



DIRECTORS' REPORT

To
The Members,
John Deere Financial India Private Limited

Your Directors have great pleasure in presenting the 10th Board Report along with the Audited Statement of Accounts and the Auditors Report of the Company for the financial year ended 31st March 2021:

Financial Summary:

The Company sustained its good performance during FY 2020-21. The key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with the corresponding performance for the previous year are as under:

(Amount in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Total Income	45,614	33,094
Finance Cost	16,850	14,397
Impairment of Financial Instruments	6,166	3,924
Depreciation	243	205
Operating expenses excluding depreciation and interest	12,709	11,178
Profit before depreciation and interest	26,739	17,992
Profit before taxes	9,646	3,390
Provision for taxation	2,243	857
Profit after tax	7,403	2,533
Retained Earnings* brought forward from prior year	6,519	4,489
Less: Adjustment for Other comprehensive Income	42	5
Less: Transfer to Statutory reserve	(1,489)	(508)
Retained Earnings* carried forward for following year	12,475	6,519

*Including other comprehensive income

State of Company's affairs & changes in business

During the year under review, the Company continued to increase its reach of financing tractors, road construction and other equipment manufactured or sold by John Deere India Private Limited and its subsidiary in India.

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. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the government lifted the national lockdown, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. 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 extent to which the current “second wave” has significantly increased the number of cases in India, will continue to impact the Company's performance, which will depend on ongoing as well as future developments and are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread.

As at 31st March 2021, JDF has a loan book of INR 333,712 lakh as against INR 233,045 lakh in the previous year. There is a growth of 43% in the portfolio. JDF portfolio has been growing at a rapid pace supporting the growth of equipment sales for John Deere India agricultural and Wirtgen road construction equipment's

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing, and cold storage.

The Government is continuing its focus to boost the GDP levels by pushing infrastructure development primarily in road and mining segment. Government is also re-strategizing their approach in road development segment due to higher fund allocation to fight ongoing pandemic situation. This will support the road construction financing business.

The Company's main business is financing of the assets. The Company being NBFC-ND-SI (Systemically Important Non-Deposit taking Non-Banking Financial Company) has complied with and continues to comply with all the applicable regulations and guidelines specified by Reserve Bank of India.

During the year under review, the Company got its unsecured non-convertible debentures listed at BSE Limited.

There were no changes in the nature of the business of the Company during the year under review.

Management Discussion & Analysis Report

The Management Discussion & Analysis Report is enclosed as **Annexure 'I'** to this Report.



Dividend

Your Directors have pleasure in recommending dividend of 1% (i.e. 10 paise) per equity share. The dividend of 1%, if approved, in the upcoming Annual General Meeting would result in payout of Rs. 536 Lakhs.

Transfer to reserves

The Company has created Statutory Reserve under 45IC of RBI Act 1934 and transferred Rs. 1,489 Lakhs.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

The RBI has issued a circular dated April 7th, 2021 for refund or adjustment of interest on interest/penal interest/compound interest charged during the moratorium. Accordingly the Company has provided an amount of INR 462.92 lakhs as of March 31, 2021. Other than this there has been no material changes and commitments affecting financial position of the Company between the end of the financial year and date of the report.

Meetings of the Board of Directors

During the Financial year under review Board of Directors met eight times to transact the business of the Company in accordance with the provisions of the Act and rules made there under and the dates on which they met during the financial year under review are as under:

Sr. No	Date of the Board Meeting
1	15 May 2020
2	19 June 2020
3	25 June 2020
4	16 July 2020
5	13 August 2020
6	08 October 2020
7	23 October 2020
8	13 January 2021

Sr. No	Name of Directors	Number of Meeting Attended
1	Abhay Dhokte	8
2	Ajit Jain	8
3	Felix Frie	6
4	Manish Phalke	8
5	Pranjali Patil	8



Meetings of the Board Committees

During the financial year under review below committee meetings were held on periodical basis.

