

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
John Deere Financial India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of John Deere Financial India Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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John Deere Financial India Private Limited
Independent Auditor's Report – 31 March 2020 *(continued)*

Emphasis of matter

As described in Note 26.16 to the financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

Other Information

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 financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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John Deere Financial India Private Limited
Independent Auditor's Report – 31 March 2020 *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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John Deere Financial India Private Limited
Independent Auditor's Report – 31 March 2020 (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 26.01 to the financial statements;

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John Deere Financial India Private Limited
Independent Auditor's Report--31 March 2020 (continued)

Report on Other Legal and Regulatory Requirements (continued)

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 11 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company as it is a 'private limited company'.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W/W - 100024



Anant Marwah
Partner

Membership No. 510549
UDIN: 20510549AAAAFI5358

Place: New Delhi
Date: 25 June 2020

John Deere Financial India Private Limited
Independent Auditor's Report - 31 March 2020 (continued)

Annexure A to the Independent Auditor's Report on the Financial Statements

With reference to the Annexure A referred to paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2020, 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 program of verification to cover all the items of the fixed assets at interval of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties in the name of the Company. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.
- ii. The Company is a non-banking financial company engaged in lending activities. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. 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 Act. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has not advanced any loans, given any guarantee or provided any security in connection with loans to any of its directors or to any person in whom the director is interested. Thus, provisions of Section 185 are not applicable to the Company. Pursuant to provisions of sub section 11 of section 186 of the Act, the Company is exempted from provisions of Section 186 of the Act, with respect to the loans given.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable to the Company.

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John Deere Financial India Private Limited

Independent Auditor's Report - 31 March 2020 (continued)

Annexure A to the Independent Auditor's Report on the Financial Statements (continued)

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance and Cess, Duty of Customs and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Services Tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, duty of custom, Goods and Services Tax and duty of excise that have not been deposited on account of dispute except for dues of service tax as disclosed below:

Name of statute	Nature of the Dues	Amount (INR)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax on late interest and non-sufficient funding charges	4,257,423	2016-2017	Assistant Commissioner, Central GST, Pune

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or debenture holders. The Company did not have any outstanding loans or borrowings from Government during the year.
- ix. In our opinion and according to the information and explanation given to us, the Company has utilized the money raised by way of term loans during the year for the purpose for which they were raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a 'private limited company' and therefore the provisions of Section 197 read with schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the order is not applicable to the Company.

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John Deere Financial India Private Limited
Independent Auditor's Report – 31 March 2020 (continued)

Annexure A to the Independent Auditor's Report on the Financial Statements (continued)

- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. The Company is a 'private limited company' and therefore the provisions of section 177 of the Act are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with related parties are in compliance with section 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.
- xiv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has made a preferential allotment of shares during the year. Further the Company has complied with the requirements of section 62 of the Act and the amounts raised have been used for the purpose for which the funds were raised. The Company has not made any private placement of shares or fully or partially convertible debentures during the year.
- xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 6 September 2012.

For B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/W-100024



Anant Marwah
Partner

Membership no.: 510549
UDIN: 20510549AAAAFIS358

Place: New Delhi
Date: 25 June 2020

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of John Deere Financial India Private Limited

Report on the Internal Financial Controls under clause (i) of sub – section 3 of Section 143 of the Companies Act, 2013 ("Act")

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

Opinion

We have audited internal financial controls with reference to financial statements of John Deere Financial India Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of the Internal Financial Control Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountant of India ("ICAI").

Emphasis of matter

As described in Emphasis of Matter paragraph of our report to the financial statements, the extent to which the COVID-19 pandemic will have an impact on the Company's internal financial controls with reference to the financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Control

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements 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 accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the

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Auditor's Responsibility (continued)

Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgment, 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 control with reference to financial statements.

Meaning of Internal Financial Control with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to 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 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 financial statements.

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Inherent Limitation of Internal Financial Control with reference to Financial Statements

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

For B S R & Associates LLP
Chartered Accountants
Firm Registration Number: 116231W/W-100024



Anant Marwah
Partner

Membership no.: 510549
UDIN: 20510549AAAAFI5358

Place: New Delhi
Date: 25 June 2020

John Deere Financial India Private Limited
Balance Sheet as at March 31, 2020

Rs. in Lakhs


Particulars		Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A	ASSETS				
1	Financial Assets				
	(a) Cash and cash equivalents	4	8,024.42	7,629.05	1,749.11
	(b) Bank balance other than (a) above	5	0.59	0.61	0.57
	(c) Receivables- Trade receivables	6	266.44	189.30	99.23
	(d) Loans	7	233,045.48	167,609.22	117,851.73
	(e) Other financial assets	8	66.62	37.83	35.11
	Total Financial assets		241,403.55	175,466.01	119,735.75
2	Non-financial Assets				
	(a) Current tax (net)	-	415.16	234.71	32.43
	(b) Deferred tax assets (net)	26.11	2,111.36	1,327.11	1,028.71
	(c) Property, Plant and Equipment	9 (a)	186.20	132.76	91.98
	(d) Capital work-in-progress	-	36.72	1.35	2.11
	(e) Right of Use Assets	9 (b)	260.05	-	-
	(f) Other non financial assets	10	711.12	347.55	197.67
	Total Non-financial assets		3,720.61	2,043.48	1,352.90
	Total Assets		245,124.16	177,509.49	121,088.65
B	LIABILITIES AND EQUITY				
	Liabilities				
1	Financial liabilities				
	(a) Derivative financial Instrument	11	154.45	-	-
	(b) Payables	12			
	(i) Trade payables				
	-total outstanding dues of micro enterprises and small enterprises	-	0.01	1.08	3.00
	-total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,143.59	998.10	575.39
	(c) Debt securities	13	109,119.70	80,622.98	-
	(d) Borrowings (Other than Debt securities)	14	85,507.90	54,744.95	87,561.92
	(e) Lease liabilities	-	270.98	-	-
	(f) Other financial liabilities	15	467.28	505.57	372.12
	Total Financial liabilities		196,663.91	136,872.68	88,512.43
2	Non-financial liabilities				
	(a) Current tax liabilities (net)	-	-	4.24	1.52
	(b) Provisions	16	554.11	454.57	306.50
	(c) Other Non financial liabilities	17	98.95	73.76	48.16
	Total Non financial liabilities		653.06	532.57	356.18
3	EQUITY				
	(a) Equity Share capital	18	39,390.00	34,390.00	29,390.00
	(b) Other Equity	19	8,417.19	5,714.24	2,830.04
	Total Equity		47,807.19	40,104.24	32,220.04
	Total Liabilities and Equity		245,124.16	177,509.49	121,088.65

Significant accounting policies
Notes to the financial statements
As per our report of even date attached

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For B S R & Associates LLP
Chartered Accountants
Firm Reg. No. 116231W/W-100024

For and on behalf of the Board of Directors
John Deere Financial India Private Limited
CIN: U65923PN2011PTC141149


Anant Marwah
Partner
Membership No. 510549
UDIN 20510549AAAAFI5358
Place : New Delhi
Date : 25 JUNE 2020


Abhav Dhokte
Managing Director
(DIN 08481252)


Vaishnavi Suratwala
Company Secretary


Ait Jain
Director
(DIN 07021106)


Girish Sivaramakrishnan
Chief Financial Officer

Place : Pune
Date : 25 JUNE 2020

Place : Pune
Date : 25 JUNE 2020



John Deere Financial India Private Limited
Statement of Profit and Loss for the year ended 31 March 2020

Rs. in Lakhs

Particulars		Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
I	Revenue from operations	20		
	(a) Interest income		32,069.00	23,050.24
	(b) Other operating income		208.97	145.77
	Total Revenue from operations		32,277.97	23,196.01
II	Other income	21	816.22	282.53
III	Total Income (I+II)		33,094.19	23,478.54
IV	Expenses			
	(a) Finance cost	22	14,397.14	10,222.89
	(b) Net loss on fair value changes on financial instruments	26.14	154.45	-
	(c) Impairment on financial instruments	23	3,923.99	1,490.11
	(d) Employee benefits expense	24	4,196.06	3,262.05
	(e) Depreciation and amortization expense	9	205.12	58.25
	(f) Other expenses	25	6,827.46	4,387.36
V	Total expenses		29,704.22	19,420.66
VI	Profit before tax (III - V)		3,389.97	4,057.88
VII	Tax expense:			
	Current tax	26.11	1,641.00	1,434.21
	Deferred tax	26.11	(784.25)	(298.40)
VIII	Profit for the year (VI - VII)		2,533.22	2,922.07
IX	Other comprehensive income			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of Defined benefit liability/(asset)	26.04	6.32	(53.43)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	26.11	(1.59)	15.56
	Total Other Comprehensive Income/(Loss)		4.73	(37.87)
X	Total Comprehensive Income (VIII + IX)		2,537.95	2,884.20
XI	Earnings per equity share (of Rs.10 each)			
	Basic and Diluted (Amount in Rs.)	26.08	0.73	0.99

Significant accounting policies
Notes to the financial statements
As per our report of even date attached

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For B S R & Associates LLP
Chartered Accountants
Firm Reg. No. 116231W/W-100024

For and on behalf of the Board of Directors
John Deere Financial India Private Limited
CIN: U65923PN2011PTC141149

Anant Marwah
Partner
Membership No. 510549
UDIN 20510549AAAAAIF5358



Place : New Delhi
Date : 25 JUNE 2020

Abhay Dhokte
Managing Director
(DIN 08481252)

Vaishnavi Suratwala
Company Secretary

Ajit Jain
Director
(DIN 07021106)

Girish Sivaramakrishnan
Chief Financial Officer

Place : Pune
Date : 25 JUNE 2020

John Deere Financial India Private Limited
Cash Flow Statement for the year ended 31 March 2020

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Operating Activities		
Profit before tax	3,389.97	4,057.88
Adjustments for:		
Depreciation and amortization	205.13	58.25
Interest Income on loans	(32,069.00)	(23,050.24)
Interest Income on fixed deposits	(41.72)	(33.98)
Finance cost	14,422.47	10,222.89
Insurance claim received	(1.89)	(0.70)
(Profit) / loss on sale of assets	1.13	1.55
Unrealized forex loss on borrowings	65.60	-
Unrealized forex loss on trade payables	16.60	-
Unrealized forex loss on derivative instrument	154.45	(11.05)
Impairment on financial instruments	3,923.99	1,490.11
	(9,933.27)	(7,265.29)
Cash inflow from interest on loans	30,671.06	21,700.99
Cash outflow towards finance cost	(14,199.06)	(9,323.12)
Cash Generated from Operation before working capital changes	6,538.73	5,112.58
Working capital changes		
Adjustments for :		
(Increase) / Decrease in Loans	(64,038.31)	(48,408.24)
(Increase) / Decrease in Other Financial Assets	(28.79)	3,904.36
(Increase) / Decrease in Non-Financial Assets	(363.57)	(149.88)
(Increase) / Decrease in Trade Receivables	(77.15)	(90.06)
Increase / (Decrease) in Provision	(3,818.14)	(1,379.90)
Increase / (Decrease) in Trade and Other payables	127.83	431.82
Increase / (Decrease) in Other Financial Liabilities	(38.29)	133.45
Increase / (Decrease) in Other Non- Financial Liabilities	25.19	25.60
	(61,672.50)	(40,420.28)
Taxes paid	(1,827.28)	(1,633.76)
Net Cash used in Operating activities (A)	(63,499.78)	(42,054.04)
II. Investing activities		
Purchase of fixed assets	(166.70)	(99.82)
Insurance claim received	1.89	0.70
Interest received	41.75	(3,873.14)
Net cash used in Investing activities (B)	(123.06)	(3,972.26)
III. Financing activities		
Proceeds from Issue of share capital	5,000.00	5,000.00
Proceeds from Securities premium	165.00	-
Proceeds from Borrowings (other than debt securities)	155,249.85	157,676.99
Proceeds from Debt Securities	58,476.13	169,686.24
Repayment of Borrowings (other than debt securities)	(124,730.00)	(190,456.99)
Repayment of Debt Securities	(30,000.00)	(90,000.00)
Proceeds from Inter corporate deposits	77,000.00	73,976.99
Repayment of Inter corporate deposits	(77,000.00)	(73,976.99)
Repayment of lease liabilities	(142.76)	-
Net cash generated from Financing activities (C)	64,018.21	51,906.24
Net increase/(decrease) in cash and cash equivalents (A+B+C)	395.37	5,879.94
Cash and cash equivalents at the beginning of the year	7,629.05	1,749.11
Cash and cash equivalents at the end of the year*	8,024.42	7,629.05
Notes:		
* Comprises:		
(a) Remittance in transit (Refer note 4)	22.18	4.29
(b) Balances with bank (Refer note 4)		
(i) In current accounts	8,002.24	7,624.76
	8,024.42	7,629.05

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Reg. No. 116231W/W-100024

Anant Marwah
Membership No. 510549
UDIN 20510549AARAFI5358



Place: New Delhi
Date: 25 JUNE 2020

For and on behalf of the Board of Directors
John Deere Financial India Private Limited
CIN: U65923PN2011PTC141149

Abhay Dhokte
Managing Director
(DIN 08481252)

Vaishnavi Suratwala
Company Secretary

Place: Pune
Date: 25 JUNE 2020

Ajit Jain
Director
(DIN 07021106)

