Hence, the provisions of clause (viii) of paragraph 3 are not applicable to the Company.

- (ix) In our opinion and according to the records of the Company examined by us and the information and explanations given to us, during the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given by the management, we have neither come across any instance of fraud on or by the company, noticed or reported during course of our audit, nor we have been informed of such case by the management.
- (xi) In our opinion and according to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid or provided 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; hence the provisions of clause (xii) of paragraph 3 are not applicable to the Company
- (xiii) In our opinion and according to the records of the Company examined by us and the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review; hence the provisions of clause (xiv) of paragraph 3 are not applicable to the Company.
- (xv) In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the company has not entered into any non-cash



transactions with directors or persons connected with him; hence the provisions of clause (xv) of paragraph 3 are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajnish & Associates
Chartered Accountants
ICAI Firm's Reg. No. 014666N


Sumit Kant Bhatnagar
Partner

M.No:- 095554

UDIN:- 21095554AAAA CH 2445



Place: New Delhi

Dated: June 30, 2021

IFFCO KISAN SANCHAR LIMITED
BALANCE SHEET AS AT 31ST MARCH 2021

PARTICULARS	NOTE	Amount in ₹	
		AS AT 31-03-2021	AS AT 31-03-2020
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	5,00,00,000	5,00,00,000
(b) Reserves and Surplus	2.2	42,55,75,040	40,70,88,265
		47,55,75,040	45,70,88,265
(2) Non- Current Liabilities			
(a) Other Long-Term Liabilities	2.3	1,59,36,176	1,55,95,017
(b) Long-Term Provisions	2.4	94,51,182	2,06,29,930
		2,53,87,358	3,62,24,947
(3) Current Liabilities			
(a) Trade Payables	2.5	15,98,04,002	3,69,27,577
(b) Other Current Liabilities	2.6	14,25,66,390	16,32,44,513
(c) Short-Term Provisions	2.7	1,29,32,570	1,67,76,642
		31,53,02,962	21,69,48,732
TOTAL		81,62,65,360	71,02,61,944
II ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	2.8	3,29,61,100	4,50,77,616
(ii) Intangible Assets	2.8	54,36,440	62,11,799
(iii) Intangible under Development	2.9	15,45,578	-
(b) Non-Current (Long-Term) Investments	2.10	15,00,00,000	15,00,00,000
(c) Long-Term Loans and Advances	2.11	93,76,166	62,79,890
(d) Deferred Tax Assets (Net)	2.12	1,48,78,666	2,42,23,524
(e) Other Non current Assets	2.13	28,08,397	32,84,949
		21,70,06,347	23,50,77,778
(2) Current Assets			
(a) Inventories	2.14	8,19,62,768	6,52,05,872
(b) Trade Receivables	2.15	12,11,27,389	9,29,28,908
(c) Cash and Bank Balances	2.16	27,07,67,010	20,46,40,597
(d) Short-Term Loans and Advances	2.17	1,72,37,405	97,94,387
(e) Other Current Assets	2.18	10,81,64,441	10,26,14,402
		59,92,59,013	47,51,84,166
TOTAL		81,62,65,360	71,02,61,944

Significant Accounting Policies

1

Other Notes to Accounts

2.26 to 2.68

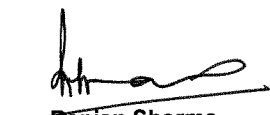
Notes referred above are integral part of the Balance Sheet

As per our report of even date
For Rajnish & Associates
Chartered Accountants
ICAI Firm Reg. No. 014666N

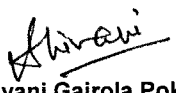

Sumit Kant Bhatnagar
Partner
M. No. 095554



For and on behalf of the board of Directors
IFFCO Kisan Sanchar Limited


Ranjan Sharma
Director
DIN: 00425415


Sandeep Malhotra
Managing Director
DIN: 00343938


Shivani Gairola Pokhriyal
Company Secretary
M.No. ACS-22086

Place: New Delhi
Dated : June 30, 2021

IFFCO KISAN SANCHAR LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

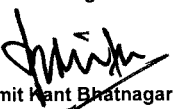
PARTICULARS	NOTE	Amount in ₹	
		Year Ended 31-03-2021	Year Ended 31-03-2020
Revenue			
I. Revenue from Operations	2.19	5,32,54,60,121	3,84,09,31,111
II. Other Income	2.20	1,14,30,770	98,42,435
III. Total Revenue (I+II)		5,33,68,90,891	3,85,07,73,546
IV. Expenses			
Purchases of Stock- in- Trade	2.21	4,64,12,53,410	3,23,54,02,308
Changes in Inventories of Stock- in- Trade	2.22	(1,65,22,119)	(4,79,56,880)
Employee Benefits Expense	2.23	43,65,77,820	42,45,19,840
Depreciation and Amortization Expense	2.8	2,31,88,975	2,24,60,956
Finance Cost	2.24	5,256	929
Other Expenses	2.25	21,18,54,075	17,24,82,991
Total Expenses		5,29,63,57,417	3,80,69,10,144
V. Profit Before Exceptional and Extraordinary items and tax (III-IV)		4,05,33,474	4,38,63,403
VI. Exceptional items		-	-
VII. Profit Before Extraordinary Items and Tax (V-VI)		4,05,33,474	4,38,63,403
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		4,05,33,474	4,38,63,403
X. Tax Expense :			
- Current Tax		60,92,266	1,55,65,412
- Earlier Year Tax		(33,90,425)	(45,83,503)
- Deferred Tax		93,44,858	21,37,049
		1,20,46,698	1,31,18,958
XI. Profit for the continuing operations after tax for the year (IX-X)		2,84,86,775	3,07,44,444
XII. Earnings per equity share of face value of Rs. 10 each			
Basic & Diluted		5.70	6.15

Significant Accounting Policies
Other Notes to Accounts

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2.26 to 2.68

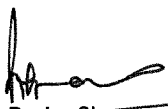
Notes referred above are integral part of the Statement of Profit and Loss

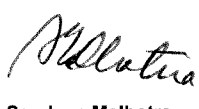
As per our report of even date
For **Rajnish & Associates**
Chartered Accountants
ICAI Firm Reg. No. 014666N