S N	Committee Meetings	Apr -20	May -20	Jun -20	Jul- 20	Aug -20	Sep -20	Oct -20	Nov -20	Dec -20	Jan -21	Feb -21	Mar- 21
1	Nominatio n Committee	-	05 th	-	-	-	-	-	-	-	-	-	-
2	IT Committee	30 th	-	-	24 th	-	-	30 th	-	-	15 th	-	-
3	Risk Manageme nt Committee	-	29 th	-	-	-	29 th	-	-	07 th	-	-	17 th
4	ALCO Committee	16 th	-	-	17 th	-	11 th	-	-	07 th	-	12 th	-
5	Audit Committee	27 th	-	18 th	-	-	23 rd	23 rd	-	-	21 st	-	-
6	Customer Service Committee	8 th	8 th	4 th	6 th	7 th	7 th	5 th	10 th	7 th	6 th	10 th	4 th
7	CSR Committee	-	5 th	-	-	-	3 rd	-	-	3 rd	-	-	25 th

Directors' Responsibility Statement

The Directors confirm that:

- (i) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The Directors had selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year 31st March 2021 and of the profit and loss of the Company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts for the year ended 31st March 2021 on a going concern basis.



- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors and KMP

During the year under review below were the changes related to directors and KMP:

S. N	Name	Designation	Date of Appt/Resign	Status of Change	Remarks If any
1	Abhay Dhokte	Managing Director	01/07/2019	No Change	-
2	Felix Frie	Director	01/12/2017	No Change	-
3	Ajit Jain	Director	28/01/2015	No Change	-
4	Manish Phalke	Director	11/07/2019	No Change	-
5	Pranjali Rahul Patil	Director	15/05/2020	Appointed	-
6	Vaishnavi Suratwala	Company Secretary	02/03/2020	No Change	-
7	Girish Sivaramakrishnan	Chief Finance Officer	16/05/2020	Appointed	-

Credit Rating

During the year under review, Rating Agencies issued ratings to JDFIPL as under:

Rating Agency	Rating	Nature of Securities	Date of Rating	Amount (Rs. Lakhs)
ICRA	[ICRA] A1+	Commercial Paper	11-Jan-21	40,000
ICRA	[ICRA] A1+	Commercial Paper	19-Mar-21	40,000
ICRA	[ICRA]AAA (Stable)	Bank Loans	19-Mar-21	20,000
CRISIL	CRISIL A1+	Commercial Paper	4-Jan-21	60,000
CRISIL	CRISIL A1+	Commercial Paper	30-Mar-21	60,000
CRISIL	CRISIL AAA/Stable	Banks Loans	30-Mar-21	27,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	4-Jan-21	40,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	4-Jan-21	40,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	4-Jan-21	50,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	30-Mar-21	20,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	30-Mar-21	40,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	30-Mar-21	50,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	30-Mar-21	10,000
CRISIL	CRISIL A1+	Commercial Paper	7-May-20	60,000



Rating Agency	Rating	Nature of Securities	Date of Rating	Amount (Rs. Lakhs)
CRISIL	CRISIL AAA/Stable	Banks Loans	7-May-20	27,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	7-May-20	40,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	7-May-20	50,000
CRISIL	CRISIL AAA/Stable	Non-Convertible Debentures	7-May-20	40,000

Particulars of the Employee under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Statement of employees drawing salary of more than Rs. 1.02 Crore if employed throughout the financial year and Rs. 8.50 lacs per month if employed for the part of the year is mentioned in extract to annual return attached to director report.

Extract of the Annual Return

The extract of Annual return as per Sec. 92(3) in format of MGT-9 as at 31st March 2021 has been included as Annexure II to this Board Report.

Details under Companies (Appointment and Remuneration of Managerial Personnel) Rules being confidential in nature will be shared with the members on request.

Particulars of Loans, Guarantees or investments

The Company is a Non-banking financial company registered with Reserve Bank of India under Section 45 IA of the Reserve Bank of India act 1934 and hence provisions of Section 186 are not applicable.