Girish Sivaramakrishnan
Chief Financial Officer

Place: Pune
Date: 25 JUNE 2020

John Deere Financial India Private Limited
Statement of Changes in Equity for year ended 31 March 2020

a. Equity share capital

	Rs. in Lakhs
Particulars	Rs.
Balance at April 1, 2018	29,390.00
Changes in equity share capital during the year	5,000.00
Balance at March 31, 2019	34,390.00
Changes in equity share capital during the year	5,000.00
Balance at March 31, 2020	39,390.00

b. Other equity

Particulars	Reserves and Surplus			Items of OCI	Total other equity
	Securities Premium	Statutory Reserve	Retained earnings	Remeasurement of net defined benefit plans	
Balance at April 1, 2018	-	777.04	2,053.00	-	2,830.04
Profit for the year	-	-	2,922.07	-	2,922.07
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	(37.87)	(37.87)
Total comprehensive income/ (loss) for the year	-	-	2,922.07	(37.87)	2,884.20
Transfer to Statutory Reserve	-	447.91	(447.91)	-	-
Balance at March 31, 2019	-	1,224.95	4,527.16	(37.87)	5,714.24
Profit for the year	-	-	2,533.22	-	2,533.22
Other comprehensive income for the year, net of income tax	-	-	-	4.73	4.73
Total comprehensive income for the year	-	-	2,533.22	4.73	2,537.95
Premium on issue of Equity Shares	165.00	-	-	-	165.00
Transfer to Statutory Reserves	-	508.00	(508.00)	-	-
Balance at March 31, 2020	165.00	1,732.95	6,552.38	(33.14)	8,417.19

* The Statutory reserve under 45 IC are based on the profit computed under the previous GAAP as of 31st March 2019 and 1st April 2018

For B S R & Associates LLP
 Chartered Accountants
 Firm Reg. No. 116231W/W-100024

For and on behalf of the Board of Directors
 John Deere Financial India Private Limited
 CIN: U65923PN2011PTC141149

Anant Marwah
 Partner
 Membership No. 510549
 UDIN 20510549AAAAF15358
 Place : New Delhi
 Date : 25 JUNE 2020



Abhay Dhokte
 Managing Director
 (DIN 08481252)

Ajit Jain
 Director
 (DIN 07021106)

Vaishnavi Suratwala
 Company Secretary

Girish Sivaramakrishnan
 Chief Financial Officer

Place : Pune
 Date : 25 JUNE 2020

John Deere Financial India Private Limited
Notes forming part of the Financial Statements

1. Corporate Information

John Deere Financial India Private Limited (the Company) was incorporated on 21 October 2011. The Company is registered with the Reserve Bank of India (RBI) as a Non-deposit taking Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India (RBI) Act, 1934, holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated 6 September, 2012.

The principal business of the Company is providing finance for the purchase of farm equipment manufactured, sold and traded by John Deere India Private Limited and for the construction equipment manufactured and sold by Wirtgen India Private Limited.

John Deere Financial India Private Limited has become a Systemically Important Non- Deposit taking Non-Banking Financial Company with effect from June 2016, vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 01 September 2016 updated as on 17 February 2020 issued by the Reserve Bank of India (RBI).

The registered office of the Company is located at Tower 14, Magarpatta City, Hadapsar, Pune India.

2. Significant Accounting Policies

2.1 Statement of compliance and basis for preparation and presentation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Up to the year ended 31 March 2019, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs.

These are the Company's first financial statement prepared in accordance with Indian Accounting Standards ('Ind AS') financial statements. The company has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018 (transition date). Refer note 3 for the details of first-time adoption exemptions availed by the Company. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no 3.



2.2 Basis for measurement of financial statements:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

2.3 Presentation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in Lakh.

2.4 Use of Estimates

The preparation of the financial statements, in conformity with IND AS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates and the difference between actual results are recognized in the periods in which the estimate is revised, or the results are known/materialize. In particular, information about significant areas of estimation that have most significant effect on amounts recognized in the financial statements are given below:

- i. Note 2.5 – Fair value measurement
- ii. Note 2.9 – impairment of financial instruments based on expected credit losses
- iii. Note 2.15 - measurement of assets and obligations for defined benefit plans
- iv. Note 2.19 - recognition of deferred tax assets
- v. Note 2.20 – measurement of provision and contingencies
- vi. Note 26.01 – Disclosure of contingent liabilities



2.5 Measurement of Fair Values

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

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

2.6 Revenue Recognition

Interest income is recognized using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset. The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. at the amortized cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)). The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the Interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

Management fees income are the charges for the services provided during the year on cost plus mark up as per the service agreement.

2.7 Finance Cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.



2.8 Leases:

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

According to ITFG issued by ICAI, where lease agreement can be extended by lessee only with the consent of lessor, the lessee does not have the right to use the asset beyond the non-cancellable period. Based on which the Company restricts lease term to Agreement period and cannot extend it further to reasonably certain period for which there is no agreement as of now.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Three transition approaches specified under Ind AS 116;

- i. Full Retrospective Approach
- ii. Modified retrospective approach
- iii. Modified retrospective approach II

The Company has adopted the modified retrospective approach, ROU Asset & liability have calculated from 1st April 2019 onwards and value of opening ROU Assets & liability is same under this approach.



2.8 Leases (continued)

Company as a lessee

Operating leases

For transition, the Company has elected to apply the requirements of Ind AS 116 to all leases. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore we have done re-assessment for all leases which are live as on 1st April 2019.

On transition, the Company recognized a right to use asset for all leases which are live as on 1st April 2019 and if any leases added newly during the year we have considered as additional ROU asset during the year. Lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognized at its carrying amount as if the standard had been applied for remaining period of the lease. ROU assets recognized of INR 353.34 Lakhs and a corresponding lease liability of INR 353.34 Lakhs has been recognized. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2.9 Financial Instruments:

Financial assets and financial liabilities are recognized in the Company's balance sheet on settlement date when the Company becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial Liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the Statement of Profit or Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- i. If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in profit or loss on initial recognition (i.e. day 1 profit or loss);
- ii. In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).



2.9 Financial Instruments (continued)

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability.

Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- i. Amortized cost;
- ii. Fair value through other comprehensive income (FVTOCI); or
- iii. Fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial asset is recognized on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortized cost and Financial assets measured at fair value through other comprehensive income is presented at gross carrying value in the Financial statements.

Assessment of Business model

The Company is required to classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- i. The entity's business model for managing the financial assets and
- ii. The contractual cash flow characteristics of the financial asset.

An assessment of the applicable business model for managing financial assets was carried out for the classification of a financial asset. The Company is primarily in the business of providing retail loans to its end customers. The business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

A financial asset is measured at amortized cost if both of the following conditions are met:

- i. business model objective is to hold financial assets in order to collect contractual cash flows and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount.

As the Company is in the business of retail loans the financial asset gives rise on cash flows that are solely payments of interest and principal. The Company's business model refers to how the Company manages its financial assets in order to generate cash flows. That is, the business model



2.9 Financial Instruments (continued)

determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

Financial asset at amortized cost

Amortized cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR (Effective Interest Rates). For the purpose of SPPI (Solely payment of Principal and Interest) test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form. The EIR amortization is included in finance income in the profit and loss statement. The losses arising from impairment are recognized in the profit and loss statement.

Accordingly, the Company measures bank balances, loans, trade receivables and other financial instruments at amortized cost.

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

Unamortized transaction cost and incomes and impairment allowance on Financial asset is included in the under the head "Loans". The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at FVOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.

The EIR amortization is included in finance income in the profit and loss statement. The losses arising from impairment are recognized in the profit and loss statement. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealized gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual the gain/loss realized is recorded in the profit and



2.9 Financial Instruments (continued)

loss statement and the unrealized/gain losses recorded in OCI are recycled to the statement of profit and loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of Financial Asset

Impairment Approach

In accordance with Ind AS 109, an entity shall recognize a loss allowance for expected credit losses on a financial asset that is measured for a contract asset or a loan commitment and a financial guarantee contract to which the impairment requirements apply.

An entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Where the credit risk has not increased significantly, the Company shall measure the loss allowance equal to 12- month expected credit losses.

Adoption of ECL

John Deere Financial has adopted expected credit losses on its portfolio based on the forward-looking information and historical data for all its financial assets.

The measurement of ECL is calculated using three main components:

- i. Probability of default (PD)
- ii. Loss given default (LGD) and
- iii. Exposure at default (EAD).

The stage defined by the Company are as given below



2.9 Financial Instruments (continued)

- i. Stage 1: 0-29 days
- ii. Stage 2: 30-89 days
- iii. Stage 3: 90 days and above

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

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors.

Key macro-economic indicators include but is not limited to;

- i. Food output
- ii. Rainfall
- iii. Lending interest rate

Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received, assets received in lieu of settlement of loan and collateral available for subsequent recovery that is integral to the financial asset.

As Company has observed challenges in the resolution of defaulted accounts with aging more than one year and accordingly a higher LGD estimate is applied assuming nil recoveries towards such accounts where recovery is not made over a period of time.

The Company has in recently entered into the business of financing of Road Construction equipment and hence there is limited historical data available to determine the quality of portfolio. Reasonable estimates will be applied to determine the provisioning for the road construction portfolio on case to case basis. Currently the Company is applying the provisioning percentage considering the total portfolio including agriculture and road construction.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are



2.9 Financial Instruments (continued)

recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

2.10 Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, to manage its borrowing exposure to foreign exchange. Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss.

2.11 Repossessed assets

In the normal course of business, the Company repossess assets in its loan portfolio to settle outstanding debt and does not change ownership title. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

2.12 Write offs

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



2.13 Property, plant and equipment and Other intangible assets:

Property, plant and equipment

Tangible

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital Work-in-progress:

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete, and the asset is ready for its intended use.

Depreciation and Amortization:

Depreciation is recognized (other than on capital work-in-progress) on a straight-line basis over the estimated useful lives of assets. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement. The estimated useful lives of assets are stated below:

Particulars	Useful Life (in years)
Furniture and Fixtures	8
Computer and Networking Equipment	3 – 5

**Estimated useful life of assets consistent with the useful life specified in the Schedule II of the Companies Act, 2013.*

Fixed assets individually costing Rs. 10,000 or less depreciated fully in the year of acquisition except tablets.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.



2.13 Property, plant and equipment and Other intangible assets:

Impairment of fixed assets

At the end of each year, the management reviews the carrying values of assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of individual asset, the management estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets are also tested for impairment every financial year even if there is no indication that the asset is impaired.

If the recoverable amount of an asset of cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or the cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset of cash generating unit is increased to the revised estimate of a recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit and Loss.

Derecognition of assets

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

2.14 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and unencumbered, highly liquid bank and other balances (with original maturity of three months or less) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.15 Employee Benefits:

Short-term Employee Benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period in which the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.



2.15 Employee Benefits:

Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Statement of profit and loss.

Share based payment transactions

Cash settled share based payments: The fair value of the amount payable to employees in respect of Stock Options and Stock Appreciation Rights (SARS) which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is re-measured at each reporting date and at settlement date based on the fair value of the stock. Any changes in the fair value of the liability are recognized in the Statement of Profit and Loss.

Post-employment benefits

i. Defined contribution plans

Payments to defined contribution retirement benefit plans are recognized as an expense when the employees have rendered the service entitling them to the contribution.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

ii. Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.



2.15 Employee Benefits (continued)

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in Statement of profit and loss.

The defined benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation carried out at each Balance Sheet date using the projected unit credit method.

2.16 Foreign currencies transactions:

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value). Foreign exchange differences are recognized in Statement of profit and loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.17 Operating Segments

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by the IND AS 108, "Operating Segment". Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

The primary business of the Company is financing of retail loans to end customers for purchase of equipment manufactured by its parent Company. This forms the major part of the income and business performed by the Company. The Company also provides services to its overseas units; however, it is not of significant value.



John Deere Financial India Private Limited
Notes forming part of the Financial Statements

2.18 Earnings per share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Ind AS 36 "Earnings per Share". Basic EPS is computed by dividing the net profit and loss attributable to ordinary equity holders of the parent entity by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit and loss attributable to ordinary equity holders of the parent entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential ordinary shares (except where the results are anti-dilutive).

2.19 Taxation:

Income tax expense represents the sum of tax currently payable and deferred tax. The Company elected to exercise the option permitted under Section 115BAA on the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognized Provision for Income tax for the year ended March 31, 2020 and remeasured its deferred tax assets /liabilities basis the rate prescribed in the said section.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



2.19 Taxation (continued)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax laws (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.20 Provisions and Contingent liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



2.21 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

3 First time adoption of Ind AS – Mandatory exceptions and optional exemptions:

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April 2019, with a transition date of 1st April 2018. The financial statements for the year ended March 31, 2020 are the first financial statements, the Company has prepared under Ind AS. For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018, the date of transition to Ind AS and also as at March 31, 2019.

The adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the statement of profit and loss account for the year ended March 31, 2020 and the Balance Sheet as at April 1, 2018 and as at March 31, 2019 is explained in Note 3.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, which are stated below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity).

De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018 (the transition date).

Classification of debt instruments

The Company has determined that classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through profit or loss criteria based on facts and circumstances that existed as of the transition date.



3 First time adoption of Ind AS – Mandatory exceptions and optional exemptions (continued)

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognized as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there has been significant increase in credit risk since the initial recognition, as permitted by Ind AS 101.