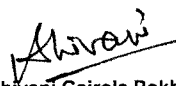

Sumit Kant Bhatnagar
Partner
M. No. 095554



For and on behalf of the board of Directors
IFFCO Kisan Sanchar Limited


Ranjan Sharma
Director
DIN: 00425415


Sandeep Malhotra
Managing Director
DIN: 00343938


Shivani Gairola Pokhriyal
Company Secretary
M.No. ACS-22086

Place: New Delhi
Dated : June 30, 2021

IFFCO KISAN SANCHAR LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

DESCRIPTION	Amount in ₹	
	Year ended 31.3.2021	Year ended 31.3.2020
A. Cash Flow from Operating Activities		
Net Profit Before Tax	4,05,33,474	4,38,63,403
Adjustment for :		
Depreciation/Amortization	2,31,88,975	2,24,60,956
Interest on tax free bond / FDRs	(95,41,907)	(76,71,133)
Interest on Working Capital Limit	5,256	929
Amortization of premium on Investments (Bonds)	4,76,552	4,76,552
Bad Debts Written off	20,29,628	3,47,483
Unclaimed Balances Written Back	(8,06,750)	(7,18,286)
Provision for Bad & doubtful debts	-	29,00,590
Profit on sale of Property, Plant and Equipment	(1,13,523)	(51,059)
Loss on sale of Property, Plant and Equipment / Written off	-	1,11,497
Operating Profit before Working Capital Changes	5,57,71,705	6,17,20,931
Adjustment For		
Decrease / (Increase) in Inventories	(1,67,56,897)	(4,87,48,311)
Decrease/(Increase) in Trade Receivables	(3,02,28,110)	2,06,37,435
Decrease / (Increase) in Loans and Advances	(1,05,39,293)	(49,24,556)
Decrease / (Increase) in Other Current & Non Current Assets	1,50,37,274	1,14,26,798
Increase / (Decrease) in Trade Payables	12,28,76,425	2,86,85,545
Increase / (Decrease) in Other Liabilities & Provisions	(3,45,53,034)	(2,34,867)
Cash generated from operations	10,16,08,070	6,85,62,976
Direct Taxes Paid	(2,32,89,154)	(2,84,44,417)
Net Cash from Operating Activities	(A) 7,83,18,916	4,01,18,558
B. Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	(1,03,30,351)	(46,95,760)
Sale of Property, Plant and Equipment	1,46,774	1,43,486
Increase in Intangible under development	(15,45,578)	-
Interest on Tax Free Bonds	36,70,000	36,70,000
Interest on Fixed Deposits (FDRs)	58,71,907	40,01,133
Net Cash used in Investing Activities	(B) (21,87,248)	31,18,859
C. Cash Flow From Financing Activities		
Interest on Working Capital Limit	(5,256)	(929)
Payment of Dividend and Dividend Tax	(1,00,00,000)	(1,20,75,295)
Net Cash Flow From Financing Activities	(C) (1,00,05,256)	(1,20,76,224)
Net Increase in Cash and Cash Equivalents (A+B+C)	6,61,26,413	3,11,61,194
Opening Cash & Cash Equivalents	20,46,40,597	17,34,79,404
Closing Cash & Cash Equivalents	27,07,67,010	20,46,40,597

Notes:

1. Cash and Cash Equivalents Consists of Cash in Hand and Balance with Banks. Cash and Cash Equivalents included in the Cash Flow Statement comprise of following Balance Sheet amounts as per note 2.16

Cash & Cash Equivalents	9,92,77,328
Other Bank Balance (Term Deposits having maturity period above 3 months)	17,14,89,683
	<u>27,07,67,010</u>

2. Cash Flow Statement is prepared in accordance with indirect method prescribed in 'Accounting Standard - 3' on Cash Flow Statements.

As per our report of even date
For **Rajnish & Associates**
Chartered Accountants
ICAI Firm Reg. No. 014666N

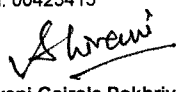

Sumit Kant Bhatnagar
Partner
M. No. 095554



For and on behalf of the Board of Directors
IFFCO Kisan Sanchar Limited


Ranjan Sharma
Director
DIN: 00425415


Sandeep Malhotra
Managing Director
DIN: 00343938


Shivani Gairola Pokhriyal
Company Secretary
M.No. ACS-22086

Place: New Delhi
Dated : June 30, 2021

IFFCO KISAN SANCHAR LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2021

NOTE NO.1 –SIGNIFICANT ACCOUNTING POLICIES

1.1 Corporate Information

The Company IFFCO KISAN SANCHAR LIMITED was incorporated on 12th April, 2007 vide registration No.U32308DL2007PLC161809 under the erstwhile Companies Act, 1956 to carry on the business of telecom, communication, information technology etc. It is a subsidiary of Indian Farmers Fertilizer Cooperative Limited.

1.2 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on going concern in accordance with the Generally Accepted Accounting Principles (GAAP) in India on an accrual basis, and in compliance with Accounting Standards prescribed by the Companies (Accounts) Rules, 2014 to the extent applicable and in accordance with provisions of The Companies Act, 2013. The accounting policies adopted in the preparation of Financial Statements are generally consistent with those used in the previous year. All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013.

1.3 Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

1.4 Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

1.5 Intangible Assets

An intangible asset is recognized where it is probable that the future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Such assets are stated at cost less accumulated amortization.

1.6 Depreciation/Amortization

- a) Depreciation on Tangible Assets is provided based upon Useful Life indicated in Schedule II Part C of The Companies Act, 2013 providing on straight line method.
- b) Intangible Assets comprising of Cost of Softwares recognized as intangible asset is amortized over a period of legal right/ management estimate of useful life or three year whichever is earlier.



IFFCO KISAN SANCHAR LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2021

- c) Any addition or sold/discard/deletion of tangible & intangible assets during the year, the depreciation/amortization on such assets shall be calculated on a prorata basis.
- d) Fixed Assets relating to Call Centre projects namely Kisan Call Center (KCC) and Zonal Consumer Helpline (ZCH) comprising of Computers, Servers, Office Equipments, Furniture & Fittings etc. are depreciated over the initial period of the agreement or Useful Life as indicated in Schedule II Part C of The Companies Act, 2013 whichever is earlier.
- e) Tangible Assets including assets deployed in Call Centre projects are depreciated to the extent of 95% of the original cost.

1.7 Impairment of Assets

The company assess at each Balance Sheet date as to whether there is any indication exists that Property, Plant & Equipment and Intangible assets may be impaired. If any such indication exists, an impairment loss is recognised in Statement of Profit and Loss to the extent carrying amount of an asset exceeds its recoverable amount.

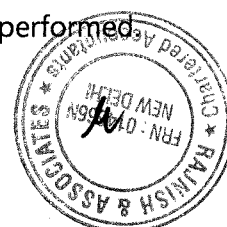
1.8 Inventories

Inventories are valued at lower of cost and net realizable value after providing obsolescence, if any. The cost is determined on First-in-First-out (FIFO) basis.

1.9 Revenue Recognition

Revenue is recognized to the extent that it can reliably measured and is probable that the economic benefits will flow to the Company.

- a) **Sale of Goods**
Revenue is recognized only when the significant risks and rewards incidental to ownership of goods have been passed to the buyer.
- b) **Sale of Services**
 - i) Sale of talktime /SIMs are recognized as and when services are rendered/on transfer of title which normally coincides with delivery.
 - ii) Activation margin for new subscriber connections is recognized as per terms of agreement.
 - iii) Margins on 'talk time' are recognized as revenue at the time of purchase of talk time.
- c) **Other Operating Revenue**
 - i) Income from Kisan Call Centre (KCC), Zonal Consumer Helpline (ZCH) & Other Call Centers is recognized when services are rendered.
 - ii) Income from Samadhan Services is recognized when services are performed



iii) Insurance Claims and claim against marketing/service expenses are recognized when reasonable certainty exists with regard to the amount to be realised and ultimate collection thereof.

iv) Income from other services is recognized when services are rendered /accepted.

d) **Other income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized when the right to receive the same is established.

1.10 Grants

In accordance with Accounting Standard (AS-12), Grants related to Fixed Assets (depreciable asset) are deducted from gross value of fixed asset. However, when grant equals whole or virtually the whole cost of Fixed Asset, then Fixed Asset is shown at nominal value. Grants towards revenue expenses are recognized over the period in which related costs are incurred and are deducted from the related expenses.

1.11 Cash and Cash equivalents

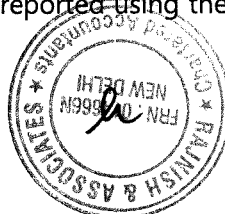
Cash & cash equivalent consist of cash in hand, balances with banks and Short term deposits with Banks.

1.12 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.