Deposits, covered under Chapter V of Companies Act, 2013

Apart from exempted category of deposits, company has not accepted any deposits covered under Chapter V of Companies Act.

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The disclosures as required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this Report and the details are mentioned below:



Details under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 20-21 is given as Annexure 'III'.
- (ii) The percentage increase in remuneration of Managing Director is 21.2% and Chief Financial Officer is NA*.

(*Managing Director has been appointed w.e.f. 1st June 2019. For purpose of computation increase in remuneration, his salary for initial three months of FY19-20 is considered as per his previous role. * The Chief Financial Officer has been appointed in the current year only.)

- (iii) The percentage increase in the median remuneration of employees in the financial year is 8.05%.
- (iv) The number of permanent employees on the rolls of Company as on March 31, 2021: 323
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - The increase in managerial remuneration is higher due to additional share of bonus eligible to them. It also depends on the individual performance ratings of employees which may be driving some variations in the median salaries.
- (vi) It is hereby confirmed that the remuneration paid to Directors and KMPs is as per the Remuneration Policy of the company

Details under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

This disclosure is not applicable due to the limits mentioned in the Rule 5(2) as no employee other than Managing Director has been paid remuneration of more than 1.02 crores per annum

Particulars of Contract and Arrangement with Related parties referred to in Sub Section (1) of Section 188

All contract/arrangements/transactions entered by the Company during the financial year with related parties (Refer note 26.06 to the financial statement) were in ordinary course of business and on arm's length basis. The particulars of the material transactions as prescribed in Form AOC-2 of The Companies (Accounts) Rules, 2014 has been included as Annexure IV to this Board Report.

Furthermore, the company's related party policy has been enclosed in Annexure V to this Board Report.



Subsidiary Company

The Company does not have any subsidiary company. Hence, additional disclosures are not applicable.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

a. Conservation of Energy:

The Company’s business is not energy intensive. Company believes in prudent use of the scarce precious resources and is supportive of the energy saving mechanism.

(i)	the steps taken or impact on conservation of energy.	Not Applicable
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not Applicable
(iii)	the capital investment on energy conservation equipment.	Not Applicable

b. Technology Absorption:

The Company has not incurred any expenditure towards research & development activities. Also the company has not laid any future plan of action towards research & development.

(i)	the efforts made towards technology absorption	Not Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	Not Applicable
	(b) the year of import;	Not Applicable
	(c) whether the technology been fully absorbed	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
(iv)	the expenditure incurred on Research and Development	Not Applicable



c. Foreign Exchange Earnings and Outgo:

During the year, the Company incurred Rs. 1,962 Lakhs as expenditure in foreign currency and earned Rs. 673 Lakhs in foreign currency. Further, interest expense on ECB for FY 2020-2021 amounts to Rs. 271 Lakhs.

Risk Management Policy of the Company

The primary purpose of the Company is to grow John Deere sales while managing risk effectively. To manage the risk effectively company have developed policies and processes to incorporate a consistent approach to risk management by developing culture at operational and strategic levels. In all cases, appropriate measures are put in place to address unfavorable impact from risk and favorable benefit from opportunities.

Company categorizes risk broadly in following six parameters:

1. **Information risk:** Risk that stems from either a lack of key, relevant information, or the dubious nature of the data that is available. One form of information risk is “accounting risk”, which is the risk associated with the reliance on questionable financial statement data. This type of risk is not measurable or manageable because the true facts are unknown.
2. **Financial risk:** Risk associated with the ongoing financial performance and condition of a company. Often measured by an assessment of liquidity, solvency, profitability, leverage, cash flow, credit history, etc. Company commercial risk rating system attempts to quantify financial risk.
3. **Non-financial risk:** Areas that influence the level of non-financial risk include the firm’s quality and depth of its management team, strategies, and the strength and direction of the market in which the business operates.
4. **Transaction risk:** Risk arising from the nature of the loan transaction itself. This risk can increase or decrease depending on the structure of the loan, the accuracy with which the repayment schedule matches borrower cash flow, the true protection provided by collateral among others. To some degree, your company structure rating system attempts to quantify transaction risk.
5. **Behavioral risk:** Risk that generally stems from internal control deficiencies or questionable character issues.
6. **Environmental risk:** Risks that are often not in one’s control, such as weather conditions and volatility of crop prices. Crop insurance, hedging strategies and other financial tools can be utilized to mitigate these risks.