3 Explanation to Transition of Ind AS

Reconciliations between Previous GAAP and Ind AS

A. Equity reconciliation

Rs in Lakhs

Particulars	As at March 31, 2019	As at April 1, 2018
Equity as reported under Previous GAAP	38,064.18	30,824.61
Adjusted for reduction:		
Discounting of non-current security deposit	(0.25)	(0.06)
Adjusted for addition:		
Impairment allowance on Financial Instruments measured at Amortised cost	2,148.17	1,368.97
Income accrued on Stage III assets	786.91	599.83
Deferred tax adjustment	(894.77)	(573.31)
Equity under Ind AS	40,104.24	32,220.04

B. Total Comprehensive income reconciliation

Rs in Lakhs

Particulars	As at March 31, 2019
Net profit as reported under Previous GAAP	2,239.57
Add:	
Impairment allowance on Financial Instruments measured at Amortised cost	779.20
Remeasurement of the defined benefit obligation	53.43
Deferred tax adjustment	(321.44)
Income accrued on Stage III assets	187.08
Income tax relating to remeasurement of the defined benefit obligation	(15.56)
Discounting for security deposit given	(0.22)
Net Profit under Ind AS	2,922.07
Other Comprehensive Income (OCI)	
Remeasurement of the defined benefit obligation	(53.43)
Income tax relating to remeasurement of the defined benefit obligation	15.56
Total Comprehensive Income as per Ind AS	2,884.20



C. Reconciliation of Balance sheet as at March 31, 2019

Rs in Lakhs

Particulars	Note	Amount as per Previous GAAP*	Transition Adjustments	Amount as per IND AS
ASSETS				
Financial Assets				
(i) Cash and cash equivalents		7,629.05	-	7,629.05
(ii) Bank balance other than (a) above		0.61	-	0.61
(iii) Receivables- Trade receivables		189.30	-	189.30
(iv) Loans	i & ii	164,674.14	2,935.08	167,609.22
(v) Other financial assets	iii	43.30	(5.47)	37.83
Total financial assets		172,536.40	2,929.61	175,466.01
Non-financial Assets				
(i) Current tax (Net)		234.71	-	234.71
(ii) Deferred tax assets (net)	vi	2,221.89	(894.77)	1,327.11
(iii) Property, Plant and Equipment		132.76	-	132.76
(iv) Capital work-in-progress		1.35	-	1.35
(v) Other Non financial assets	iv	342.33	5.22	347.55
Total Non-financial assets		2,933.03	(889.55)	2,043.48
Total Assets		175,469.43	2,040.06	177,509.49

Rs in Lakhs

Particulars	Note	Amount as per Previous GAAP*	Transition Adjustments	Amount as per IND AS
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
(i) Derivative financial Instrument		-	-	-
(ii) Payables		-	-	-
(a) Trade payables		-	-	-
- Dues of Micro Small and Medium Enterprises		1.08	-	1.08
- Dues to other than Micro Small and Medium Enterprises		998.10	-	998.10
(iii) Debt securities		80,622.98	-	80,622.98
(iv) Borrowings (Other than Debt securities)		54,744.95	-	54,744.95
(v) Other financial liabilities		505.57	-	505.57
Total Financial liabilities		136,872.68	-	136,872.68
Non-financial liabilities				
(i) Current tax liabilities (Net)		4.24	-	4.24
(ii) Provisions		454.57	-	454.57
(iii) Other Non financial liabilities		73.76	-	73.76
Total Non financial liabilities		532.57	-	532.57
EQUITY				
(i) Equity Share capital		34,390.00	-	34,390.00
(ii) Other Equity		3,674.18	2,040.06	5,714.24
Total Equity		38,064.18	2,040.06	40,104.24
Total Equity and Liabilities		175,469.43	2,040.06	177,509.49

* Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note



D. Reconciliation of Balance sheet as at April 1, 2018

Rs in Lakhs

Particulars	Note	Amount as per Previous GAAP *	Transition Adjustments	Amount as per IND AS
ASSETS				
Financial Assets				
(i) Cash and cash equivalents		1,749.11	-	1,749.11
(ii) Bank balance other than (a) above		0.57	-	0.57
(iii) Receivables- Trade receivables		99.23	-	99.23
(iv) Loans	i & ii	115,882.92	1,968.81	117,851.73
(v) Other financial assets	iii	43.30	(8.19)	35.11
Total financial assets		117,775.13	1,960.62	119,735.75
Non-financial Assets				
(i) Current tax (Net)		32.43	-	32.43
(ii) Deferred tax assets (net)	vi	1,602.02	(573.31)	1,028.71
(iii) Property, Plant and Equipment		91.98	-	91.98
(iv) Capital work-in-progress		2.11	-	2.11
(v) Other Non financial assets	iv	189.55	8.12	197.67
Total Non-financial assets		1,918.09	(565.19)	1,352.90
Total Assets		119,693.22	1,395.43	121,088.65

Particulars	Note	Amount as per Previous GAAP *	Transition Adjustments	Amount as per IND AS
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
(a) Derivative financial Instrument		-	-	-
(b) Payables		-	-	-
(i) Trade payables		-	-	-
- Dues of Micro Small and Medium Enterprises		3.00	-	3.00
- Dues to other than Micro Small and Medium Enterprises		575.39	-	575.39
(c) Debt securities		-	-	-
(d) Borrowings (Other than Debt securities)		87,561.92	-	87,561.92
(e) Other financial liabilities		372.12	-	372.12
Total Financial liabilities		88,512.43	-	88,512.43
Non-financial liabilities				
(a) Current tax liabilities (Net)		1.52	-	1.52
(b) Provisions		306.50	-	306.50
(c) Other Non financial liabilities		48.16	-	48.16
Total Non financial liabilities		356.18	-	356.18
EQUITY				
(a) Equity Share capital		29,390.00	-	29,390.00
(b) Other Equity		1,434.61	1,395.43	2,830.04
Total Equity		30,824.61	1,395.43	32,220.04
Total Equity and Liabilities		119,693.22	1,395.43	121,088.65

* Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note



E. Reconciliation of Profit and Loss for the year ended March 31, 2019

Rs in lakhs

Particulars	Note	Amount as per Previous GAAP *	Transition Adjustments	Amount as per IND AS
Revenue from operations				
(a) Interest income	ii	22,863.16	187.08	23,050.24
(b) Other operating income		145.77	-	145.77
Total Revenue from operations		23,008.93	187.08	23,196.01
Other income	iii	279.81	2.72	282.53
Total income		23,288.74	189.80	23,478.54
Expenses				
(a) Employee benefits expense	v	3,299.90	(37.85)	3,262.05
(b) Finance cost		10,222.89	-	10,222.89
(c) Depreciation and amortisation expense		58.25	-	58.25
(d) Impairment on financial instruments	i	2,269.31	(779.20)	1,490.11
(e) Other expenses	iii	4,384.45	2.91	4,387.36
Total expenses		20,234.80	(814.14)	19,420.66
Profit before tax (III - V)		3,053.94	1,003.94	4,057.88
Tax expense:				
Current tax		1,434.21	-	1,434.21
Deferred tax	vi	(619.84)	321.44	(298.40)
Profit for the year (VI - VII)		2,239.57	682.50	2,922.07
Other comprehensive income				
(A) Items that will not be reclassified to profit or loss				
(a) Remeasurement of Defined Benefit Liability/(Asset)	v	-	(53.43)	(53.43)
(b) Income tax relating to items that will not be reclassified to profit or loss	vi	-	15.56	15.56
(B) Items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income (VIII + IX)		2,239.57	644.63	2,884.20

* Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

F. Notes

i) Impairment allowance on Financial Instruments at Amortised cost and trade receivables

Under Previous GAAP, the provisioning on overdue loans was as per management estimates, subject to the minimum provision required as per Master Direction- Non Banking Financial Company - Systematically Important Non Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

ii) Interest income measured using effective interest method

Under Previous GAAP, interest income on non performing assets (i.e. loans that are 90 days past due) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount.

iii) Security Deposits

Under the previous GAAP, interest-free lease security deposits (that are refundable in cash at the end of the lease term) are recognised as an asset at transaction value. Under Ind AS 109, all financial assets are required to be recorded at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. The difference in the fair value and the transaction value of the security deposit has been recognized as a prepaid expenses. The prepaid expense is amortised over the period of the lease which is partially offset by the notional interest income recognized on the related security deposits.

iv) Prepaid Expenses

Under Ind AS, interest free leased deposits are fair valued and the difference between the fair value and the transaction value of the security deposit has been recognized as prepaid expenses.

v) Re-measurements of defined benefit obligations

Under the previous GAAP, actuarial gains and losses were recognised in the statement of profit or loss. Under Ind AS, the actuarial gains and losses form a part of re-measurement of the net defined benefit liability / assets which is recognised in other comprehensive income.

vi) Deferred tax

Effect of Deferred taxes recognised on the INDAS adjustments.

G) Cash flow Statement

There are no material reconciliation items to cash flow statements as reported in Previous GAAP financials.



John Deere Financial India Private Limited
Notes forming part of the financial statements

Note 4: Cash and cash equivalents

Particulars	Rs. in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Balances with banks in current accounts	8,002.24	7,624.76	1,745.75
(b) Remittance in transit	22.18	4.29	3.36
Total	8,024.42	7,629.05	1,749.11

Note 5: Bank balances other than cash and cash equivalents

Particulars	Rs. in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Deposit with bank for VAT purposes	0.59	0.61	0.57
Total	0.59	0.61	0.57

Note 6: Receivables - Trade Receivables

Particulars	Rs. in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Receivables considered good - unsecured	266.44	189.30	99.23
Total	266.44	189.30	99.23

Note 7: Loans

Particulars	Rs. in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured Term Loans at Amortized cost within India			
Secured Term Loans to customers under Financing Activities	233,075.95	165,992.24	116,865.71
Interest accrued but not due on loans to customers	5,820.01	4,422.06	3,072.81
Total (Gross)	238,895.96	170,414.30	119,938.52
Less: Impairment loss allowance (Refer Note no.26.09)	(5,850.48)	(2,805.08)	(2,086.79)
Total	233,045.48	167,609.22	117,851.73

* There are no loans outside India

Note 8: Other financial assets

Particulars	Rs. in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security Deposits	66.62	37.83	35.11
Total	66.62	37.83	35.11



John Deere Financial India Private Limited
Notes forming part of the financial statements

Note 9 (a): Property, plant and equipment

Description	Rs. in Lakhs		
	Computers and Networking Equipment	Furniture and Fittings	Total
Cost			
Balance as at April 1, 2018 (deemed cost)	90.95	1.03	91.98
Additions	79.70	20.88	100.58
Disposals	2.02	-	2.02
Balance as at March 31, 2019	168.63	21.91	190.54
Accumulated depreciation			
Depreciation for the year	54.32	3.93	58.25
Eliminated on disposal of assets	0.47	-	0.47
Balance as at March 31, 2019	53.85	3.93	57.78
Net carrying amount as on March 31, 2019	114.78	17.98	132.76

Description	Rs. in Lakhs		
	Computers and Networking Equipment	Furniture and Fittings	Total
Cost			
Balance as at March 31, 2019	168.63	21.91	190.54
Additions	117.06	14.27	131.33
Disposals	3.08	-	3.08
Balance as at March 31, 2019	282.61	36.18	318.79
Accumulated depreciation			
Balance as at April 1, 2019	53.85	3.93	57.78
Depreciation for the year	70.29	6.47	76.76
Eliminated on disposal of assets	1.95	-	1.95
Balance as at March 31, 2020	122.19	10.40	132.59
Net carrying amount as on March 31, 2020	160.42	25.78	186.20

Note 9 (b): Right of Use Asset

Description	Rs. in Lakhs	
	Total	
Cost		
Balance as at April 1st, 2019	353.34	
Additions	35.07	
Disposals	-	
Balance as at March 31, 2020	388.41	
Accumulated depreciation		
Balance as at April 1, 2019	-	
Depreciation for the year	128.36	
Eliminated on disposal of assets	-	
Balance as at March 31, 2020	128.36	
Net carrying amount as on March 31, 2020	260.05	

Note 10: Other non-financial assets-unsecured considered good

Particulars	Rs. in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Balances with Government authorities-			
(i) GST credit receivable	269.49	98.06	40.09
(ii) GST refund on export services	82.20	68.93	24.65
(b) Prepaid expenses	71.41	66.20	88.58
(c) Advance to suppliers	182.21	44.27	5.81
(d) Employee advances	105.81	70.09	38.54
Total	711.12	347.55	197.67

Note:

No advances are due from directors or other officers of the company either severally or jointly with any other person. Nor any advances are due from firms or private companies respectively in which any director is a partner, a director or a member.