1.13 Foreign Currency Transaction

- a) Foreign Currency transactions are recorded on initial recognition at the exchange rate prevailing on the date of the transaction. On settlement of transactions, the realized gains & losses on foreign exchange transactions are recognized in the Statement of Profit & Loss.
- b) Foreign currency monetary items remaining unsettled at the end of the year are reported at year-end rates. The exchange rate differences arising thereof are recognized in the Statement of Profit & Loss. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



IFFCO KISAN SANCHAR LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2021

1.14 Employees Benefits

a) Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Statement of Profit and Loss of the year in which the related service is rendered.

b) Post-Employment Benefits

i) Provident Fund

The Contribution to Provident fund and family pension scheme is recognized as expenses and is charged to the Statement of Profit and Loss.

ii) Defined Benefit Plan

Liability for Gratuity is recognized on the basis of actuarial valuation made at the end of the year on Projected Unit Credit Method.

(c) Long Term Employee Benefits

The liability for Leave Encashment/Compensated Absences of eligible employees is recognized on the basis of an actuarial valuation made at the end of the year on Projected Unit Credit Method.

(d) Gains and losses arising out of actuarial valuation made at the end of the year are recognized immediately in the Statement of Profit and Loss.

1.15 Current & Deferred Tax

Tax expense for the period, comprising Current Tax and Deferred Tax is included in determining the Net Profit / (Loss) for the year.

a) Provision for Current Income Tax is made on the basis of estimated taxable income as per provisions of The Income Tax Act, 1961 and rules made thereunder.

b) Deferred Tax resulting from "timing differences" between taxable income and accounting income is determined by using the tax rates and the tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are carried forward to the extent it is reasonably/virtually certain that future taxable profit will be available against which such deferred tax assets can be realized.

1.16 Investments

a) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are stated at lower value of at cost or at market value/fair value on individual investment basis.

b) All other investments are classified as non-current (long-term) investments and are carried at cost, however, adequate provision for diminution in value is made to recognize a decline 'other than temporary' in the value of the investments. Premium paid at the time of purchase of long term investments is amortized to statement of profit and loss over the remaining period till maturity and unamortized premium is shown under other long term assets/other current asset.



1.17 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.18 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:
 - i) The Company has a present obligation as a result of a past event;
 - ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - iii) The amount of the obligation can be reliably estimated
- b) Contingent liability is disclosed in case of:
 - i) A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation
 - ii) A possible obligation, unless the probability of outflow in settlement is remote
 - iii) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- c) Contingent assets are neither recognized nor disclosed in the financial statements.

1.19 Earning Per Share

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit/loss after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

1.20 Operating Leases

As Lessee:

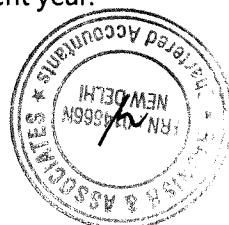
Assets acquired on lease wherein a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Lease rentals paid for such leases are recognized as an expense in the statement of profit & loss on straight line basis over the term of lease.

1.21 Prepaid Expenses

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

1.22 Prior Period Income / Expenditure

Income/Expenditure items relating to prior period(s) not exceeding Rs. 50,000/- each except depreciation is treated as Income / Expenditure for the current year.



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.1 Share Capital

	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	1,00,00,000	10,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Paid Up :				
Equity Shares of Rs.10 each fully paid up	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	50,00,000	5,00,00,000	50,00,000	5,00,00,000

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year and the amount of share capital as at March 31, is set out below:

Particulars	Equity Shares As at 31st March 2021		Equity Shares As at 31st March 2020	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Add:- Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000

b) Details of shareholders holding more than 5% shares in the company

Particulars	Equity shares As at 31st March 2021		Equity shares As at 31st March 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Indian Farmers Fertiliser Cooperative Ltd (IFFCO)	36,49,500	72.99%	36,49,500	72.99%
Star Global Resources Ltd	12,50,500	25.01%	12,50,500	25.01%
Total	49,00,000	98.00%	49,00,000	98.00%

c) During the year the company has not issued / bought back any shares

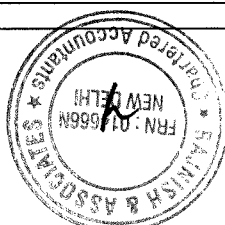
d) Terms/rights attached to the equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note No. 2.2 - Reserves & Surplus

Particulars	As at 31.03.2021		As at 31.03.2020	
A. General Reserve				
As Per Last Balance Sheet	3,77,26,880		3,61,89,660	
Add : Transfer from Surplus (Balance in Statement of Profit & Loss)	14,24,339.00	3,91,51,219	15,37,220	3,77,26,880
B. Surplus (Balance in Statement of Profit & Loss)				
As Per Last Balance Sheet	36,93,61,385		35,01,73,925	
Add: Profit for the year as per Statement of Profit & Loss	2,84,86,775		3,07,44,444	
Amount Available for Appropriations	39,78,48,160		38,09,18,370	
Less : Appropriations				
Proposed Dividend	1,00,00,000		1,00,00,000	
Tax on Proposed Dividend	-		19,765	
Transfer to General Reserve	14,24,339	38,64,23,821	15,37,220	36,93,61,385
		42,55,75,040		40,70,88,265



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.3 - Other Long Term Liabilities

Particulars	Amount in ₹	
	As at 31.03.2021	As at 31.03.2020
Security Deposits*	1,59,36,176	1,55,95,017
Total	1,59,36,176	1,55,95,017

* Represents amount received from Distributors/Marketing Associates under long term arrangement.

Note No. 2.4 - Long Term Provisions

Particulars	As at 31.03.2021	As at 31.03.2020
Employee Retirement Benefits*	94,51,182	2,06,29,930
Total	94,51,182	2,06,29,930

*Total Provision for Employee Retirement Benefits as on 31.03.2021 is Rs. 1,19,10,090/- (Previous Year Rs. 2,54,70,677/-) out of which Short Term Provisions (Note No. 2.7) is Rs 24,58,908/- (Previous Year Rs. 48,40,747/-).

Note No. 2.5 - Trade Payables

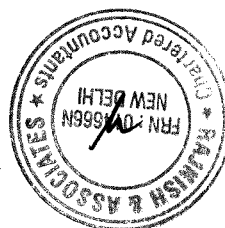
Particulars	As at 31.03.2021	As at 31.03.2020
For Goods and Services - MSME	8,91,38,344	91,82,804
For Goods and Services- Others*	7,06,65,658	2,77,44,773
Total	15,98,04,002	3,69,27,577

*Including amount payable to holding company and fellow subsidiary Rs. 66,60,508/- (Previous Year Rs. 13,22,862/-)

Note No. 2.6 - Other Current Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Advances from Customers	79,42,146	42,10,041
Advances from Employee	37,95,405	37,95,405
Unearned Revenue	-	89,63,526
Other Payables		
(a) Statutory Dues	2,72,94,272	1,99,28,379
(b) Expenses Payable	3,44,80,253	3,63,13,326
(c) Payable to Employees (Refer Note No. 2.49, 2.50 & 2.51)	5,37,38,087	7,53,87,161
(d) Stale Cheques	11,15,315	9,49,492
(e) Security Deposits **	1,42,00,912	1,36,97,183
Total	14,25,66,390	16,32,44,513

** includes amount payable to Distributors/MAs towards expired agreements



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.7 - Short Term Provisions

Particulars	Amount in ₹	
	As at 31.03.2021	As at 31.03.2020
Employee Retirement Benefits	24,58,908	48,40,747
Proposed Dividend	1,00,00,000	1,00,00,000
Provision for Clawback on Activation	4,73,662	19,35,895
		-
Total	1,29,32,570	1,67,76,642