Company does not seek to completely avoid all these risks. However, it strives to identify measures and manage these risks in prudent manner, through our policies and processes.



Corporate Social Responsibility Policy

Based on the profitability criteria for the year, Corporate Social responsibility requirements under section 135 of the Companies Act, 2013 are applicable to the Company for the year under review. Annual report on Corporate Social Responsibilities (CSR) activities has been included as Annexure VI to this Board Report.

Auditors and its Report

M/s. B S R & Associates LLP, Chartered Accountants, having registration number 116231W/W-100024 were appointed as the Statutory Auditors of the Company at the AGM of the Company held on September 18, 2017 for a period of 5 years subject to RBI regulations prescribed in this behalf and ratification by members at each annual general meeting. Auditors have confirmed that they are not disqualified and confirmed their eligibility and willingness to be appointed as statutory auditor till ensuing annual general meeting.

Qualifications, Reservations or Adverse Remark or Disclaimer, if any:

There were no qualifications, reservation or adverse remarks provided by the statutory auditors in its report for the year ended 31st March 2021.

Secretarial Audit Report

Provisions of Section 204 read with Section 134(3) of the Act, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. DVD & Associates, Practicing Company Secretaries had been appointed to carry on the Secretarial Audit and provide a Secretarial Audit Report for the financial year 2020-21.

Secretarial Audit Report is issued by M/s. DVD & Associates, Practicing Company Secretaries in Form MR-3 (Attached in Annexure VII) for the financial year 2020-21 which forms part to this report.

There were no qualifications, reservation or adverse remarks provided by the Secretarial auditor in its report for the year ended 31st March 2021.

Cost Records

Maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is not required by the Company as the Company does not fall under the ambit of prescribed class of Companies who are required to make and maintain cost records.

Significant or Material Orders passed by Regulator:

During the year under review, there were no significant orders passed by the regulators or courts or tribunals impacting the going concern status of the company and its operations in future;



Adequacy of Internal Financial Control with reference to Financial Statements

The Company has in place robust internal financial controls. Company has Internal Audit conducted during the year to assess efficacy of control mechanism in its financial transactions.

Additionally, IT, Risk and Compliance audits are undertaken periodically to ensure effective monitoring. During the year under review there were no material reportable observations causing financial loss. Events indicating breach of 'Risk or Compliance' of the Company policies or guidelines has been discussed and acted upon.

Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages the employees to voice their genuine concerns without fear of censure; therefore Company's ultimate holding Company has built in and set up the Vigil Mechanism Policy applicable to all the group companies, associate companies, subsidiaries across the globe, according to which all the employees, Directors of the Company including third party, are eligible to make disclosures under the mechanism in relation to matters concerning the Company.

The link to access the said policy is

https://s22.q4cdn.com/253594569/files/doc_downloads/2020/06/CodeofBusinessConduct_English.pdf

Annual Evaluation of Directors, its Committees and Board

The formal annual evaluation of the performance of the Board and that of its Committees has been carried out through a structured evaluation process covering various aspects of the Board's functioning such as the Board structure & composition, effectiveness of Board processes, information flow and functioning, quality of relationship between the Board and the Management, establishment and delineation of the responsibilities to Committees etc. The performance of individual Directors was evaluated on parameters such as professional conduct, performance of duties, role and function, contribution to the Board/Committees etc. by self-evaluation process. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace

Company has adopted a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the Organization.



An Internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any, received from women employees and other women associates. All employees (permanent, contractual, temporary, trainees) are covered under this policy, which also extends to cover all women stakeholders of the Company.

The following is a summary of sexual harassment complaints received and disposed off during the financial year ended March 31, 2021:

- No. of Complaints received: Nil
- No. of Complaints disposed off: Nil
- Number of cases pending for more than ninety days: Nil
- Number of workshop of awareness program against sexual harassment carried out:
 - a. Once in a year online training is been assigned to all employees.
 - b. Orientation program is conducted to the new employees on joining.
 - c. Online Investigation Process Training Program to IC members
- Nature of action taken by the employer or district Officer: Nil

Acknowledgement

The Directors would like to place on record its gratitude for valuable guidance and support received from Reserve Bank of India, central & state government departments/ agencies, bankers and wish to convey its appreciation to customers, dealers, vendors and all other business associates for their continuous support during the year. The Directors would also like to express their appreciation of the commitment and dedication of employees for significant contribution during the year.

For and on behalf of the Board of Directors

Abhay Dhokte
Chairman
Date: 05/05/2021
Place: Pune

Enclosures

- Annexure I- Management Discussion & Analysis Report
- Annexure II- Extract of Annual Return in MGT-9
- Annexure III- Ratio of the remuneration of each director for FY 20-21
- Annexure IV- AOC-2
- Annexure V- Related Party Policy
- Annexure VI- Annual Report on CSR activities
- Annexure VII- MR-3 Secretarial Audit Report



**ANNEXURE I TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION & ANALYSIS REPORT**

INDUSTRY STRUCTURE AND DEVELOPMENTS

Since the Company is in captive finance segment catering to retail financing of equipment manufactured by John Deere India Private Limited and Wirtgen India Private Limited its progress is closely aligned to the sales and growth of its equipment business. During the year, the loan book of the company has grown from INR 233,045 lakhs in March 2020 to INR 333,712 lakhs in March 2021, net of impairment allowances reflecting a 43.2% growth.

Business Environment for Tractor Industry

During the year the tractor industry and JDI domestic sales have grown as shown below:

	Year ending March 2021	Year ending March 2020
Tractor industry sales no.	8,99,109	7,09,456
JDI domestic sales no.	86,753	69,489

Business Environment for Road Construction Industry

	Year ending March 2021	Year ending March 2020
.Road Industry sales no.	5,520	5,174
.Wirtgen Domestic Sales no.	1,169	1,233

PRODUCT WISE PERFORMANCE

The company is primarily in the business of retail financing of agriculture and road construction equipment. During the year the company has portfolio for agricultural equipment's has grown from 229,446.92 lakhs in March 2020 to 323,204.88 lakhs in March 2021. The portfolio for road construction equipment has grown from 9,449.02 lakhs in March 2020 to 21,159.10 lakhs in March 2021.

OUTLOOK, OPPORTUNITIES AND THREATS

Growth in India is projected to be higher in 2021-22 as compared to 2020-21, primarily on the back of good monsoon, increased MSP, and higher activity in agriculture sector. The extension of the lockdown by the government has very low effect on agriculture sector and current forecast shows positive growth for the sector despite, India's GDP forecast for this financial year is expected to show a contraction.



Over the medium term, growth is expected to decline due to reduction in demand as an impact out of lockdown and then it is expected to re-bound for John Deere tractor from second half of 2021 on account of normal monsoon forecast.

The Company has adopted various digital modes for collections during the past financial year and is moving on its path of digitalization with good speed.

The Company has adequate funding lines in place to meet its business requirements and debt repayment obligations. As at 31st March 2021 the unutilized bank lines are INR 82,000 lakhs and Intercompany Line from John Deere India Private Limited of INR 75,100 lakhs. The Company is also working on getting additional bank lines in place.