John Deere Financial India Private Limited
Notes forming part of the financial statements

Note 11 : Derivative financial Instrument

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Foreign currency forward Contract not designated in hedge accounting relationship (Refer note no. 26.14)	154.45	-	-
Total	154.45	-	-

Note 12: Payables

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Payable			
-total outstanding dues of micro enterprises and small enterprises (Refer note no.26.10)	0.01	1.08	3.00
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,143.59	998.10	575.39
Total	1,143.60	999.18	578.39

Note 13 : Debt Securities

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortized cost			
Unsecured			
(a) Privately placed non-convertible debentures	80,783.49	80,622.98	-
(b) Commercial papers	28,336.21	-	-
Total (a+b)	109,119.70	80,622.98	-
Debt securities in India	109,119.70	80,622.98	-
Debt securities outside India	-	-	-
Total Debt securities	109,119.70	80,622.98	-

Particulars of Privately Placed Unsecured Non-Convertible Debentures ("NCDs")

Description of NCDs	Number of NCDs	Rs. in Lakhs	Redemption Date
As at March 31, 2020			
9.45% Non Convertible Debentures (Privately Placed)	5,000	50,000	10-Jan-22
9.30% Non Convertible Debentures (Privately Placed)	3,000	30,000	25-Sep-20
As at March 31, 2019			
9.45% Non Convertible Debentures (Privately Placed)	5,000	50,000	10-Jan-22
9.30% Non Convertible Debentures (Privately Placed)	3,000	30,000	25-Sep-20

Particulars of Commercial papers outstanding as on March 31, 2020

Description of CPs	Number of CPs	Rs. in Lakhs	Redemption Date
Commercial papers	6,000	30,000	29-Jan-21



John Deere Financial India Private Limited
Note 14: Borrowings (Other than debt securities)

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortized cost			
(a) Term loans			
Unsecured Loans from banks	73,981.29	54,744.95	67,534.62
(b) Loans repayable on demand			
Unsecured Loans from banks-working Capital Demand Loan	11,526.61	-	20,027.29
Total	85,507.90	54,744.95	87,561.92
Borrowings in India	72,680.24	54,744.95	87,561.92
Borrowings outside India	12,827.66	-	-
Total	85,507.90	54,744.95	87,561.92

Term Loan Repayment

Rs. in Lakhs

Particulars	Year of repayment		
	FY-2022-23	FY-2021-22	FY-2020-21
Standard Chartered Bank Term loan commencing from 23rd May 2017 (Note i and ii)	31,500.00	4,550.00	4,100.00
The Bank of Tokyo Mitsubishi UFJ Ltd., India Term loan commencing from 20th January 2016 (Note i)	-	-	2,900.00
ICICI Bank loan commencing from 27th March 2017 (Note i)	3,700.00	6,300.00	7,900.00
HSBC loan commencing from 4th March 2020 (Note iii)	12,815.45	-	-

- i) Of the above, term loans of amount Rs. 29,450 lakhs are repayable in quarterly equal installments
 ii) Term loans of amount Rs.31,500 lakhs are repayable in five monthly installments starting from 33rd month to the 37th month.
 iii) Term loan of amount Rs.12,815.45 lakhs is repayable in one installment in FY 2022-23
 iv) Working capital demand loan of Rs.11,500 lakhs is repayable on demand
 v) Term loans interest rate ranges from 7.59% to 10.25%

Note 15 : Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Accrued employee cost	365.53	448.77	345.81
(b) Payable to customers	101.75	56.80	26.31
Total	467.28	505.57	372.12

Note 16: Provisions

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Provision for compensated absence	518.59	396.13	291.59
(b) Provision for gratuity (Refer note no. 26.04)	35.52	58.44	14.91
Total	554.11	454.57	306.50

Note 17 : Other Non financial Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Statutory dues	98.95	73.76	48.16
Total	98.95	73.76	48.16



John Deere Financial India Private Limited

Notes forming part of the financial statements

Note 18 : Equity Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised:			
800,000,000 Equity shares of Rs. 10 (31 March 2019: 800,000,000 and 1 April 2018: 300,000,000)	80,000.00	80,000.00	30,000.00
Issued, Subscribed and Fully Paid:			
393,900,000 Equity shares of Rs. 10 fully paid-up (31 March 2019: 343,900,000 and 1 April 2018: 293,900,000)	39,390.00	34,390.00	29,390.00
Total	39,390.00	34,390.00	29,390.00

Note

- The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- 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. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Rs. in Lakhs

Particulars	Number of Shares	Amount
Balance as on April 1, 2018	293,900,000	29,390.00
Add: Equity shares issued during the year	50,000,000	5,000.00
Balance as on March 31, 2019	343,900,000	34,390.00
Add: Equity shares issued during the year	50,000,000	5,000.00
Balance as on March 31, 2020	393,900,000	39,390.00

- Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No of Equity Shares with Voting rights
As at March 31, 2020	
- held by John Deere Luxembourg Investment SARL (Subsidiary of Ultimate Holding Company)	10
- held by John Deere India Private Limited (a wholly owned subsidiary of John Deere Asia (Singapore) Pte Limited and the Holding Company)	393,899,990
As at March 31, 2019	
- held by John Deere Holdings SARL (Subsidiary of Ultimate Holding Company)	10
- held by John Deere India Private Limited (a wholly owned subsidiary of John Deere Asia (Singapore) Pte Limited and the Holding Company)	343,899,990
As at April 1, 2018	
- held by John Deere Holdings SARL (Subsidiary of Ultimate Holding Company)	10
- held by John Deere India Private Limited (a wholly owned subsidiary of John Deere Asia (Singapore) Pte Limited and the Holding Company)	293,899,990



John Deere Financial India Private Limited
Notes forming part of the financial statements

Note 18 : Equity Share Capital (continued)

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

Particulars	Number of shares held	% holding in that class of shares
As at March 31, 2020		
John Deere India Private Limited (the Holding Company)	393,899,990	100.00
As at March 31, 2019		
John Deere India Private Limited (the Holding Company)	343,899,990	100.00
As at April 1, 2018		
John Deere India Private Limited (the Holding Company)	293,899,990	100.00

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Statutory Reserve u/s 45IC of RBI Act, 1934	1,732.95	1,224.95
(b) Retained earnings		
Balance at the beginning of the year	4,527.16	2,053.00
Add: Profit for the year	2,533.22	2,922.07
Less: Transfer to Statutory Reserve	(508.00)	(447.91)
Closing balance at the end of the year	6,552.38	4,527.16
(c) Other comprehensive income arising from remeasurement of defined employee benefit plans (net of deferred tax)	(33.14)	(37.87)
(d) Securities Premium	165.00	-
Total	8,417.19	5,714.24

Nature and Purpose of Reserves :

Particulars	Nature & Purpose of Reserves
Securities Premium Account	Premium received upon issuance of equity shares
Statutory Reserve	As prescribed by section 45-IC of the Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India
Retained earnings	Retained earnings are the profits that the Company has earned till date.
Other Comprehensive Income	Created on account of items measured through other comprehensive income



John Deere Financial India Private Limited
Notes forming part of the financial statements

John Deere Financial India Private Limited
Notes forming part of the financial statements

Note 20: Revenue from operations

Rs. in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations		
(i) Interest income	32,069.00	23,050.24
(ii) Other operating income	208.97	145.77
Total	32,277.97	23,196.01

Note 21 : Other income

Rs. in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on fixed deposits with bank	41.72	33.98
Management fees income	769.52	240.82
Insurance claim received	1.89	0.70
Miscellaneous Income	3.09	7.03
Total	816.22	282.53

Note 22: Finance Cost

Rs. in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
At amortized cost		
(i) Interest on borrowings from banks	5,046.30	6,693.54
(ii) Interest on debt securities	7,674.86	953.08
(iii) Inter corporate deposit	391.65	59.40
(iv) Discounting charges on commercial paper	1,192.22	2,338.98
(v) Interest expenses on Lease liability	25.32	-
(vi) Other issuance cost	66.79	177.89
Total	14,397.14	10,222.89

Note 23: Impairment on financial instruments

Rs. in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On Financial Instruments measured at Amortized Cost (Refer note no. 26.09)		
Write off (net of recoveries)	878.59	771.82
Allowance for loan losses	3,045.40	718.29
Total	3,923.99	1,490.11

Note 24: Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	4,058.86	3,057.39
Contributions to provident and other funds (Refer note no. 26.04)	149.22	110.95
Share Based Payments to employees (Refer note no. 26.13) (Net of reversal of excess liability)	(31.12)	28.25
Staff welfare expenses	19.10	65.46
Total	4,196.06	3,262.05

Note 25: Other expenses

Rs. in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Facility cost	201.71	231.41
Repairs and maintenance - others	2.23	5.96
Insurance	45.66	34.63
Communication expenses	36.66	28.37
Travelling and conveyance	895.10	843.21
Marketing expenses	18.50	3.49
Legal and professional	278.91	197.47
Outsourcing Cost	175.94	147.98
Payment to Auditors(Refer note no. 26.02)	17.56	8.09
Foreign exchange loss (net)	70.32	8.45
Fixed assets written off	1.04	1.55
Management fees expense	1,307.51	758.64
Contract labour expenses	1,055.75	789.93
Information system expenses	2,202.90	879.68
Recruitment and training expenses	87.61	125.19
CSR Expenses(Refer note no. 26.12)	41.76	27.89
Bank charges	81.25	58.20
Printing and Stationery	67.60	32.29
Courier Services	63.40	53.32
Meeting expenses	90.73	84.99
Document storage cost	22.69	15.10
Miscellaneous expenses	62.63	51.54
Total	6,827.46	4,387.36



26.01 Contingent liabilities and Commitments :-

Contingent liabilities		Rs in lakhs		
Particulars	31-Mar-20	31-Mar-19	1-Apr-18	
Consumer Redressal Matters*	1.00	1.00	3.00	
Service Tax Matters	-	72.03	29.45	
Total	1.00	73.03	32.45	

*Company has received a notice from the District Consumer Redressal Forum in lieu of a case filed by a customer. Based on legal confirmation obtained, the management believes that all these contingencies are possible cash outflows and not probable.

Commitments		Rs in lakhs		
Particulars	31-Mar-20	31-Mar-19	1-Apr-18	
Estimated amount of capital contracts to be executed on capital account and not provided for (net of advance)	34.53	31.45	8.81	
Loan to customer under financing activities	1,936.24	1,069.35	1,114.40	

26.02 Payment to Auditors :

Particulars		Rs in lakhs	
As Auditors		31-Mar-20	31-Mar-19
a)	Statutory audit		5.00
b)	Tax Audit	13.00	1.00
	In other capacity -		
	Certification	0.50	1.25
	For reimbursement of expenses	1.61	0.15
Total		16.11	7.40

*Excluding indirect tax

26.03 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Amount receivable/payable in foreign currency on account of the following:

Particulars		31-Mar-20		31-Mar-20		1-Apr-18	
		Amount in original currency	Amount in INR	Amount in original currency	Amount in INR	Amount in original currency	Amount in INR
Receivables							
a)	USD	3.61	271.94	1.29	89.11	0.15	9.83
b)	THB	22.10	51.01	18.78	40.93	2.26	4.73
Payables							
a)	USD	5.29	398.42	6.42	444.50	1.27	82.56
b)	EURO	0.06	5.16	0.04	2.78	0.04	3.55
c)	AUD	0.44	20.31	-	-	-	-

26.04 Employee benefits:

A. Defined Contribution Plan

The Company makes provident fund contribution to a defined contribution plan administered by Regional Provident fund Commissioner. Under the scheme the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized contribution to provident fund of Rs.137.20 lakhs in the Statement of Profit and Loss for the year ended 31 March 2020 (31 March 2019: Rs.99.43 lakhs). The contribution paid by the Company is in accordance with the rules framed by government from time to time.

B. Defined Benefit Plan

The Company makes contributions towards gratuity to fund defined benefit plan for qualifying employees. The plan provides for a lump sum payment to employees, at retirement, death while in service or on termination of employment of an amount equivalent to 15 days salary for every completed year of service or a part there of in excess of six months. Vesting occurs upon completion of five years of continuous service. The scheme is administered by Kotak Life Insurance Limited and is funded based on demand received from the fund.



Employee benefits (Continued):

Amount recognised in the Balance Sheet and movement in the net defined benefit obligation for the year are as follows:

Particulars	Rs in lakhs		
	31-Mar-20	31-Mar-19	
i) Reconciliation of defined benefit obligation			
Liability at the beginning of the year	340.72	224.65	
Current Service Cost	54.66	39.47	
Interest cost	25.20	17.42	
Demographic Gain/(Loss) on Plan Liabilities	0.17	-	
Financial Gain/(Loss) on Plan Liabilities	11.02	16.13	
Experience Gain/(Loss) on Plan Assets	5.10	45.00	
Benefits Paid	(10.24)	(1.95)	
Projected benefit obligation at the end of the year	426.62	340.72	
ii) Reconciliation of Fair Value of Plan Asset			
Fair value of the Plan assets at the beginning of the year	282.28	209.75	
Expected return on plan Assets	21.45	16.78	
Contribution	75.00	50.00	
Benefits Paid	(10.24)	(1.95)	
Actuarial Gain/ (Loss) on plan assets	22.61	7.70	
Fair value of plan asset at the end of the year	391.10	282.28	
iii) Amount recognised in Balance Sheet			
Defined Benefit Obligation	(426.62)	(340.72)	
Fair value of plan assets	391.10	282.28	
Net (Liability)/ Asset recognised in the Balance Sheet	(35.52)	(58.44)	
Rs in Lakhs			
iv) Expenses recognized in statement of profit or loss under the head employee benefit expenses			
Current Service Cost	54.66	39.47	
Interest Expense on DBO	25.20	17.42	
Interest (Income) on plan assets	(21.45)	(16.78)	
Net Interest Cost	3.75	0.64	
Expenses recognized in Statement of Profit or Loss	58.41	40.11	
v) Re-measurement for the period in OCI			
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	0.17	-	
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	11.02	16.13	
Actuarial (Gain) / Loss due to Experience on DBO	5.10	45.00	
Return on Plan Assets (Greater) / Less than Discount rate	(22.61)	(7.70)	
Return on reimbursement rights (excluding interest income)	-	-	
Changes in asset ceiling/onerous liability (excluding interest income)	-	-	
Total Actuarial (Gain) / Loss included in OCI	(6.32)	53.43	
vi) Principal Actuarial Assumptions			
Financial Assumptions			
Discount Rate	6.60%	7.60%	8.00%
Salary Escalation	8.20%	9.00%	9.00%



Employee benefits (Continued):

Particulars	Rs in lakhs		
	31-Mar-20	31-Mar-19	01-Apr-18
Demographic Assumptions			
Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	21-30yrs-10%, 31-34yrs-12%, 35-44yrs-7%, 45-50yrs-3%, 51-54yrs-2%, 55yrs & above-1%	21-30yrs-10%, 31-34yrs-12%, 35-44yrs-7%, 45-50yrs-3%, 51-54yrs-2%, 55yrs & above-1%	21-30yrs-10%, 31-34yrs-12%, 35-44yrs-7%, 45-50yrs-3%, 51-54yrs-2%, 55yrs & above-1%
Retirement age	60 years	60 years	60 years

(i) As per para 83 of Ind AS 19, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds

(ii) Disclosure related to indication of effect of the defined benefit plan on entity's future cash flows –

Particulars	31-Mar-20	31-Mar-19	01-Apr-18
Year 1	22.50	18.33	13.92
Year 2	22.13	19.03	12.76
Year 3	21.36	18.96	13.16
Year 4	20.97	18.09	12.98
Year 5	20.79	17.91	12.24
Year 6 to 10	86.17	78.02	54.93

(vii) Sensitivity Analysis:

Defined Benefit Obligation	Rs in lakhs		
	31-Mar-20	31-Mar-19	01-Apr-18
Discount rate			
- Discount rate - 100 basis points	482.16	386.37	213.03
- Discount rate + 100 basis points	377.21	302.38	165.53
Salary increase rate			
- Rate - 100 basis points	419.43	302.51	165.66
- Rate + 100 basis points	480.68	385.29	212.34

C. Compensated Absences:

Compensated absences which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as liability at the present value of defined benefit obligation as at the balance sheet date. Accordingly, an amount of Rs.118.23 lakhs been charged to the Statement of Profit and Loss for the year ended 31 March 2020 (31 March 2019: Rs.94.49 lakhs).