Note No. 2.9 - Intangible under Development

Particulars	As at 31.03.2021	As at 31.03.2020
Enterprise Resource Planning (Software)	15,45,578	-
Total	15,45,578	-

Note No. 2.10 - Non Current Investments

Trade, Long Term (At cost unless otherwise stated)

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Quoted Bonds</u>		
50000 Indian Railway Finance Corporation Ltd Bonds (7.34% tax free) maturing on 19/02/2028 having face value of Rs 1000/-each	5,00,00,000	5,00,00,000
<u>Unquoted (Equity shares in Associate company)</u>		
Equity shares of IFFCO Kisan Finance Limited (1,00,00,000 Equity Shares having face value of Rs. 10/- each fully paid up)	10,00,00,000	10,00,00,000
Total	15,00,00,000	15,00,00,000

Note No. 2.11 - Long Term Loans & Advances

(Unsecured, Considered Good)

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposits	93,76,166	62,79,890
Total	93,76,166	62,79,890



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.8 - Property, Plant and Equipment

Description	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	For the Year	Deletions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at April 1, 2020
A) Tangible Assets:										
Leasehold Improvements	54,71,269	-	-	54,71,269	40,92,452	6,50,940	-	47,43,392	7,27,876	13,78,816
Furniture & Fittings	1,93,30,206	1,27,600	-	1,94,57,806	1,13,10,143	19,28,570	-	1,32,38,713	62,19,093	80,20,063
Air conditioner/ Coolers	52,60,752	6,69,791	-	59,30,543	36,05,620	6,85,420	-	42,91,040	16,39,503	16,55,132
Audio Visual Equipments	8,68,839	10,750	-	8,79,589	6,14,143	1,08,319	-	7,22,462	1,57,127	2,54,696
Communication Equipments	1,03,32,394	4,16,034	17,743	1,07,30,685	80,99,359	10,46,804	7,864	91,38,299	15,92,386	22,33,035
Computer Systems	4,82,38,619	38,73,293	-	5,21,11,912	3,88,43,017	55,66,878	-	4,44,09,895	77,02,016	93,95,601
Computer Systems-Networking & Servers	5,84,85,801	14,50,200	4,67,404	5,94,68,597	4,24,32,375	76,80,800	4,44,032	4,96,69,143	97,99,455	1,60,53,427
Office Equipments	35,66,692	9,852	-	35,76,544	13,79,917	2,62,126	-	16,42,043	19,34,501	21,86,775
Vehicles	60,04,364	-	-	60,04,364	21,04,293	7,10,928	-	28,15,221	31,89,143	39,00,071
Sub Total	15,75,58,937	65,57,520	4,85,147	16,36,31,310	11,24,81,321	1,86,40,785	4,51,896	13,06,70,210	3,29,61,100	4,50,77,616
B) Intangible Assets										
Softwares *	4,97,86,919	28,12,449	-	5,25,99,368	4,51,99,321	38,43,127	-	4,90,42,448	35,56,920	45,87,598
Website	5,96,000	-	-	5,96,000	1,00,140	1,98,104	-	2,98,244	2,97,756	4,95,860
Licenses	17,82,893	9,60,382	-	27,43,275	6,54,552	5,06,959	-	11,61,511	15,81,764	11,28,341
Sub Total	5,21,65,812	37,72,831	-	5,59,38,643	4,59,54,013	45,48,190	-	5,05,02,203	54,36,440	62,11,799
Grand Total(Current Year)	20,97,24,749	1,03,30,351	4,85,147	21,95,69,953	15,84,35,334	2,31,88,975	4,51,896	18,11,72,413	3,83,97,540	5,12,89,415
Grand Total(Previous Year)	20,56,02,241	57,03,968	15,81,459	20,97,24,749	13,73,51,914	2,24,60,956	13,77,536	15,84,35,334	5,12,89,415	6,82,50,327

*Gross block of software as on 31.03.2021 represents outright bought software for Rs. 3,47,51,298/- and Internally generated softwares for Rs. 1,50,35,621 /-



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.12 - Deferred Tax Assets (Net)

Particulars	Amount in ₹	
	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liability (A)	-	-
Deferred Tax Assets (B)		
Relating to Property, Plant and Equipment	40,92,855	35,23,392
Provision for Doubtful Debts	11,71,931	23,01,977
Provision for Gratuity / Leave Encashment	29,97,531	85,03,131
Gratuity Payable	13,41,433	17,79,339
Others (Bonus)	52,74,915	81,15,685
Total (B)	1,48,78,666	2,42,23,524
Net Deferred Tax (Liabilities) / Assets (B-A)	1,48,78,666	2,42,23,524

Net decrease in deferred tax assets amounting Rs. 93,44,858/- (previous year net increase in deferred tax asset amounting 21,37,049/-) has been shown as expense for the current year. (Refer note no. 2.53)

Note No. 2.13 - Other Non current Assets

(Unsecured considered good)

Particulars	As at 31.03.2021	As at 31.03.2020
Unamortised Premium on Investment (Bonds)	28,08,397	32,84,949
Total	28,08,397	32,84,949

Note No. 2.14 - Inventories

(For Valuation refer Note No.1 Accounting Policies)(No.1.8) (Refer Note No. 2.43 and 2.44)

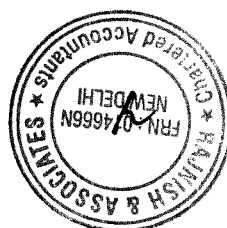
Particulars	As at 31.03.2021	As at 31.03.2020
(As taken, valued and certified by the Management)		
Stock in Trade		
Talktime- LAPU	5,17,94,065	96,81,867
- PRC	34,87,183	39,58,940
-SIMs	4,31,273	3,43,693
	5,57,12,521	1,39,84,500
Less: Margin on Talktime payable to Distributors	5,96,697	1,64,664
Less: Payout payable to Distributors	14,42,471	21,48,775
	5,36,73,353	1,16,71,061
Stock in Trade	2,82,89,415	5,35,34,811
(Goods in Transit Rs. NIL, Previous Year Rs. NIL)		
Total	8,19,62,768	6,52,05,872

Note No. 2.15 - Trade Receivables

(Unsecured considered good unless otherwise stated)

Particulars	As at 31.03.2021	As at 31.03.2020
a) Debts outstanding for a period exceeding six months from the date they are due for payment		
i) Considered Good	1,34,27,199	45,87,727
ii) Considered Doubtful	46,56,433	68,95,449
b) Other Debts		
i) Considered Good*	10,77,00,190	8,83,41,180
ii) Considered Doubtful	-	-
	12,57,83,822	9,98,24,357
Less: Provision for Doubtful Debts	46,56,433	68,95,449
Total	12,11,27,389	9,29,28,908

*Including amount recoverable from holding company and fellow subsidiary Rs. 67,68,780/- (Previous Year Rs. 57,59,783/-)



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.16 - Cash and Bank Balances

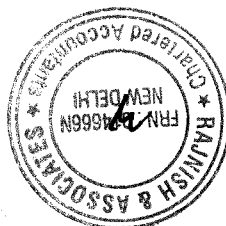
Particulars	Amount in ₹	
	As at 31.03.2021	As at 31.03.2020
1) Cash and Cash Equivalents		
Balances with Banks		
- In Current Accounts	5,79,34,502	17,12,48,514
- In Term Deposits with maturity up to three months	4,12,91,213	50,25,000
Cash in Hand	51,612	1,77,682
2) Other Bank Balances		
In Term Deposits with maturity of more than three months	17,14,89,683	2,81,89,401
Total	27,07,67,010	20,46,40,597