Your directors expect that with the Company's inherent strong business model with upcoming models, focus on digitalization and automation to provide enhanced customer experience, the continued confidence of investors and support of the lending institutions to the Company's fund mobilization activities on account of good track record of debt servicing, your Company should achieve satisfactory performance in the coming years.

RISKS AND CONCERNS

India is facing the 2nd wave of Covid19, which is resulting into partial or full lockdown in many geographies. This could create stress on overall economy; rural economy has shown resilience during the 1st wave, however with higher severity of 2nd wave we may see further adverse impact on rural economy as well. This could create potential risk in the collectability of instalments in near future

Market risk, Operational risk, Compliance Risk and Liquidity risk are the key risks inherent to the business of the Company. The Company has established a robust risk management framework to manage these risks and is continuously engaged in reinforcing risk management practices.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems and their adequacy is more elaborately discussed in the Directors' Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Performance and operational performance form part of the Directors' Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

There has been no material development in human resources front during the financial year apart from changes in Key Managerial Persons as stated in the Directors' Report.



ANNEXURE IV TO THE DIRECTORS' REPORT

FORM NO. AOC.2

Form for disclosure of particulars of contracts / arrangements/ entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any*	Date(s) of approval by the Board, if any	Amount paid as advances, if any
John Deere India Private Limited	Services Received for Support Charges and IPN	Ongoing	1,227	-	Nil
John Deere India Private Limited	Facility Cost	Ongoing	76	-	Nil
John Deere India Private Limited	Mfg. Subsidy	Ongoing	1,459	-	Nil



JOHN DEERE FINANCIAL

John Deere Financial India Private Limited
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Level 2, Tower XV, Cybercity, Magarpatta City,
Hadapsar, Pune- 411 013

Board No. – 020-6703 2000 / 020 – 6703 2001
Fax No. – 020 – 6703 2004

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any*	Date(s) of approval by the Board, if any	Amount paid as advances, if any
John Deere India Private Limited	Interest expense	Apr-20 to Mar-21	1,194	-	Nil
John Deere India Private Limited	Inter Company deposit received	Apr-20 to Mar-21	84,400	-	Nil
John Deere India Private Limited	Inter Company deposit paid	Apr-20 to Mar-21	59,500	-	Nil
John Deere India Private Limited	Other reimbursement and maintenance charges	Ongoing	208	-	Nil
Deere & Company	Information System	Ongoing	1,335	-	Nil

* The terms of contract with related party is based on transfer pricing guidelines.

ANNEXURE V TO THE DIRECTORS' REPORT

RELATED PARTY POLICY

1 Objectives

John Deere Financial India Private Limited ('JDFIPL') is a Non-Banking Financial Company ('NBFC') operating under Reserve Bank of India ('RBI') regulations/directions and its activities are governed by the various Indian laws and RBI regulations/directions.

The objective / purpose of this Policy is to lay down a formal process of undertaking related party transactions between JDFIPL and its associated entities (as defined under Companies Act, 2013) and reporting mechanisms thereof.

JDFIPL is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations. Activities of JDFIPL are conducted in line with RBI / Company Law and prevailing local regulations/rules/laws/Acts.

In the event this Policy is at variance with regulations/rules/laws/Acts at any stage due to omissions or changes in regulations/rules /laws/Acts, the regulations/rules/laws/Acts shall prevail. If any clarifications are needed on these regulations/rules /laws/Acts, the same must be referred to Company Secretary for its final opinion on the issue.

2 References

Document Number	Description	Revision/Date
JDF037	New Document	02 nd March 2020

3 Applicability

This Policy applies to all the transactions of JDFIPL with its related parties including changes, if any, from time to time and are governed by Companies Act 2013 and rules framed thereunder.

JDFIPL has adopted Related Party Policy for the Related Party Transactions pursuant to the provisions of Sections 179, 188 and other applicable provisions of the Companies Act, 2013 ('the Companies Act') and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as updated from time to time).

4 Definitions

- a) 'Related Party' will have the same meaning as defined under Section 2(76) of the Companies Act.