26.05 The Company is engaged in primarily financing equipment manufactured and sold in India by its holding company and its affiliates which, in the context of IND AS 108 – "Operating Segment" constitute majorly single reportable business segment.

26.06 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures

A) Names of related parties and description of relationship:

Sr No.	Names of Related party	Nature of Relationship
1	Mr. Satyen Suhas Shah- Managing Director- (Date upto- 30 June 2019)	Key Management Personnel (KMP)
2	Mr. Abhay Dinkar Dhokte - Managing Director (Date From- 1 July 2019)	Key Management Personnel (KMP)
3	Mr. Ajit Jain- Director	Key Management Personnel (KMP)
4	Mr.Felix Frie- Director	Key Management Personnel (KMP)
5	Mr. Manish Madhav Phalke - Director (Date from- 11 July 2019)	Key Management Personnel (KMP)
6	Mr. Sudhir Thite – Company Secretary (Date upto- 19 August 2019)	Key Management Personnel (KMP)
7	Mr. Bhushan Manoj Kotecha (Date from 19 August 2019 upto-2 March 2020)	Key Management Personnel (KMP)
8	Miss. Vaishnavi Bhupendra Suratwala- (Date From- 2 March 2020)	Key Management Personnel (KMP)
9	Deere & Company	Ultimate Holding Company
10	John Deere India Private Limited	Holding Company
11	John Deere Asia Singapore Pte Limited	Intermediate Holding Company
12	Deere Credit Services Inc	Fellow Subsidiary (where transaction exist)
13	John Deere GMBH & Company	Fellow Subsidiary (where transaction exist)
14	John Deere Brasil Ltda.	Fellow Subsidiary (where transaction exist)
15	John Deere Leasing (Thailand) Limited	Fellow Subsidiary (where transaction exist)
16	John Deere Finance Lease Co Ltd (China)	Fellow Subsidiary (where transaction exist)
17	Banco John Deere S.A.	Fellow Subsidiary (where transaction exist)
18	John Deere Financial Limited (Australia)	Fellow Subsidiary (where transaction exist)
19	Wirtgen India Private Limited	Fellow Subsidiary (where transaction exist)



Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures- (Continued)

B) Transaction with Related parties:-

							Rs in lakhs
Sr. No.	Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	KMP	Total	
1	Remuneration- KMP	-	-	-	205.25	205.25	
		(-)	(-)	(-)	(203.96)	(203.96)	
2	Inter Company deposit received	-	77,000.00	-	-	77,000.00	
		(-)	(73,976.99)	(-)	-	(73,976.99)	
3	Inter Company Deposit repaid	-	77,000.00	-	-	77,000.00	
		(-)	(73,976.99)	(-)	(-)	(73,976.99)	
4	Allotment of Equity shares	-	5,165.00	-	-	5,165.00	
		(-)	(5,000.00)	(-)	(-)	(5,000.00)	
5	Interest expense	-	391.65	-	-	391.65	
		(-)	(59.40)	(-)	(-)	(59.40)	
6	Other reimbursement	2.88	522.63	161.71	-	687.22	
		(-)	(504.86)	(12.18)	(-)	(517.04)	
7	Management fees (Income)	-	24.36	742.77	-	767.14	
		(-)	(-)	(240.82)	(-)	(240.82)	
8	Management fees (Expense)	-	508.57	698.09	-	1,206.66	
		(-)	(427.35)	(276.73)	(-)	(704.08)	
9	Facility cost	-	186.62	-	-	186.62	
		(-)	(121.20)	(-)	(-)	(121.20)	
10	Information system- Expenses	1,005.71	997.82	16.14	-	2,019.67	
		(699.34)	(82.89)	(13.82)	(-)	(796.05)	
11	Reimbursement of Salary (paid)	-	320.99	-	-	320.99	
		(-)	(198.91)	(-)	(-)	(198.91)	
12	Reimbursement of Salary (received)	-	-	53.69	-	53.69	
		(-)	(-)	(69.81)	(-)	(69.81)	
13	Other expenses	19.00	-	0.51	-	19.51	
		(84.83)	(9.10)	(-)	(-)	(93.93)	
14	Other Income	-	-	-	-	-	
		(-)	(139.50)	(-)	(-)	(139.50)	
15	Payables at the end of the year	255.96	146.21	167.92	-	570.09	
		(212.05)	(160.65)	(235.23)	(1.64)	(609.57)	
16	Receivables at the end of the year	140.78	114.15	182.96	-	437.89	
		(-)	-	(130.04)	(-)	(130.04)	

Notes:

- The amounts are excluding indirect taxes
- There are no amounts written off or written back during the year in respect of debts due from related party.
- Figures in brackets represent figures for previous year.
- Remuneration excludes provision for employee benefits as separate actuarial valuation for KMP is not available.

26.07 Operating Leases:

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated. Brief description of nature and type of lease assets.

A. Right of use assets

Particulars	Rs in lakhs	
	Premises	Total
Balance as at April 01, 2019	353.34	353.34
Add: Initial direct cost	-	-
Add: Addition during the year	35.07	35.07
On account of remeasurement of lease liability	-	-
Less: depreciation charged for the period	(128.36)	(128.36)
Balance as at March 31, 2020	260.05	260.05

B. Lease liabilities

Particulars	Rs in lakhs	
	As at	
Lease liabilities	March 31, 2020	
	270.98	

C. Interest expenses on lease liabilities

Particulars	Rs in lakhs	
	As at	
Interest on lease liabilities	March 31, 2020	
	25.32	

D. Amounts recognised in the statement of cash flow

Particulars	Rs in lakhs	
	As at	
Total cash outflow for leases	March 31, 2020	
	142.76	



26.07 Operating Leases: (Continued)

E. Maturity analysis – contractual undiscounted cash flows

Rs in lakhs

Particulars	As at March 31, 2020
Less than one year	127.65
One to five years	149.28
More than five years	36.39
Total undiscounted lease liabilities at March 31, 2020	313.32

26.08 Earnings Per Share is calculated as follows:

Rs in lakhs

Sr No.	Particulars	31-Mar-20	31-Mar-19
i)	Net Profit attributable to shareholders	2,533.22	2,922.07
ii)	Weighted average number of Equity Shares	3,485	2,958
iii)	Nominal value of equity share	10	10
iv)	Basic and Diluted	0.73	0.99

Note: There is no dilution to basic EPS since there are no outstanding potentially dilutive equity shares.

26.09 Provision for contingency and losses on loans given to customers (financing activities)

Rs in lakhs

Particulars	31-Mar-20	31-Mar-19
Opening balance	2,805.08	2,086.79
Provided during the year	3,923.99	1,490.11
Provision utilized during the year	(878.59)	(771.82)
Closing balance	5,850.48	2,805.08

(Refer significant accounting policies for brief description of the nature of the provision)

26.10 Compliance with Micro, Small and Medium Enterprises Development Act, 2006

Rs in lakhs

Particulars	31-Mar-20	31-Mar-19
The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)	-	-
The disclosure pursuant to the said Act is as under:	-	-
Principal amount due to suppliers under MSMED Act, 2006	-	1.08
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
Payments made to suppliers (other than interest) beyond the appointed date, during the year	6.62	0.61
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made beyond the appointed date during the current year	0.01	0.00
Interest accrued and remaining unpaid to suppliers under MSMED as at year end	0.01	0.00
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	0.01	-

26.11 Income Taxes:

(A) The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

Rs in lakhs

Particulars	31-Mar-20	31-Mar-19	1-Apr-18
Deferred tax liabilities			
(i) Debenture issue expenses	43.75	91.37	9.21
(ii) Depreciation on property, plant, equipment	5.07	4.42	7.18
Total	48.82	95.79	16.39
Deferred tax assets			
(i) Impairment loss allowance	1,472.57	816.83	607.67
(iii) Employee benefit	217.43	245.00	176.05
(iv) Deferred income	470.18	361.07	261.38
Total	2,160.18	1,422.90	1,045.10
Net deferred tax Asset	2,111.36	1,327.11	1,028.71



Income Taxes: (Continued)

(B) The reconciliation of estimated income tax expense at statutory income tax rate :

Particulars	Rs in lakhs	
	As at March 31, 2020	As at March 31, 2019
Profit before income taxes	3,389.97	4,057.88
Indian statutory income tax rate	25.17%	29.12%
Expected income tax expense	853.26	1,181.66
Tax effect of adjustments to reconcile expected income tax expense to :		
Income exempt from tax	(91.50)	-
Non deductible expenses	12.09	7.02
Other expenses	-	(3.82)
Rate change Impact	180.25	
Total income tax expense	954.10	1,184.86
Taxes effects for earlier years	(97.35)	(49.05)
Total income tax expense recognised in Profit and Loss Account	856.75	1,135.81

Note: The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to respective financial years

(C) The income tax expense charge to Profit and Loss account:

Particulars	Rs in lakhs	
	As at March 31, 2020	As at March 31, 2019
Current tax:		
Current tax expense for the period	1,738.35	1,483.25
Current tax expense / (benefit) pertaining to prior years	(97.35)	(49.04)
Deferred tax benefit		
Origination and reversal of temporary differences	(784.25)	(619.86)
Change in tax rates / Ind As Impact	-	321.46
Total income tax expense recognised in the year	856.75	1,135.81

(D) Amounts recognised in Other Comprehensive Income (OCI)

Particulars	Rs in lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	(1.59)	15.56
Items that are or may be reclassified subsequently to profit or loss		
Net amount transferred to profit or loss	-	-

(E) The major components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Rs in lakhs			
	1st April 2019	Recognised / reversed through profit and loss	Recognised in OCI	31st March 2020
Deferred Tax Assets :				
(a) Impairment loss allowance	816.84	655.73	-	1,472.57
(b) Employee benefit	245.00	(25.96)	(1.59)	217.45
(c) Deferred income	361.06	109.12	-	470.18
Deferred Tax Liabilities				
(a) Debenture issue expenses	(91.37)	47.61	-	(43.76)
(b) Depreciation on property, plant, equipment	(4.42)	(0.66)	-	(5.08)
Net Deferred Tax Asset	1,327.11	785.84	(1.59)	2,111.36



Income Taxes: (Continued)

The major components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

Particulars	Rs in lakhs			
	1st April 2018	Recognised / reversed through profit and loss	Recognised in OCI	31st March 2019
Deferred Tax Assets :				
(a) Impairment loss allowance	607.67	209.17	-	816.84
(b) Employee benefit	176.05	84.50	(15.56)	244.99
(c) Deferred income	261.38	99.69	-	361.07
Deferred Tax Liabilities :				
(a) Debenture issue expenses	(9.21)	(82.16)	-	(91.37)
(b) Depreciation on property, plant, equipment	(7.18)	2.76	-	(4.42)
Net Deferred Tax Asset	1,028.71	313.96	(15.56)	1,327.11

26.12 Corporate Social Responsibility

As per provisions of section 135 of Companies Act 2013, the Company was required to spend 2% of average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act.

Particulars	Rs in lakhs	
	31-Mar-20	31-Mar-19
Gross amount required to be spent by the Company during the year	41.10	28.17
Amount spent during the year :	41.76	27.89

** The above expenses are for a purpose other than construction or acquisition of any asset

26.13 Employee share-based payment plans

Deere and Company, the ultimate holding Company issues stock options and restricted stock awards to key employees of the Company and its subsidiaries. Options are awarded with the exercise price equal to the market price and become exercisable in 1 to 3 years after grant. Options expire 10 years after the date of grant. Restricted stock awards generally vests after 3 years. The details of the plan are as under:

Share-based payment arrangement that existed at any time during the period:

Particulars	STOCK OPTIONS		RESTRICTED STOCK UNITS (RSUs)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
(A) Share-based payment arrangement that existed at any time during the period:				
(i) Description of each type of such payment	Stock Options	Stock Options	RSUs	RSUs
(ii) General terms of options granted	Vesting for stock options: 34% in year 1, 33% in year 2 and 33% in year 3	Vesting for stock options: 34% in year 1, 33% in year 2 and 33% in year 3	RSUs convert to shares on 3rd anniversary of the award	RSUs convert to shares on 3rd anniversary of the award
(iii) Method of settlement (e.g., whether in cash or equity)	Stock Options can settle in equity or cash. All exercises during this period were settled in cash	Stock Options can settle in equity or cash. All exercises during this period were settled in cash	RSUs settle in shares only	RSUs settle in shares only



Employee share-based payment plans: (Continued)

This table includes both stock options only	31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19	
	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)
(B) Number and weighted average exercise prices of share options for each of the following groups of options:								
(i) outstanding at the beginning of the period	2,862	5,866.54	2,862	5,866.84	436	9,157.68	258	8,404.29
(ii) transferred out during the period	2,862	6,392.32	-	-	436	9,670.28	-	-
(iii) transferred in during the period	-	-	-	-	348	9,670.28	-	-
(iv) granted during the period	-	-	-	-	149	12,793.68	178	10,249.66
(v) forfeited during the period	-	-	-	-	-	-	-	-
(vi) exercised during the period	-	-	-	-	153	13,004.78	-	-
(vii) expired during the period	-	-	-	-	-	-	-	-
(viii) outstanding at the end of the period	-	-	2,862	5,866.84	344	11,952.33	436	9,157.68
(ix) exercisable at the end of the period	-	-	2,561	5,912.00	-	-	-	-

	31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19	
	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)
(C) (i) For share options exercised during the period, disclose the weighted average share price at the date of exercise	-	-	-	-	153	13,004.78	-	-
(ii) If options were exercised on a regular basis throughout the period, disclose the weighted average share price during the period	-	-	-	-	-	-	-	-

	31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19	
	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)	No.	Rs. (Per Unit)
(D) For share options outstanding at the end of the period:	-	-	-	-	-	-	-	-
(i) The range of exercise prices and weighted average price for remaining contractual life	-	-	2,862	5,866.84	344	11,952.33	436	9,157.68
(ii) If the range of exercise price is wide, the outstanding options shall be divided into ranges that are meaningful for assessing the number and timing of additional shares	-	-	-	-	-	-	-	-

For convenience, amounts in Indian Rupees in Note 26.13 represents US dollar amount translated at March 31, 2020 rate of Rs. 75.39 = US dollar 1.00 and at March 31, 2019 Rs. 69.189 = US dollar 1.00. Amount represents per share value.