Note No. 2.17 - Short Term Loans & Advances
(Unsecured considered good)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance to Vendors	78,95,443	26,48,007
Prepaid Expenses	25,20,339	42,77,510
Staff Advances	2,74,482	4,41,583
Other Advances/recoverable	65,47,141	24,27,287
Total	1,72,37,405	97,94,387

Note No. 2.18- Other Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Interest Accrued and not due on term deposits	17,51,141	2,29,069
Interest Accrued and not due on Long Term Investments(Tax free bonds)	16,79,151	16,79,151
Unbilled revenue on account of Activation/Talktime Margins	3,83,16,969	5,52,60,659
Unbilled revenue on account of Samadhan Services	12,57,820	-
Unbilled revenue of Call Centre activities & other projects	35,07,900	35,98,469
Unamortized Premium on Investments (Bonds)	4,76,552	4,76,552
GST Recoverable on Advance Payment Received	1,14,71,502	18,15,131
Recoverable from Tax Authorities (Refer Note No 2.47)	4,97,03,406	3,95,55,371
Total	10,81,64,441	10,26,14,402



IFFCO KISAN SANCHAR LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Note No. 2.19 - Revenue from Operations

Particulars	Amount in ₹	
	Year Ended 31.03.2021	Year Ended 31.03.2020
A) Sale of Services		
Talktime/ SIM's	2,74,40,72,589	2,72,65,41,673
B) Sale of Trading Goods	1,96,91,08,507	50,31,36,914
C) Activation Margin	5,87,50,980	6,88,24,439
Less: Clawback on Activation	<u>14,61,815</u>	<u>25,79,550</u>
	5,72,89,165	6,62,44,889
D) Talktime Margin	16,85,28,029	15,89,83,709
(TDS on Activation Margin & Talktime Margin Rs. 1,30,91,975/- previous year Rs. 1,62,21,896/-)		
E) Revenue from Call Centre Activities *	34,11,27,191	32,12,41,891
(TDS of Rs.85,05,226/- previous year Rs.76,06,164/-)		
F) Revenue from Samadhan Services (Agtech)	1,31,93,574	2,46,01,011
(TDS of 48,889/- previous year Rs.14,95,344/-)		
G) Revenue from other Services	2,63,99,946	4,01,81,023
(TDS of Rs. 21,63,715/- previous year Rs.26,62,288/-)		
H) Other Operating Income (Ref note no. 2.49)	57,41,119	-
Total	5,32,54,60,121	3,84,09,31,111

* Includes prior period income of Rs. 22,27,533/- (Previous Year Rs. 9,01,660/-)

Note No. 2.20 - Other Income

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Interest Income on FDRs/Deposits With Banks	58,71,907	40,01,133
(TDS of Rs. 4,38,976/-, previous year Rs.4,58,725/-)		
Interest Income on Investment in Tax free bonds	36,70,000	36,70,000
Interest on Income Tax Refund	5,18,528	-
Liability no longer required written off	8,06,750	11,02,014
Profit on Sale of Property, Plant and Equipment	1,13,523	51,059
Miscellaneous Income	4,50,062	10,18,228
Total	1,14,30,770	98,42,435

Note No. 2.21 - Purchase of Stock in Trade

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Purchase of Talktime/SIMs	2,78,12,15,450	2,72,30,16,384
Purchase of Trading Goods	1,86,00,37,961	51,23,85,923
Total	4,64,12,53,410	3,23,54,02,308

Note No. 2.22 - Changes in Inventories of Stock in Trade

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Stock in Trade		
Opening Stock of Talktime/SIMs	1,39,45,006	1,80,37,711
Opening Stock of Trading Goods	5,35,34,811	14,85,226
Less : Closing Stock of Talktime/SIMs	5,57,12,521	1,39,45,006
Less : Closing Stock of Trading Goods	<u>2,82,89,415</u>	<u>5,35,34,811</u>
Net (Accretion)/ Decretion	(1,65,22,119)	(4,79,56,880)



Note No. 2.23 - Employee Benefits Expenses

Note No. 2.24 - Finance Cost

Note No. 2.25 - Other Expenses

IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

2.26 Contingent liabilities (to the extent not provided for):

		Amount in Rs.
	<u>Financial Year 2020-2021</u>	<u>Financial Year 2019-2020</u>
(a)	Claims against the company not Acknowledged as debts- lawsuits	16,82,770
(b)	Demands raised by Income Tax Department (e-tds) *	13,25,770
		7,16,040
		3,23,030

* The demand raised pertains to earlier years due to mismatched e-TDS challans/details; the management is of the view that these demands shall be settled with no financial implications.

2.27 Capital Commitments:

Estimated value of contracts remaining to be executed on capital account and not provided for (Net of advance) is Rs. 11,46,395/- (Previous Year Rs. 15,80,628/-)

2.28 Employee Stock Option Scheme 2020

Pursuant to shareholder's resolution dated 23rd July, 2020, the Company had introduced "IFFCO Kisan Sanchar Limited Employee Stock Option Scheme-2020" which provides for the issue of 263000 equity shares to employees of the Company. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 5 years from the date of respective grants. As at March 31, 2021 the Company had 263000 (Previous Year NIL) number of shares outstanding for issue under the scheme.

2.29 Employee Benefits:

The summarized position of Post-employment benefits and long-term employee benefits recognized in the Statement of Profit and Loss and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) "Employee Benefits" is as under:

i) Defined Contribution Plans

The company makes contributions at a specified percentage of payroll cost towards Employee Provident Fund (EPF) and Employee State Insurance (ESI) for the qualifying employees. During the year, the company has recognized contribution amounting Rs.2,98,03,157/-(Previous year Rs.2,68,67,343/-) in the Statement of Profit & Loss.

ii) Defined Benefit Plans

Particulars	Financial Year 2020-21		Financial Year 2019-20	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate (Per Annum)	6.85%	6.85%	6.85%	6.85%
Rate of Increase in compensation level*	6.75%	6.75%	6.75%	6.75%
Expected Rate of return on Plan Assets	6.85%	-	6.85%	-

* Considered taking into account inflation, seniority, promotion & other relevant factors on annual basis.

In accordance with AS-15 (Revised), an actuarial valuation was carried out in respect of Gratuity and leave encashment liability as on the balance sheet date based on above assumptions.



IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

a) Expenses recognized in the Statement of Profit and Loss

Amount in Rs.

Particulars	Financial Year 2020-2021		Financial Year 2019-2020	
	Gratuity (Partly funded)	Leave Encashment (Unfunded)	Gratuity (Partly funded)	Leave Encashment (Unfunded)
Current Service Cost	30,14,198	26,00,256	29,74,679	20,84,693
Interest Cost	12,32,676	8,53,088	10,73,700	8,22,905
Expected Return on Plan Assets	(3,42,257)	-	-	-
Actuarial (gain)/loss for the year	(19,59,574)	6,71,700	14,97,985	14,85,527
Expenses recognized in the Statement of Profit & Loss	19,45,043	41,25,044	55,46,364	43,93,125

b) Amount to be recognized in the Balance Sheet

Amount in Rs.