- b) ‘Related party transaction (‘**RPT**’)’ mean all transactions between JDFIPL on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) clause (a) to (g) of the Companies Act.
- c) ‘Arm’s Length Transaction (‘**ALT**’)’ means a transaction between two related parties that is conducted as if they are unrelated, to ensure there is no conflict of interest.
- d) ‘Ordinary Course of Business (‘**OCB**’)’ means a transaction which is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (‘MoA’) and the Articles of Association (‘**AoA**’).
- e) ‘Relative’ in relation to a related party shall have the same meaning as defined in Section 2(77) of the Companies Act read with clause 4 of the Companies (Specification of Definition details) Rules,2014 from time to time.
- f) ‘Board of Directors or Board’ means the collective body of the Directors of JDFIPL constituted from time to time.
- g) ‘Audit Committee’ means the Audit Committee constituted by the Board of Directors of JDFIPL in accordance with Section 177 of the Companies Act.
- h) ‘Company Secretary’ means a Company Secretary as defined in Section 2 (24) of the Companies Act.
- i) ‘Key Managerial Personnel (‘**KMP**’)’: shall mean-
 - The Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
 - The Company Secretary;
 - The Chief Financial Officer; and
 - Such other person as may be specified as KMP from time to time and defined under section 2(51) of the Companies Act 2013.

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5 Policy

- a) In terms of this Related Party Policy, JDFIPL may enter into any Related Party Transactions through its authorized officials or any persons authorized by the Board in accordance with this Policy;
- b) The RPT Framework may include such details as may be considered appropriate including the persons authorized to initiate and / or execute the RPT, commercial justification, parameters for considering RPT to be at arm’s length, monitoring and reporting mechanism;
- c) All transactions by JDFIPL with related parties shall require approval / ratification of the Audit Committee and/or Board of Directors as specified in the Regulations;

d) The Audit Committee and/or Board of Directors shall review the RPTs during the course of review of results.

6 All transactions with related parties must be entered into at arm's length basis. Borrowings and lending / investment transactions with related parties, if any, must necessarily be executed substantially at the same terms, including mark-up interest rates and collaterals, as those prevailing at the time of similar transactions with unrelated parties; and

All RPTs which are not in Ordinary Course of Business or not at Arm's Length or both will additionally require prior approval of Board of Directors and Shareholders through special resolution as per the Companies Act (as amended from time to time)

7 Identification of Related Party Transaction

a) Related parties will be identified on an ongoing basis in line with Section 2(76) of the Companies Act and Accounting Standard issued by Institute of Chartered Accountants of India;

b) Directors and KMPs, would be responsible for promptly notifying (within a period of 30 days of his/her appointment, or relinquishment of his office in other Companies/Firms/bodies corporate, as the case may be) JDFIPL through Company Secretary in case of any changes / updates occurring in the related parties and in respect of details pertaining to such related parties declared by them. Such information should be notified well in time to enable review by Audit Committee / Board of Directors;

c) The Company Secretary shall be responsible to maintain the updated list of related parties based on the disclosures received from Directors / KMPs. The list may be maintained in the Register (physically or electronically, as may be decided by the Board of Directors), giving separately the particulars of all contracts or arrangements to which the Policy applies;

d) The RPT Register shall be preserved permanently and shall be kept in the custody of the Company Secretary/Chief Financial Officer of JDFIPL or any other person authorized by the Board for the purpose; and

e) Shareholders' approval will be required only when the limits prescribed under the Companies Act are likely to be exceeded.