Share based payments expenditure:

Share based payments expense (included in Note 26.13: Employee Benefit Expense) recognised during the year represents the difference between market value of equity shares as at the grant date and market value of equity shares as at the exercise date.

26.14 Net Gain / (Loss) On Fair Value Changes

Particulars	Rs in lakhs	
	As at March 31, 2020	As at March 31, 2019
(A) Net Gain / (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	(154.45)	-
(B) Others	-	-
(C) Total Net gain/(loss) on fair value changes	(154.45)	-
(D) Fair value changes :		
(i) Realised	-	-
(ii) Unrealised	(154.45)	-
Total Net gain/(loss) on fair value changes	(154.45)	-

26.15 Financial assets and liabilities by category

(i) The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

Particulars	Rs in lakhs					
	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	8,024.42	8,024.42
Bank balance other than (a) above	-	-	-	-	0.59	0.59
Receivables- Trade receivables	-	-	-	-	266.44	266.44
Loans	-	-	-	-	233,045.48	233,045.48
Other financial assets	-	-	-	-	66.62	66.62
Total	-	-	-	-	241,403.55	241,403.55
Financial Liabilities:						
Derivative financial Instrument	154.45	-	-	-	-	154.45
Payables						
-Trade Payable	-	-	-	-	1,143.60	1,143.60
Debt Securities	-	-	-	-	109,119.70	109,119.70
Borrowings (Other than Debt securities)	-	-	-	-	85,507.90	85,507.90
Lease liabilities	-	-	-	-	270.98	270.98
Other financial liabilities	-	-	-	-	467.28	467.28
Total	154.45	-	-	-	196,509.46	196,663.91



Financial assets and liabilities by category: (Continued)

The carrying value of financial instruments by categories as at March 31, 2019 is as follows :

Rs in lakhs

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	7,629.05	7,629.05
Bank balance other than (a) above	-	-	-	-	0.61	0.61
Receivables- Trade receivables	-	-	-	-	189.30	189.30
Loans	-	-	-	-	167,609.22	167,609.22
Other financial assets	-	-	-	-	37.83	37.83
Total	-	-	-	-	175,466.01	175,466.01
Financial Liabilities:						
Payables						
Trade Payables	-	-	-	-	999.18	999.18
Debt Securities	-	-	-	-	80,622.98	80,622.98
Borrowings (Other than Debt securities)	-	-	-	-	54,744.95	54,744.95
Other financial liabilities	-	-	-	-	505.57	505.57
Total	-	-	-	-	136,872.68	136,872.68

The carrying value of financial instruments by categories as at April 1, 2018 is as follows :

Rs in lakhs

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	1,749.11	1,749.11
Bank balance other than (a) above	-	-	-	-	0.57	0.57
Receivables- Trade receivables	-	-	-	-	99.23	99.23
Loans	-	-	-	-	117,851.73	117,851.73
Other financial assets	-	-	-	-	35.11	35.11
Total	-	-	-	-	119,735.75	119,735.75
Financial Liabilities:						
Payables						
Trade Payables	-	-	-	-	578.39	578.39
Borrowings (Other than Debt securities)	-	-	-	-	87,561.92	87,561.92
Other financial liabilities	-	-	-	-	372.12	372.12
Total	-	-	-	-	88,512.43	88,512.43

Fair Value hierarchy :

(iii)

Rs in lakhs

As at March 31, 2020	Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets:					
Loans	233,045.48	-	-	240,161.62	240,161.62
Total	233,045.48	-	-	240,161.62	240,161.62
Financial Liabilities:					
Derivative financial Instrument	154.45	-	154.45	-	154.45
Debt Securities	109,119.70	-	112,500.21	-	112,500.21
Borrowings (Other than Debt securities)	85,507.90	-	86,911.31	-	86,911.31
Total	194,782.05	-	199,565.97	-	199,565.97

As at March 31, 2019	Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets:					
Loans	167,609.22	-	-	171,332.91	171,332.91
Total	167,609.22	-	-	171,332.91	171,332.91
Financial Liabilities:					
Debt Securities	80,622.98	-	81,450.01	-	81,450.01
Borrowings (Other than Debt securities)	54,744.95	-	56,358.98	-	56,358.98
Total	135,367.93	-	137,808.99	-	137,808.99

As at April 1, 2018	Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets:					
Loans	117,851.73	-	-	120,126.11	120,126.11
Total	117,851.73	-	-	120,126.11	120,126.11
Financial Liabilities:					
Borrowings (Other than Debt securities)	87,561.92	-	94,352.41	-	94,352.41
Total	87,561.92	-	94,352.41	-	94,352.41



Financial assets and liabilities by category: (Continued)

Quoted prices in an active market (Level 1) : This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation technique with observable inputs (Level 2) : This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy include Company's over the counter (OTC) derivative contracts.

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

There has been no transfer between level 1, level 2 and level 3 for the year ended March 31, 2020 and March 31, 2019.

Valuation technique used to determine fair value of financial instruments.

(a) Derivatives are fair valued using fair values obtained from banks and where applicable, are classified in Level 2.

(b) The fair value of loans arising from financing activities has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as at March 31, 2020 and 2019. Since significant unobservable inputs are applied in measuring the fair value of loans arising from financing activities, they are classified in Level 3.

Fair value of financial assets/ liabilities measured at amortised cost

The carrying amounts of other financial assets and other financial liabilities other than those disclosed in the table above valued at level 2 and level 3 are considered to be the same as their fair values due to the short term maturities of instruments and no material differences in the fair value.

26.16 Financial Risk Review

The Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee and Asset Liability Committee (ALCO). The Risk Management committee and ALCO is responsible for developing and monitoring risk management policies for its business and ensuring compliance with the statutory/regulatory framework of the risk management process.

The Covid-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of nationwide lockdown that started on 25 March 2020. The lockdown also affected the company's business operations in the last week of March 2020. Further, in accordance with the RBI guidelines relating to 'Covid-19 Regulatory Package' dated 27 March 2020, the Company offered EMI moratorium to its customers based on requests. On 22 May 2020 RBI has announced an extension of the moratorium, the Company is currently evaluating the option to be offered to its customers. Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the financial assets (Loans), are based on historical experience and other emerging, forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed alongwith an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the Impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets and the financial position.

A Credit risk

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail loans primarily based on days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Exposure to Credit Risk

The carrying amount of the financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, time deposits with banks, loans arising from financing activities, derivative financial instruments, trade receivables and other financial assets.

Financial assets that are neither past due or impaired

Credit risk on cash and cash equivalents and deposits with banks/ financial institutions is generally low as the said deposits have been made with banks/ financial institution who have been assigned high credit rating by international/ domestic rating agencies. Credit risk on derivative instruments is generally low as the company enters into derivative contracts with reputed banks. None of the company's cash equivalents, including time deposits with banks are past due or impaired. Regarding the derivative contracts, trade receivables and other financial assets are neither impaired nor past due. There were no indications as at March 31, 2020, that defaults in payment obligations will occur.

i) Loans arising from financing activities - Credit quality of financial assets and impairment loss

The carrying amount of loans represent the maximum credit exposure net of provision for impairment. Loans are derived from financing activities to customers. The Company mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Credit risk for loans is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the credit worthiness of its customers to which the Company grants credit terms in the normal course of business. Credit risk is monitored by the credit risk department of the Company's independent risk department/ function who have the responsibility for reviewing and managing credit risk.

For the loans financed to customers, the Company covers/secures the credit risk associated with the loans lent to customers by creating charge/ hypothecation/ security on the assets as mentioned/ specified in the loan agreement with the customers. The Company does not have a high concentration of credit risk to a single customer exceeding 10% of the Company revenue. The Company makes the allowance for losses on its portfolio of loans on the basis of expected future collection from receivables. The future collections are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection on account of future with respect to certain macro economic factor.



The following table sets out information about the credit quality of financial assets measured at amortised cost. The amounts in the table represent gross carrying amounts for financial assets.

(i) **Loans exposure by Sector** Rs in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Loans by Sector			
i) Agricultural Sector	231,948.16	168,768.21	121,436.98
ii) Construction equipments	9,582.30	3,673.37	-
Total - Gross	241,530.46	172,441.58	121,436.98
Less: Impairment allowance	5,850.48	2,805.08	2,086.79
Total Net Loans	235,679.98	169,636.50	119,350.19

(ii) **Days past due method for credit quality analysis of Loans**
The table below shows the credit quality and the maximum exposure to credit risk based on the days past due and year-end stage classification of gross carrying value of loans. The amounts presented are gross of impairment allowances.

Rs in lakhs

Outstanding Gross loans	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Days Past due									
Current (Not past due)	186,982.26	-	137.78	142,093.18	-	16.28	101,556.61	-	30.33
1- 29 days	22,067.50	-	151.83	13,297.20	-	167.55	8,000.23	-	108.96
30- 59 days	-	10,695.29	372.24	-	5,011.36	235.87	-	3,033.33	162.99
60- 89 days	-	6,157.02	437.35	-	2,951.73	354.45	-	2,284.46	321.89
90 or more days	-	-	14,529.19	-	-	8,313.96	-	-	5,938.18
Gross Exposure	209,049.76	16,852.31	15,628.39	155,390.38	7,963.09	9,088.11	109,556.84	5,317.79	6,562.35

Rs in lakhs

Impairment allowance on loans	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Days Past due									
Current (Not past due)	741.39	-	54.11	66.31	-	10.41	95.87	-	11.77
1- 29 days	169.23	-	46.99	70.33	-	48.80	67.93	-	31.42
30- 59 days	-	187.59	108.21	-	86.55	68.52	-	58.59	46.82
60- 89 days	-	168.12	125.26	-	84.75	100.80	-	71.41	91.21
90 or more days	-	-	4,249.58	-	-	2,268.61	-	-	1,611.77
Total	910.62	355.71	4,584.15	136.64	171.30	2,497.14	163.80	130.00	1,792.99
Net Exposure	208,139.14	16,496.60	11,044.24	155,253.74	7,791.79	6,590.97	109,393.04	5,187.79	4,769.36



Days past due method for credit quality analysis of Loans: (Continued)

Rs in lakhs

As at March 31, 2020		Asset Group	Days Past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	Current	186,982.26	0.40%	741.39	186,240.87
			1-29 days	22,067.50	0.77%	169.23	21,898.27
			Total	209,049.76	0.44%	910.62	208,139.14
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30 - 59 days	10,695.29	1.75%	187.59	10,507.70
			60 - 89 days	6,157.02	2.73%	168.12	5,988.90
			Total	16,852.31	2.11%	355.71	16,496.60
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	Current	137.78	39.27%	54.11	83.67
			1-29 days	151.83	30.95%	46.99	104.83
			30 - 59 days	372.24	29.07%	108.21	264.03
			60 - 89 days	437.35	28.64%	125.26	312.10
			90 days and above	14,529.19	29.25%	4,249.58	10,279.61
			Total	15,628.39	29.33%	4,584.15	11,044.24
			Grand Total	241,530.46	2.42%	5,850.48	235,679.98

As at March 31, 2019		Asset Group	Days Past due	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	Current	142,093.18	0.05%	66.31	142,026.87
			1-29 days	13,297.20	0.53%	70.33	13,226.87
			Total	155,390.38	0.09%	136.64	155,253.74
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30 - 59 days	5,011.36	1.73%	86.55	4,924.81
			60 - 89 days	2,951.73	2.87%	84.75	2,866.98
			Total	7,963.09	2.15%	171.30	7,791.79
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	Current	16.28	63.96%	10.41	5.87
			1-29 days	167.55	29.13%	48.80	118.75
			30 - 59 days	235.87	29.05%	68.52	167.35
			60 - 89 days	354.45	28.44%	100.80	253.65
			90 days and above	8,313.96	27.29%	2,268.61	6,045.35
			Total	9,088.11	27.48%	2,497.14	6,590.97
			Grand Total	172,441.58	1.6%	2,805.08	169,636.50

As at April 1, 2018		Asset Group	Days Past due	Estimated gross carrying amount at default	Expected credit loss rates	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	Current	101,556.61	0.09%	95.87	101,460.74
			1-29 days	8,000.23	0.85%	67.93	7,932.30
			Total	109,556.84	0.15%	163.80	109,393.04
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans	30 - 59 days	3,033.33	1.93%	58.59	2,974.74
			60 - 89 days	2,284.46	3.13%	71.41	2,213.05
			Total	5,317.79	2.44%	130.00	5,187.79
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	Current	30.33	38.79%	11.77	18.56
			1-29 days	108.96	28.84%	31.42	77.54
			30 - 59 days	162.99	28.73%	46.82	116.17
			60 - 89 days	321.89	28.33%	91.21	230.68
			90 days and above	5,938.18	27.14%	1,611.77	4,326.41
			Total	6,562.35	27.32%	1,792.99	4,769.36
			Grand Total	121,436.98	1.72%	2,086.79	119,350.19



B Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Maturity analysis of liabilities

The table below set out carrying amount of financial liability according to when they are expected to be settled.