Particulars	Financial Year 2020-2021		Financial Year 2019-2020	
	Gratuity (Partly funded) Entirely funded	Leave Encashment (Unfunded)	Gratuity (Partly funded)	Leave Encashment (Unfunded)
Present Benefit Obligation at the end of the year	1,67,40,701	1,22,41,361	1,80,08,012	1,24,62,665
Unfunded Net Liability recognized in the Balance Sheet*	1,67,40,701	1,22,41,361	1,80,08,012	1,24,62,665

* Liability towards Gratuity recognized in the Balance Sheet is Rs. 27,82,496/- (Previous Year Rs. 26,87,479/-) is Current and Rs. 1,39,58,205/- (Previous Year Rs. 1,53,20,533/-) is Non-Current. Liability towards Leave Encashment/compensated absences recognized in the Balance Sheet Rs. 24,58,908/- (Previous Year Rs. 21,53,268/-) is Current and the balance Rs. 97,82,453/- (Previous Year Rs. 1,03,09,397/-) is Non-Current.

c) Change in Present Value of Obligation

Amount in Rs.

Particulars	Financial Year 2020-2021		Financial Year 2019-2020	
	Gratuity (Partly funded)	Leave Encashment (Unfunded)	Gratuity (Partly funded)	Leave Encashment (Unfunded)
Present Benefit obligation at beginning of year	1,80,08,012	1,24,62,665	1,40,97,619	1,08,04,692
Current Service Cost	30,14,198	26,00,256	29,74,679	20,84,693
Interest Cost	12,32,676	8,53,088	10,73,700	8,22,905
Benefit Paid	(32,84,326)	(43,46,348)	(16,35,971)	(27,35,152)
Actuarial (Gain)/ Loss due to change in assumptions	(22,29,859)	6,71,700	14,97,985	14,85,527
Present value of obligations at the end of the year	1,67,40,701	1,22,41,361	1,80,08,012	1,24,62,665
Fair Value of Plan Assets	1,44,09,151	-	50,00,000	-
Balance sheet position	23,31,550	1,22,41,361	1,30,08,012	1,24,62,665



IFFCO KISAN SANCHAR LIMITED**Notes forming part of financial statements for the year ended 31st March, 2021**

- 2.30** The Company enjoys fund and non-fund based limit (Working Capital Demand Loan and Bank Guarantee) from HDFC bank for Rs. 15 Crores against first charge on the entire current assets of the company as primary security to the extent of the aforesaid limit and charge on entire movable fixed assets of the company both present and future as collateral security.

The fund based limit utilized as on 31.03.2021 is Rs. NIL (Previous Year Rs. NIL). The non-fund based limit utilized as on 31.03.2021 is Rs. 6,69,60,023/- (Previous Year Rs. 7,09,78,590/-). This limit has been utilized towards performance bank guarantee given to various departments towards performance of work awarded for contract period.

- 2.31** Depreciation on Project assets capitalized under Kisan Call Centre has been charged over the initial period of project or useful life as indicated in Schedule II of the Companies Act, 2013 whichever is earlier, which is appropriate presentation and is representative of the time pattern in which the economic benefits will be derived from the use of these assets.

2.32 Impairment of Assets:

In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Company has assessed as on the Balance Sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

- 2.33** In the opinion of the management, the value of assets other than Property, Plant and Equipment 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.

- 2.34** 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)	Holding Enterprise	Indian Farmers Fertilizer Cooperative Limited (IFFCO)
b)	Fellow Subsidiaries	IFFCO-Tokio General Insurance Company Limited (ITGI)
		Kisan International Trading FZE, Dubai
		IFFCO Kisan Logistics Limited
		IFFCO Kisan SEZ Limited
		IFFCO e-Bazar Limited
		IFFCO-MC Crop Science Private Limited
		Indian Farm Forestry Development Co-operative Limited
		Sikkim IFFCO Organics Limited
c)	Subsidiaries of Fellow Subsidiaries	IFFCO-Tokio Insurance Services Limited
		Fert Coop Trading LLC
		IFFCO Global Enterprises Limited
d)	Associates	IFFCO Kisan Finance Limited
e)	Key Managerial Personnel	Mr. Sandeep Malhotra, Managing Director from 10.07.2019
		Ms. Shivani Gairola Pokhriyal (Company Secretary)



IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

B. Transactions with Related Parties & Balances

Amount in Rs.

S. No	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
i)	INCOME		
a.	Sale of Swarnahar products		
	IFFCO e-Bazar Limited	19,97,186	-
b.	Revenue from call centre activities		
	Indian Farmers Fertilisers Cooperative Limited	2,39,791	7,00,171
	IFFCO Kisan Finance Limited	14,83,985	22,13,678
	IFFCO Tokio General Insurance Company Limited	1,08,85,955	86,75,491
	IFFCO e-Bazar Limited	6,44,265	-
c.	Revenue from other services		
	Indian Farmers Fertilisers Cooperative Limited	20,35,000	35,76,215
	IFFCO-MC Crop Science Private Ltd	-	2,88,435
	IFFCO Tokio General Insurance Company Limited	41,450	7,64,552
	IFFCO Kisan SEZ Limited-Other Support Services	693	1,99,386
	IFFCO e-Bazar Limited-Samadhan	59,863	-
	IFFCO Kisan Finance Limited	2,31,538	11,07,412
	Total (a+b+c)	1,76,19,726	1,75,25,340
ii)	EXPENSES		
a.	Purchases of fertilizer		
	Indian Farmers Fertilisers Cooperative Limited	3,83,97,912	5,94,21,858
	IFFCO e-Bazar Limited	63,09,646	3,94,07,787
b.	Rent and Maintenance paid- leased premises		
	Indian Farmers Fertilisers Cooperative Limited	97,57,709	75,91,500
c.	Payment of premium towards employees group medical insurance scheme and fixed assets		
	IFFCO Tokio General Insurance Company Limited	27,34,551	46,76,185
d.	Reimbursement of expenses incurred on behalf of the Holding Enterprise (Salary, Communication etc.)		
	Indian Farmers Fertilisers Cooperative Limited	41,69,675	10,03,638
e.	Remuneration to key management personnel		
	Mr. Sandeep Malhotra, Managing Director from 10 th July, 2019	94,29,740*	56,43,871*
	Mr. Sandeep Malhotra, CEO up to 9 th July, 2019	-	21,32,129*
	Ms. Shivani Gairola Pokhriyal, Company Secretary	13,09,409*	12,75,947*
	Total (a+b+c+d+e)	7,21,08,642	12,11,52,915

*Exclusive of Post-retirement benefits accruing based upon Actuarial Valuation Report, which is obtained for the Company as a whole.



IFFCO KISAN SANCHAR LIMITED**Notes forming part of financial statements for the year ended 31st March, 2021****C. Balances with related parties**

Amount in Rs.

i)	Trade Payables		
	Indian Farmers Fertilisers Cooperative Limited	66,60,508	12,28,289
	IFFCO e-Bazar Limited	-	94,573
ii)	Advance from Key Management Personnel		
	Mr. Sandeep Malhotra, Managing Director	37,95,405	37,95,405
iii)	Deposit towards employees group insurance scheme		
	IFFCO Tokio General Insurance Company Limited	1,34,283	1,95,249
iv)	Trade Receivables		
	IFFCO Kisan Finance Limited	8,20,309	8,55,588
	Indian Farmers Fertilisers Cooperative Limited	10,37,614	27,78,509
	IFFCO Tokio General Insurance Company Limited	15,13,963	20,93,452
	IFFCO Kisan SEZ Limited	33,052	32,234
	IFFCO-MC Crop Science Private Ltd	1,53,253	-
	IFFCO e-Bazar Limited	32,10,589	-
	Total Trade Receivables	67,68,780	57,59,783

2.35 Earnings per Share

Earnings per share (EPS) has been computed in accordance with Accounting Standard (AS-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 31.03.2021	Year ended 31.03.2020
Net Profit for the year attributable to Equity share holder	2,84,86,775	3,07,44,444
Weighted average No. of shares (Nos.)	50,00,000	50,00,000
Nominal Value per Share	10	10
Basic and Diluted EPS	5.70	6.15

2.36 Transactions with Micro, Small and Medium Enterprises:

Amount in Rs.