8 Compliance & Disclosure:

a) This Policy will be hosted on the Company's website at of JDFIPL and shall be included in the Annual Report with a weblink. Further, details of all material transactions with related parties shall be disclosed in the annual report;

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- b) Every person associated with RPT shall be accountable for complying with the prevailing RPT Policy;
- c) The Board’s Report shall contain details of contracts or arrangement or transaction which are (i) not at arm’s length basis and(ii) material contracts or arrangement or transactions at arm’s length basis and/ or at ordinary course of business, along with justification for entering into such transaction as per the provisions of Companies Act, 2013 and rules mentioned therein;
- d) Directors or KMP or any personnel as per authority matrix, who enter into or authorize any contract or arrangement in violation of the RPT Policy shall be responsible for non-compliance as provided under Section 188 (3) of the Companies Act; and
- e) In case of breach of this Policy Audit Committee and/or Board of Directors may initiate appropriate action against the person/s responsible.

9 Review

This Policy shall be reviewed once in a year by the Board of Directors on the recommendations of the Audit Committee. The Audit Committee shall meet as and when any changes are required in the Policy. Any amendment /changes/deviations to this policy shall need approval of Board of Directors.

10 Records Management and Retention

- a) Record Management and Retention

Finance Department shall assist in ensuring that all the matters enumerated in here are complied with.

There is no requirement for retention of records.

- b) Document Change Records

Document Change Records				
Sr. No.	Revision no./ date	Section Revised/ Page No.	Reason For change	Change Description

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Need to know departments				
Finance	Operations	IT	Legal	Credit
Yes	No	No	Yes	No
Sales	Collection	HR	Wholesale	Risk and Compliance
No	No	No	No	Yes
Bank Relationship	Shared services-Direct Tax	Shared services-In Direct Tax	Shared services-Treasury & payroll, Payables	
No	Yes	Yes	No	

End of document

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[Annexure -VI]

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

John Deere Financial India Private Limited (JDFIPL) aspires to be a catalyst for positive change by focusing our energy, intellect, and resources on providing solutions for world hunger, empowering others through education, and developing communities. JDFIPL will do this by investing purposefully and focusing our philanthropic and volunteerism efforts to achieve higher and sustainable living standards for people in India.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Abhay Dhokte	Chairman	4	3
2	Ajit Jain	Member	4	4
3	Manish Phalke	Member	4	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://www.deere.com/assets/pdfs/region-1/finance/india-financing/JDFIPL_CSR_Committee.pdf
<https://www.deere.co.in/assets/pdfs/region-1/finance/india-financing/JDF031-CSR-Policy.pdf>
https://www.deere.com/assets/pdfs/region-1/finance/india-financing/JDFIPL_CSR_Project_Approved_After_1_April_2020_.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Lakh)	Amount required to be set-off for the financial year, if any (in Lakh)
1	2020-21	1.64	1.64
	Total	1.64	1.64

6. Average net profit of the company as per section 135(5). – Rs 2690 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) – Rs 53.81 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Not Applicable
- (c) Amount required to be set off for the financial year, if any – 1.64 Lakhs
- (d) Total CSR obligation for the financial year (7a+7b-7c). – 55.45 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
55.45	-	-	-	-	-

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs Lakhs)	Amount spent in the current financial Year (in Rs Lakhs).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	Unnati	Promotion of education and eradicating hunger	Yes	Maharashtra	Pune	April 20-March 21	55.45	55.45	NA	NO	Centre For Advanced Research & Development	CSR00000339
	Total						55.45	55.45				

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Not Applicable



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
	Total								

(d) Amount spent in Administrative Overheads – Not Applicable

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs 55.45 Lakhs

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs Lakhs.)
(i)	Two percent of average net profit of the company as per section 135(5)	53.81
(ii)	Total amount spent for the Financial Year	55.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.64
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.64

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-2019	NIL	NIL	NIL	NIL	NIL	*NIL
	Total						

* The disclosure regarding amount was provided in the Directors Report as per the provisions applicable at that time.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- **Not Applicable**

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has spent INR 55.45 Lakhs as against the budget of INR 53.81 Lakhs during the financial year 2020-21 towards CSR activities i.e. 102% of the total amount prescribed was spent as per the calculation of CSR under the Companies Act, 2013.

For John Deere Financial India Private Ltd,

Chairman

Place: Pune

Date : 05th May 2021