As on March 31, 2020

Rs in lakhs

Particulars	Less than 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial liabilities							
(i) Derivative financial Instrument	-	-	-	154.45	-	-	154.45
(a) Trade payables							
-total outstanding dues of micro enterprises and small enterprises	0.01	-	-	-	-	-	0.01
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,143.59	-	-	-	-	-	1,143.59
(b) Other Payables							
(iii) Debt securities	(33.86)	30,923.02	28,295.29	49,935.25	-	-	109,119.70
(iv) Borrowings (Other than Debt securities)	16,957.90	4,100.00	5,650.00	58,800.00	-	-	85,507.90
(v) Lease liabilities	-	-	110.71	160.27	-	-	270.98
(vi) Other financial liabilities	101.75	-	365.53	-	-	-	467.28
Total Financial liabilities	18,169.39	35,023.02	34,421.53	109,049.97	-	-	196,663.91

As on March 31, 2019

Rs in lakhs

Particulars	Less than 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial liabilities							
(a) Derivative financial Instrument	-	-	-	-	-	-	-
(b) Payables							
(i) Trade payables							
-total outstanding dues of micro enterprises and small enterprises	1.08	-	-	-	-	-	1.08
-total outstanding dues of creditors other than micro enterprises and small enterprises	998.10	-	-	-	-	-	998.10
(ii) Other Payables							
(iii) Debt securities	(34.76)	(4.57)	836.26	79,826.05	-	-	80,622.98
(iv) Borrowings (Other than Debt securities)	8,224.95	6,840.00	10,230.00	25,750.00	3,700.00	-	54,744.95
(v) Lease liabilities	-	-	-	-	-	-	-
(vi) Other financial liabilities	56.80	-	448.77	-	-	-	505.57
Total Financial liabilities	9,246.17	6,835.43	11,515.03	105,576.05	3,700.00	-	136,872.68

As on April 1, 2018

Rs in lakhs

Particulars	Less than 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial liabilities							
(i) Derivative financial Instrument	-	-	-	-	-	-	-
(ii) Payables							
(a) Trade payables							
-total outstanding dues of micro enterprises and small enterprises	3.00	-	-	-	-	-	3.00
-total outstanding dues of creditors other than micro enterprises and small enterprises	575.39	-	-	-	-	-	575.39
(b) Other Payables							
(iii) Debt securities	-	-	-	-	-	-	-
(iv) Borrowings (Other than Debt securities)	7,041.92	7,770.00	32,770.00	33,530.00	6,450.00	-	87,561.92
(v) Lease liabilities	-	-	-	-	-	-	-
(vi) Other financial liabilities	26.31	-	345.81	-	-	-	372.12
Total Financial liabilities	7,646.62	7,770.00	33,115.81	33,530.00	6,450.00	-	88,512.43



(ii) Maturity Analysis of Assets and Liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

Rs. in lakhs

Particulars	31-Mar-20			31-Mar-19			1-Apr-18		
	Current	Non- Current	Total	Current	Non- Current	Total	Current	Non- Current	Total
ASSETS									
Financial Assets									
(i) Cash and cash equivalents	8,024.42	-	8,024.42	7,629.05	-	7,629.05	1,749.11	-	1,749.11
(ii) Bank balance other than (a) above	0.59	-	0.59	0.11	0.50	0.61	0.07	0.50	0.57
(iii) Receivables- Trade receivables	266.44	-	266.44	189.30	-	189.30	99.23	-	99.23
(iv) Loans	94,135.02	138,910.46	233,045.48	69,457.90	98,151.32	167,609.22	47,314.56	70,537.17	117,851.73
(v) Other financial assets	38.81	27.81	66.62	-	37.83	37.83	-	35.11	35.11
Total financial assets	102,465.27	138,938.27	241,403.55	77,276.36	98,189.65	175,466.01	49,162.97	70,572.78	119,735.75
Non-financial Assets									
(i) Current tax (Net)	-	415.16	415.16	-	234.71	234.71	-	32.43	32.43
(ii) Deferred tax assets (net)	-	2,111.36	2,111.36	-	1,327.11	1,327.11	-	1,028.71	1,028.71
(iii) Property, Plant and Equipment	-	186.20	186.20	-	132.76	132.76	-	91.98	91.98
(iv) Capital work-in-progress	-	36.72	36.72	-	1.35	1.35	-	2.11	2.11
(v) Right of Use Assets	-	260.05	260.05	-	-	-	-	-	-
(vi) Other Non financial assets	711.12	-	711.12	347.55	-	347.55	197.67	-	197.67
Total Non-financial assets	711.12	3,009.49	3,720.61	347.55	1,695.93	2,043.48	197.67	1,155.23	1,352.90
Total Assets	103,176.39	141,947.76	245,124.16	77,623.91	99,885.58	177,509.49	49,360.64	71,728.01	121,088.65
Liabilities									
Financial liabilities									
(i) Derivative financial Instrument	-	154.45	154.45	-	-	-	-	-	-
(ii) Payables									
(a) Trade payables	-	-	-	-	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01	1.08	-	1.08	3.00	-	3.00
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,143.59	-	1,143.59	998.10	-	998.10	575.39	-	575.39
(b) Other Payables									
-total outstanding dues of micro enterprises and	-	-	-	-	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(iii) Debt securities	59,184.44	49,935.26	109,119.70	796.93	79,826.05	80,622.98	-	-	-
(iv) Borrowings (Other than Debt securi	26,707.90	58,800.00	85,507.90	25,294.95	29,450.00	54,744.95	47,581.92	39,980.00	87,561.92
(v) Lease liabilities	110.71	160.27	270.98	-	-	-	-	-	-
(vi) Other financial liabilities	467.28	-	467.28	505.57	-	505.57	372.12	-	372.12
Total Financial liabilities	87,613.93	109,049.98	196,663.91	27,596.63	109,276.05	136,872.68	48,532.43	39,980.00	88,512.43
Non-financial liabilities									
(i) Current tax liabilities (Net)	-	-	-	4.24	-	4.24	1.52	-	1.52
(ii) Provisions	81.88	472.23	554.11	64.39	390.18	454.57	34.52	271.98	306.50
(iii) Other Non financial liabilities	98.95	-	98.95	73.76	-	73.76	48.16	-	48.16
Total Non financial liabilities	180.83	472.23	653.06	142.39	390.18	532.57	84.20	271.98	356.18
Total Liabilities	87,794.76	109,522.21	197,316.97	27,739.02	109,666.23	137,405.25	48,616.63	40,251.98	88,868.61
Net			47,807.19			40,104.24			32,220.04



C Market Risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

(i) Exposure to Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company loans and borrowings are at fixed interest rate hence any change in market interest rate will not have impact on statement of profit and loss.

(ii) Exposure to Foreign currency risk

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's intercompany transactions denominated in a different currency from the Company's functional currency

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, AUD and THB exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to other foreign currencies is not material.

The carrying amount of Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

	As on March 31, 2020				As on March 31, 2019			
	Amounts outstanding in INR				Amounts outstanding in INR			
	USD	EUR	TBH	AUD	USD	EUR	TBH	
Trade Payables	(398.42)	(5.16)	-	(20.31)	(444.50)	(2.78)	-	
Trade Receivables	271.94	-	51.01	-	89.11	-	40.93	

Rs in lakhs

	Currency	Change in rate	Rs in lakhs
			Effect on profit before tax
31-Mar-20	USD	10% / -10%	(12.65)
	EUR		(0.52)
	THB		5.10
	AUD		(2.03)
31-Mar-19	USD	10% / -10%	(35.54)
	EUR		(0.28)
	THB		4.82

In management's opinion, the sensitivity analysis does not represent the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(iii) Derivative Financial Instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts:

Derivatives held for Risk management purposes	Rs in lakhs				
	Notional amount	Fair value- assets	Fair value- liabilities	Change in rate	Effect on profit before tax
Forward Contracts	USD 181.20	-	INR 154.45	10% / -10%	15.45
Total	USD 181.20	-	INR 154.45		

D Capital Management

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

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital.

The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet. The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.



Disclosures as required in terms of Annex I in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated as on 17th Feb 2020 issued by Reserve Bank of India (RBI) (Annex II)

26.17 Capital to Risk Assets Ratio (CRAR)

Sr. No.	Particulars	As per IND AS			As per IGAAP	
		31-Mar-20	31-Mar-19	1-Apr-18	31-Mar-19	1-Apr-18
1	CRAR (%)	19.31%	22.70%	26.04%	21.95%	25.18%
2	CRAR - Tier I capital (%)	18.92%	22.62%	25.90%	20.70%	23.93%
3	CRAR - Tier II Capital (%)	0.39%	0.08%	0.14%	1.25%	1.25%

26.18 Investments

This section is Not applicable to the Company since there are no investments.

26.19 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

		Rs in lakhs	
	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps \$	-	-
(v)	The fair value of the swap book @	-	-

B) Exchange Traded Interest Rate (IR) Derivatives

This section is Not applicable to the Company

C) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

		Rs in lakhs	
	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	USD 181.20	
	For hedging	-	
(ii)	Marked to Market Positions [1]		
	Asset (+)	-	
	Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures	INR 154.45	

26.20 Disclosures relating to Securitisation

This section is Not applicable to the Company

26.21 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

This section is Not applicable to the Company

26.22 Details of Assignment transactions undertaken by applicable NBFCs

This section is Not applicable to the Company

26.23 Details of non-performing financial assets purchased / sold

This section is Not applicable to the Company



26.24 Asset Liability Management Maturity pattern of certain items of assets and liabilities

As on March 31, 2020

Rs in lakhs

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	13,107.90	1,550.00	2,300.00	4,100.00	5,650.00	58,800.00	-	-	85,507.90
Market Borrowings	-	-	-	30,957.33	28,336.21	49,826.16	-	-	109,119.70
Assets									
Advances *	3,235.56	4,492.09	14,820.62	27,670.43	44,412.33	115,275.01	24,405.77	-	234,311.81
Investments	-	-	-	-	-	-	-	-	-

* Advances include amount shown in Note 7 excluding stage I and stage II provision

As on March 31, 2019

Rs in lakhs

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	1,624.95	1,250.00	5,350.00	6,840.00	10,230.00	25,750.00	3,700.00	-	54,744.95
Market Borrowings	-	-	-	30.58	906.16	79,686.24	-	-	80,622.98
Assets									
Advances	3,781.17	5,641.06	10,438.63	18,211.83	31,506.59	82,437.35	15,896.50	4.03	167,917.16
Investments	-	-	-	-	-	-	-	-	-

* Advances include amount shown in Note 7 excluding stage I and stage II provision

Exposures :

26.25 There are no exposure to capital market and real estate sector during the year ended 31 March 2020 and 31 March 2019.

26.26 Details of financing of parent company products

The principal business of the Company is providing finance for the purchase of farm equipment manufactured and sold by John Deere India Private Limited and for the construction equipment manufactured and sold by Wirtgen India Private Limited.

26.27 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC :

During the year ended 31 March 2020 and 31 March 2019, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

26.28 Registration obtained from other financial sector regulators :

Regulators	Registration Number
FIU- Financial Intelligence Unit	FINBF12765
RBI- Reserve Bank of India	N-13.02027
CKYC- Central KYC (Know Your Customer)	20192000001626

Disclosure of Penalties imposed by RBI and other regulators :

26.29 There has been no penalty imposed by RBI and other regulators during the financial year ended 31 March 2020 and 31 March 2019.