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
1. Principal amount due and remaining unpaid to any Supplier as at end of Accounting Year	8,91,38,344	91,82,804
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.



IFFCO KISAN SANCHAR LIMITED**Notes forming part of financial statements for the year ended 31st March, 2021****2.37 Earning in Foreign Currency**

Amount in Rs.

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Advertisement Income	Nil	7,099
Total	Nil	7,099

2.38 Expenditure in Foreign Currency

Amount in Rs.

Nature of Expenditure	Year Ended 31.03.2021	Year Ended 31.03.2020
Travelling Expenses	Nil	42,770
Publicity and Sales Promotion	1,32,843	2,60,703
Total	1,32,843	3,03,473

2.39 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. 2.25. Future minimum lease payments under non-cancelable operating leases are as under:

Amount in Rs.

Particulars	As at 31.03.2021	As at 31.03.2020
Rent payable for 1 year	1,89,19,492	1,34,67,907
Rent payable for 1 to 5 years	2,38,92,871	3,10,78,474
Rent payable for 5 years and above	NIL	NIL

Total lease rental cost recognized in the financial statement is of Rs. 1,93,61,578/- (Previous Year Rs.1,86,67,359/-)

2.40 Provisions

The movement of various provisions (Disclosure as required by AS-29 "Provisions, Contingent Liabilities and Contingent Assets") shown in the accounts as on March 31, 2021 is as under:

Amount in Rs.

Particulars	Carrying amount as on 01.04.2020	Provision made during the year	Amount utilized/rever sed during the year	Carrying amount as on 31.03.2021
Claw back on Activation	19,35,895	14,18,212	28,80,445	4,73,662
Provision for doubtful debts	68,95,448	10,52,354	32,91,369	46,56,433
Total	88,31,343	24,70,566	61,71,814	51,30,095



IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

- 2.41** Borrowing cost capitalized during the year is Rs. Nil (Previous year Rs. NIL).
- 2.42** Prepaid expenses shown under short term loan & advances includes contribution to employees group medical insurance scheme of Rs. 23,90,320/- (Previous Year Rs. 35,57,467/-) and other insurance/other expenses of Rs. 1,30,019 /- (Previous Year Rs. 7,20,043 /-).
- 2.43** Inventories as on 31.03.2021 of Rs. 8,19,62,768/-(Previous Year Rs. 6,52,05,872/-) includes inventory lying with third party for Rs. Nil (Previous Year Rs. 2,70,35,000/-).
- 2.44** The company under the prevailing trade practice and pandemic environment has an obligation to accept return of unsold stock having recent expiry/reduced shelf life of swarnahar products lying with super-stockist and distributors across India to retain the goodwill of the company in the market for disposal thereof and accordingly, unsold stock lying in company's warehouses as on the balance sheet date has been valued at net realizable value which is below the cost by Rs. 3,93,62,524/-. The methodology and assumptions used to estimate the realizable value of unsold stock is based upon prevailing market conditions and amount realized on sale affected during the current period and subsequent period.
- 2.45** Revenue from other Services amounting to Rs. 2,63,99,946/-(Previous Year Rs. 4,01,81,023/-) consists of revenue from the following:
- i) Promotional Activity from Corporate Products and Services of Rs.2,21,642 (Previous Year Rs. 53,93,055/-)
 - ii) Corporate Agency Commission on Life Insurance Business of Rs. 48,44,767/- (Previous Year Rs. 1,05,78,687/-)
 - iii) Urban Green Landscaping of Rs. 1,17,83,511/-(Previous Year Rs. 1,05,47,127/-)
 - iv) Software Solutions of Rs. 5,86,500/-(Previous Year Rs. 45,80,775/-)
 - v) Sale of Internet Advertisement Space of Rs. 89,63,526/-(Previous Year Rs. 90,81,379/-)
- 2.46** Revenue from Samadhan Services amounting to Rs.1,31,93,574/-(Previous Year Rs. 2,46,01,011/-) consists of revenue from the following:
- i) Samadhan Services of Rs. 1,31,93,574/- (Previous Year Rs. 2,46,01,011/-)
 - ii) Fisheries Project of Rs. Nil/- (Previous Year Rs. Nil)
- 2.47** Recoverable from tax authorities amounting to Rs. 4,97,03,406/-(Previous Year Rs. 3,95,55,371/-) consists of GST Recoverable of Rs. 99,20,216 /- (Previous Year Rs 65,12,810/-) and Income tax refundable of Rs. 3,97,83,190/-(Previous Year Rs. 3,30,42,561/-)

2.48 Segment Reporting

a) Primary Segment

The Company is engaged in the business of trading of telecommunication Talktime/SIM and Call Centre services. Corporate income and expenses including interest are considered as part of un-allocable income and expenses which are not identifiable to any business segment. Disclosure as required by AS-17 "Segment Reporting" is given below:

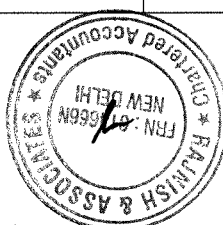


IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

Amount in Rs.

Particulars	Financial Year 2020-2021				Financial Year 2019-2020			
	Talk time/ SIM	Call Centre Services	Trading of Goods	Total	Talk time/ SIM	Call Centre Services	Trading of Goods	Total
Revenue								
Revenue From Operations (A)	2,96,98,89,783	34,11,27,191	1,96,91,08,507	5,28,01,25,482	2,95,17,70,271	32,03,40,231	50,31,36,914	3,77,52,47,416
Operating Expenses								
Operating Expenses (including depreciation) (B)	2,82,40,56,71 5	31,81,15,713	1,88,52,83,356	5,02,74,55,784	2,81,41,23,662	30,18,23,214	46,03,36,338	3,57,62,83,214
Results								
Segment Result Gain/ (Loss) (A-B)	14,58,33,068	2,30,11,479	8,38,25,151	25,26,69,697	13,76,46,609	1,85,17,017	42,800,576	19,89,64,202
Unallocated Corporate interest and other income				5,67,65,409				7,55,26,129
Unallocated Corporate Expenses				26,89,01,632				23,06,26,928
Profit Before Tax				4,05,33,474				4,38,63,403
Provision for Tax (Net)				1,20,46,698				1,31,18,958
Profit After Tax				2,84,86,775				3,07,44,445
Other Information :								
Segment Assets	13,98,00,829	9,50,44,181	9,77,28,643	33,25,73,653	13,59,29,655	11,08,19,184	5,35,34,811	30,02,83,650
Unallocated Corporate and other assets				48,36,91,707				41,55,69,553
Total Assets				81,62,65,360				71,58,53,203
Segment Liabilities :	12,13,79,604	6,18,53,058	9,41,48,901	27,73,81,563	15,93,98,476	4,91,03,050	4,02,84,994	24,87,86,520
Unallocated corporate and other liabilities				53,88,83,797				46,70,66,683
Total Liabilities				81,62,65,360				71,58,53,203
Depreciation And Amortization	81,34,778	1,50,54,198	-	2,31,88,975	65,61,254	1,58,99,702	-	2,24,60,956
Capital Expenditure	36,23,925	67,06,426	-	1,03,30,351	55,23,929	1,80,039	-	57,03,968



IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

b) Geographical Segment

The Company is primarily operating only in India where the conditions prevailing are uniform. Hence no geographical segment disclosure is considered necessary.