26.30 Ratings assigned by credit rating agencies and migration of ratings :

During the year 2019-20

	Particulars	Commercial Paper		
(i)	Rating Assigned	CRISIL A1+	CRISIL A1+	[ICRA] A1+
(ii)	Date of Rating	2-Mar-20	5-Feb-20	7-Feb-20
(iii)	Rating Valid up to	60 Calendar Days	60 Calendar Days	90 Days
(iv)	Name of the Rating Agency	CRISIL Ltd	CRISIL Ltd	ICRA Ltd
(v)	Amount	Rs.60,000 lakhs	Rs.60,000 lakhs	Rs.30,000 lakhs

	Particulars	Term Loans	NCD	
(i)	Rating Assigned	CRISIL AAA/Stable (Reaffirmed)	CRISIL AAA/Stable	CRISIL AAA/Stable
(ii)	Date of Rating	2-Mar-20	2-Mar-20	2-Mar-20
(iii)	Rating Valid up to	180 Days	180 Days	180 Days
(iv)	Name of the Rating Agency	CRISIL Ltd	CRISIL Ltd	CRISIL Ltd
(v)	Amount	Rs.27,000 lakhs	Rs.50,000 lakhs	Rs.40,000 lakhs

During the year 2018- 19

	Particulars	Commercial Paper		
(i)	Rating Assigned	CRISIL A1+	CRISIL A1+	CRISIL A1+
(ii)	Date of Rating	18-May-18	5-Oct-18	21-Dec-18
(iii)	Rating Valid up to	60 Calendar days	60 Calendar days	60 Calendar days
(iv)	Name of the Rating Agency	CRISIL Ltd	CRISIL Ltd	CRISIL Ltd
(v)	Amount	Rs.30,000 lakhs	Rs.60,000 lakhs	Rs.60,000 lakhs

	Particulars	Term Loans	NCD	
(i)	Rating Assigned	CRISILAAA/Stable (Reaffirmed)	CRISIL AAA/Stable (Reaffirmed)	CRISIL AAA/Stable
(ii)	Date of Rating	10-Jan-19	10-Jan-19	25-Feb-19
(iii)	Rating Valid up to	180 Days	1 Year	1 Year
(iv)	Name of the Rating Agency	CRISIL Ltd	CRISIL Ltd	CRISIL Ltd
(v)	Amount	Rs.27,000 lakhs	Rs.50,000 lakhs	Rs.40,000 lakhs

26.31 Remuneration of Directors

The remuneration to directors has been disclosed in Point 26.06

26.32 Net Profit or Loss for the period, prior period items and changes in accounting policies :- NIL

26.33 Revenue Recognition - Please refer Significant accounting policie no. 2.6

26.34 Ind AS 110 -Consolidated Financial Statements (CFS)

This section is Not applicable to the Company



26.35 Provision for Contingencies:-

Particulars	Rs in lakhs	
	31-Mar-20	31-Mar-19
Breakup of Provision and contingencies shown under the head Expenditure in Profit and loss Account		
Provision for Depreciation on Investment	(-)	(-)
Provision for Stage III	2,087.00	704.16
Provision made towards income tax	1,641.00	1,434.21
Other provision and contingencies –		
Leave encashment	118.23	94.49
Gratuity	58.41	40.11
Provision for Stage I and II	958.40	14.12

26.36 Draw Down from Reserves

There has been no draw down from the Statutory Reserves under section 45-IC of The Reserve Bank of India Act, 1934, for the year ended 31 March 2020 and 2019.

26.37 Concentration of Deposits, Advances, Exposure and NPA's

Concentration of Advances:

Particulars	Rs in lakhs	
	31-Mar-20	
Total Advances to twenty largest borrowers	6,926.11	
Percentage of Advances to twenty largest borrowers to Total advances	2.87%	

Concentration of Exposures:

Particulars	Rs in lakhs	
	31-Mar-20	
Total Exposure to twenty largest borrowers / customers	6,926.11	
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrower/Customers	2.87%	

Concentration of NPAs

Particulars	Rs in lakhs	
	31-Mar-20	
Total Exposure to top four NPA accounts	175.74	

(D) Sector- wise NPAs

Sr No.	Sector	Rs in lakhs	
		Percentage of NPAs to Total Advances in that Sector	
1	Agriculture & allied activities	6.74%	
2	MSME	-	
3	Corporate Borrowers	-	
4	Services	-	
5	Unsecured personal Loans	-	
6	Auto Loans	-	
7	Other personal loans	-	



John Deere Financial India Private Limited
Notes forming part of financial statements

Movement of NPAs

Rs in lakhs

	Particulars	31-Mar-20	31-Mar-19
(i)	Net NPAs to Net Advances (%)	4.69%	3.89%
(ii)	Movement of NPAs (Gross)		
a)	Opening balance	9,088.11	6,562.35
b)	Additions during the year	11,318.62	6,406.53
c)	Reductions during the year	(4,778.34)	(3,880.77)
d)	Closing balance	15,628.39	9,088.11
(iii)	Movement of Net NPAs		
a)	Opening balance	6,590.97	4,769.36
b)	Additions during the year	7,902.00	4,642.72
c)	Reductions during the year	(3,448.73)	(2,821.11)
d)	Closing balance	11,044.24	6,590.97
(iv)	Movement of provisions for NPAs (excluding provisions on standard Assets)		
a)	Opening balance	2,497.14	1,792.99
b)	Provisions made during the Year	3,416.62	1,763.81
c)	Write-off/ write-back of Excess provision	(1,329.61)	(1,059.65)
d)	Closing balance	4,584.15	2,497.14

26.38 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

This section is Not applicable to the Company

26.39 Off-balance Sheet SPVs sponsored

This section is Not applicable to the Company

26.40 Disclosures of Complaints:

Customer Complaints

Sr.No	Particulars	31-Mar-20
a)	No. Of Complaints pending at the beginning of the year	5
b)	No. of complaints received during the year	73
c)	No. of complaints redressed during the year	75
d)	No. of complaints pending at the end of the year	3



26.41 Disclosures as required in terms of Annex I in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated as on 17th Feb 2020 issued by Reserve Bank of India (RBI)

Liabilities side :		Rs in lakhs	
Particulars		Amount Outstanding as at 31 March 2020	Amount Overdue as of 31 st March 2020
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured	-	-
	: Unsecured*	80,957.33	-
	(other than falling within the meaning of public deposits)	(80,936.74)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	61,153.63	-
		(54,744.95)	(-)
(d)	Inter-corporate loans and borrowing	-	(-)
		(-)	-
(e)	Commercial Paper**	30,000.00	-
		(-)	(-)
(f)	Public Deposits	-	-
	Other Loans	-	-
	-ECB	12,827.66	-
		(-)	-
	- Working capital loan	11,526.61	-
		(-)	(-)
* Loan amount is excluding unamortised debt cost			
** Commercial papers at gross value			
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid):		
(a)	In the form of Unsecured debentures	-	-
		(-)	(-)
	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
		(-)	(-)
(c)	Other public deposits	-	-
		(-)	(-)

Note: Figures in the brackets represents figures for previous year.

Assets side :		Rs in lakhs	
Particulars		Amount outstanding as at 31 March 2020	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a)	Secured	-	(-)
(b)	Unsecured	-	(-)



John Deere Financial India Private Limited
Notes forming part of financial statements

4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under sundry debtors :	
(a)	Financial lease	-
(b)	Operating lease	(-)
(ii)	Stock on hire including hire charges under sundry debtors:	
(a)	Assets on hire	-
(b)	Repossessed Assets	(-)
(iii)	Other loans counting towards AFC activities	
(a)	Loans where assets have been repossessed	943.20
(b)	Loans other than (a) above	(633.34)
		237,952.76
		(169,780.96)

5	Break-up of Investments:	
	Current Investments:	
1)	<u>Quoted :</u>	
(i)	<u>Shares</u>	-
(a)	<u>Equity</u>	(-)
(b)	<u>Preference</u>	(-)
(ii)	<u>Debentures and Bonds</u>	-
(iii)	<u>Units of mutual funds</u>	(-)
(iv)	<u>Government Securities</u>	(-)
(v)	<u>Others (please specify)</u>	(-)
2)	<u>Unquoted :</u>	
(i)	<u>Shares</u>	(-)
(a)	<u>Equity</u>	(-)
(b)	<u>Preference</u>	(-)
(ii)	<u>Debentures and Bonds</u>	(-)
(iii)	<u>Units of mutual funds</u>	(-)
(iv)	<u>Government Securities</u>	(-)
(v)	<u>Others (please specify)</u>	(-)
	Long Term investments :	
1)	<u>Quoted :</u>	
(i)	<u>Shares</u>	(-)
(a)	<u>Equity</u>	(-)
(b)	<u>Preference</u>	(-)
(ii)	<u>Debentures and Bonds</u>	(-)
(iii)	<u>Units of mutual funds</u>	(-)
(iv)	<u>Government Securities</u>	(-)
(v)	<u>Others (please specify)</u>	(-)



5	Break-up of Investments:	
	Long Term Investments :	
2)	Unquoted :	
(i)	Shares	-
(a)	Equity	-
(b)	Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others (please specify)	-

6	Borrower group-wise classification of assets financed as in (3) and (4) above:	Rs in lakhs		
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1)	Related Parties			
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	(-)	(-)	(-)
(c)	Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	238,895.96	-	238,895.96
		(170,414.30)	(-)	(170,414.30)
	Total	238,895.96	-	238,895.96
		(170,414.30)	(-)	(170,414.30)

Note: Figures in the brackets represents figures for previous year

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Rs in lakhs	
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1)	Related Parties		
(a)	Subsidiaries	-	-
(b)	Companies in the same group	(-)	(-)
(c)	Other related parties	-	-
		(-)	(-)
2)	Other than related parties	-	-
		(-)	(-)
	Total	-	-
		(-)	(-)

Note: Figures in the brackets represents figures for previous year



8 Other information		Rs. in lakhs
Particulars		Amount
(i)	Gross Non-Performing Assets	
(a)	Related parties	- (-)
(b)	Other than related parties	15,628.39 (9,088.11)
(ii)	Net Non-Performing Assets	
(a)	Related parties	- (-)
(b)	Other than related parties	11,044.24 (6,590.97)
(iii)	Assets acquired in satisfaction of debt	- (-)

Note: Figures in the brackets represents figures for previous year

26.42 Liquidity risk framework as per Appendix I of DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November 2019

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

Rs in lakhs				
Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	9	195,265.45	-	79.66%

*Borrowings exclude accrued interest, unamortized debt issuance cost and unamortized discount on Commercial papers

(ii) Top 20 large deposits (amount in ₹ Lakhs and % of total deposits) : **Not Applicable**

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

Rs in lakhs	
Amount	% of Total Borrowings
195,265.45	100.00%

(iv) Funding Concentration based on significant instrument/product

Rs in lakhs			
Sr.no	Name of the instrument/product	Amount	% of Total Liabilities
1	Term Loan	73,765.45	30.10%
2	WCDL	11,500.00	4.69%
3	Non-convertible debentures	80,000.00	32.64%
4	Commercial papers	30,000.00	12.24%
	Total	195,265.45	



(v) Stock Ratios:
Commercial papers as a % of total public funds, total liabilities and total assets

Rs in lakhs

Sr.no	Name of the instrument/product	Amount	% of Total Public Funds	% of Total Liabilities	% of Total Liabilities (excluding Eq. and Reserve)	% of Total Assets
1	Commercial papers (Gross of unamortised discount)	30,000.00	15.36%	12.24%	15.20%	12.24%

Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets

Rs in lakhs

Sr.no	Name of the instrument/product	Amount	% of Total Public Funds	% of Total Liabilities	% of Total Liabilities (excluding Eq. and Reserve)	% of Total Assets
1	Non-convertible debentures	-	-	-	-	-

Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Rs in lakhs

Sr.no	Name of the instrument/product	Amount	% of Total Public Funds	% of Total Liabilities	% of Total Liabilities (excluding Eq. and Reserve)	% of Total Assets
1	WCDC	11,500.00	5.89%	4.69%	5.83%	4.69%
2	Non-convertible debentures- becoming due within next 1 year	30,000.00	15.36%	12.24%	15.20%	12.24%
3	Term Loans-becoming due within next 1 year	14,900.00	7.63%	6.08%	7.56%	6.08%

26.43 Template for Disclosure in Notes to Financial Statements with reference to circular no.RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020

Rs in lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	209,049.76	910.62	208,139.14	836.20	74.42
	Stage 2	16,852.31	355.71	16,496.60	67.41	288.30
Sub-total		225,902.07	1,266.33	224,635.74	903.61	362.72
Non-Performing Assets (NPA)						
Substandard	Stage 3	13,531.51	3,873.60	9,657.91	1,353.15	2,520.45
Doubtful - up to 1 year	Stage 3	1,317.59	447.04	870.55	263.52	183.52
1 to 3 years	Stage 3	779.29	263.51	515.78	233.79	29.72
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		2,096.88	710.55	1,386.33	497.31	213.24
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		15,628.39	4,584.15	11,044.24	1,850.46	2,733.69
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	209,049.76	910.62	208,139.14	836.20	74.42
	Stage 2	16,852.31	355.71	16,496.60	67.41	288.30
	Stage 3	15,628.39	4,584.15	11,044.24	1,850.46	2,733.69
	Total	241,530.46	5,850.48	235,679.98	2,754.07	3,096.41



26.44 Disclosure in Notes to Financial Statements with reference to Para 10 of circular no.RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020

Amounts in overdue categories, where the moratorium/deferment was extended:

(A) Particulars	Rs in Lakhs	
	Amounts	
Installment amount for which moratorium is extended		5,953.38
Outstanding Loan		31,964.22

Respective amount where asset classification benefits is extended :

(B) Particulars	Number of contracts	Rs in Lakhs
		Outstanding Loan
Classification benefit extended	195	667.37

Provisions made during the Q4FY2020 in terms of paragraph 5 of circular :

(C) Particulars	Rs in Lakhs
	Amount
Provision held for Substandard assets	487.57

Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of circular :

(D) Particulars	Rs in Lakhs
	Amount
Provision Adjusted during the accounting period	NIL

26.45 In accordance with the RBI notification No. DNBS.PD.CC. No. 256/03.10.042/2011-12 dated March 2, 2012, No fraud was detected and reported during the financial year ended 31 March 2020 (31 March 2019 -Nil)

26.46 The Company has established a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act, 1961. The Company is in the process of updating the documentation for the financial year 2019-20. The management is of the opinion that its international transactions are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm Reg. No. 116231W/W-100024

Anant Marwah
Partner
Membership No. 510549
UDIN 20510549AAAAFI5358



Place: New Delhi
Date: 25 JUNE 2020

For and on behalf of the Board of Directors
John Deere Financial India Private Limited
CIN: U65923PN2011PTC141149

Abhay Dhokte
Managing Director
(DIN 08481252)

Ajit Jain
Director
(DIN 07021106)

Vaishnavi Suratwala
Company Secretary

Girish Sivaramakrishnan
Chief Financial Officer

Place: Pune
Date: 25 JUNE 2020