- 2.49** During the financial year 2015-16, company had provided liability towards bonus as per amended provision of The Payment of Bonus (Amendment) Act, 2015 applicable retrospectively from 01.04.2014 in respect of contractual staff deployed for 'Kisan Call Centre' amounting to Rs. 46,74,516/- and Rs. 98,85,128/- respectively for financial year 2014-15 and 2015-16. The said amount is reimbursable from Department of Agriculture, Co-operation and Farmers' Welfare (DOA), Ministry of Agriculture, however, DOA vide meeting dated 28.10.2016 had decided that these contractual staff are entitled for bonus for the financial year 2015-16 in lines with norms for government employees. Accordingly, the company has paid bonus to these contractual staff amounting to Rs. 41,44,009/- against the liability of Rs. 98,85,128/-.

Subsequently, DOA has informed that the matter has been examined in consultation with Ministry of Law & Justice (Department of Legal Affairs), Govt. of India and claim for reimbursement of actual bonus paid for the financial year 2015-16 cannot be acceded as it is not covered under the contract amount. Based upon consultation received from company's legal advisor/counsel and as per their considered view, the liability is time barred and is no longer payable; accordingly, during the year the same has been written back and shown under other operating income.

The company has provided bonus for the financial year 2016-17 for Rs. 49,00,094/-, for financial year 2017-18 for Rs. 39,40,373/- and for the financial year 2018-19 for Rs. 20,76,521/- in accordance with above norms.

- 2.50** Retrospective amendment in The Payment of Bonus (Amendment) Act, 2015 creating liability of bonus for the financial year 2014-15 is sub-judice before various High Courts. Enhanced Bonus is yet to be paid against the provision made in the books of accounts for the financial year 2014-15 amounting to Rs. 76,51,996/- in respect of regular employees and contractual staff deployed for Kisan Call Centre.
- 2.51** Gratuity arisen on expiry of agreement towards contractual staff deployed under Kisan Call Centre on 31.08.2018 amounting to Rs. 62,31,575/- and re-estimated during the year 2019-20 at Rs. 53,29,915/- has not been paid as matter is under active consideration before Department of Agriculture, Cooperation & Farmers Welfare and only after getting explicit approval for reimbursement, the same shall be paid to superannuated staff.
- 2.52** As per terms of appointment with contractual staff deployed at Kisan Call Centre under new agreement effective from 01.09.2018, the company is discharging its obligation under The Payment of Bonus (Amendment) Act 2015 and Gratuity Act, 1972 as part of monthly remuneration. Accordingly, there is no short term and long term liability as on the balance sheet date in relation to current benefits and retirement benefits.
- 2.53** Deferred Tax Asset (Net) of Rs. 1,48,78,666/- recognized up to 31.03.2021 in respect of Unabsorbed Depreciation and disallowances under the Income Tax Act, 1961 is based on future profitability projections made by the management with virtual certainty supported by



IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 2.54** As per the policy of the company and terms of appointment, contractual staff deployed under Kisan Call Centre and Zonal Consumer Helpline are not eligible for accumulation of leaves of whatsoever nature and any un-availed leaves shall stand lapsed as on the balance sheet date.
- 2.55** Rent, Rates & Taxes in Note No. 2.25 includes interest paid on GST of Rs. 1,98,851/- on account of ineligible input tax credits (ITC) of Rs. 10,97,324/- and GST on non-reporting of marginal turnover of Rs. 67,956/- identified during GST Audit in accordance with GST norms for the financial year 2019-20.
- 2.56** Other expenses in note no. 2.25 includes amount of Rs. 1,14,42,503/- in relation to schemes/ discounts given to super-stockist and distributors towards price variance of CTC products and credit notes to further incentivise them for sale of swarnahar products with lesser expiry period arising out of lockdown/restrictions imposed by Central/State Governments/local authorities to control the spread of Covid-19 pandemic.
- 2.57** The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone financial statements. However, the business impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.
- 2.58** Due to nation-wide lockdown and travel restrictions imposed by central/state government /local authorities in view of Covid-19 pandemic, internal audit in some of the states offices has been carried out remotely and not conducted by visiting the premises wherever physical access was not feasible.
- 2.59** IFFCO Kisan Sanchar Limited Employees Group Gratuity Trust has been formed by the company as irrevocable gratuity trust for providing gratuity benefits to the employees of the company and during the year Rs. 1,20,00,000/- (Previous Year Rs. 50,00,000/-) has been contributed to such trust.
- 2.60** Tax expenses -Earlier year in the statement of profit & loss represents excess provision of income tax against actual tax liability made in earlier years after adjusting undisputed income tax demands raised/reduction in refund by department of earlier years.
- 2.61** The Company has framed a CSR policy in accordance with the provisions of Section 135, Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. The amount of Rs. 32,00,000/- (including the unspent amount of Rs. 20,45,636/- pertaining to financial year 2019-20) was allocated for CSR activities during the financial year 2020-21. An amount of Rs. 22,05,947/- was spent on such activities during the financial year 2020-21 and the balance amount of Rs. 9,94,053/- remain unutilised and carried forward to the next financial year.

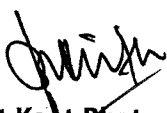


IFFCO KISAN SANCHAR LIMITED

Notes forming part of financial statements for the year ended 31st March, 2021

- 2.62** Balances of trade receivables, trade payables & loans & advances are subject to confirmation & reconciliation. The management is of the opinion that adjustment, if any arising out of such reconciliation would not be material.
- 2.63** Transactions with associated enterprises/related parties were made in normal course of business on the basis of arm's length price and at competitive/benefit assessment basis.
- 2.64** The management is of the view that trade receivable amounting to Rs. 12,11,27,389/- (net of provision of Rs. 46,56,433/- on doubtful debts) as on the balance sheet date is good and recoverable in due course and hence no further provision is required.
- 2.65** Amount recoverable against unbilled revenue as on the balance sheet date on account of Activation/Talk time margin net off to the extent of margin realized by Rs. 5,97,94,822/- (Previous Year Rs. 55,91,259/-) includes amount pending for billing for period more than industry norms/considerable time is under active consideration/follow up and is good and recoverable. Unbilled revenue represents invoices pending for uploading at Turbo portal of Airtel which generally billed in subsequent quarter.
- 2.66** Advance from customers towards goods or services outstanding for more than 365 days and lying in the books as on the reporting date is non-interest bearing amount and held in trust in terms of Companies (Acceptance of Deposits) Rules, 2014 pursuant to section 73 & 74 of the Companies Act, 2013.
- 2.67** Previous year figures have been regrouped/re casted wherever considered necessary to correspond with the current year figures.
- 2.68** Paisa has been rounded off to nearest Rupee.

For Rajnish & Associates
Chartered Accountants
ICAI Firm Regn No.014666N


Sumit Kant Bhatnagar
Partner

M. No. 095554

UDIN: **21095554 AAAACH 2445**

Place: New Delhi

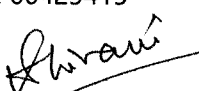
Date: June 30, 2021



For and on behalf of the Board of Directors of
IFFCO Kisan Sanchar Limited


Ranjan Sharma
Director

DIN: 00425415


Shivani Gairola Pokhriyal
Company Secretary

M.No. ACS-22086


Sandeep Malhotra
Managing Director
DIN: 00343938