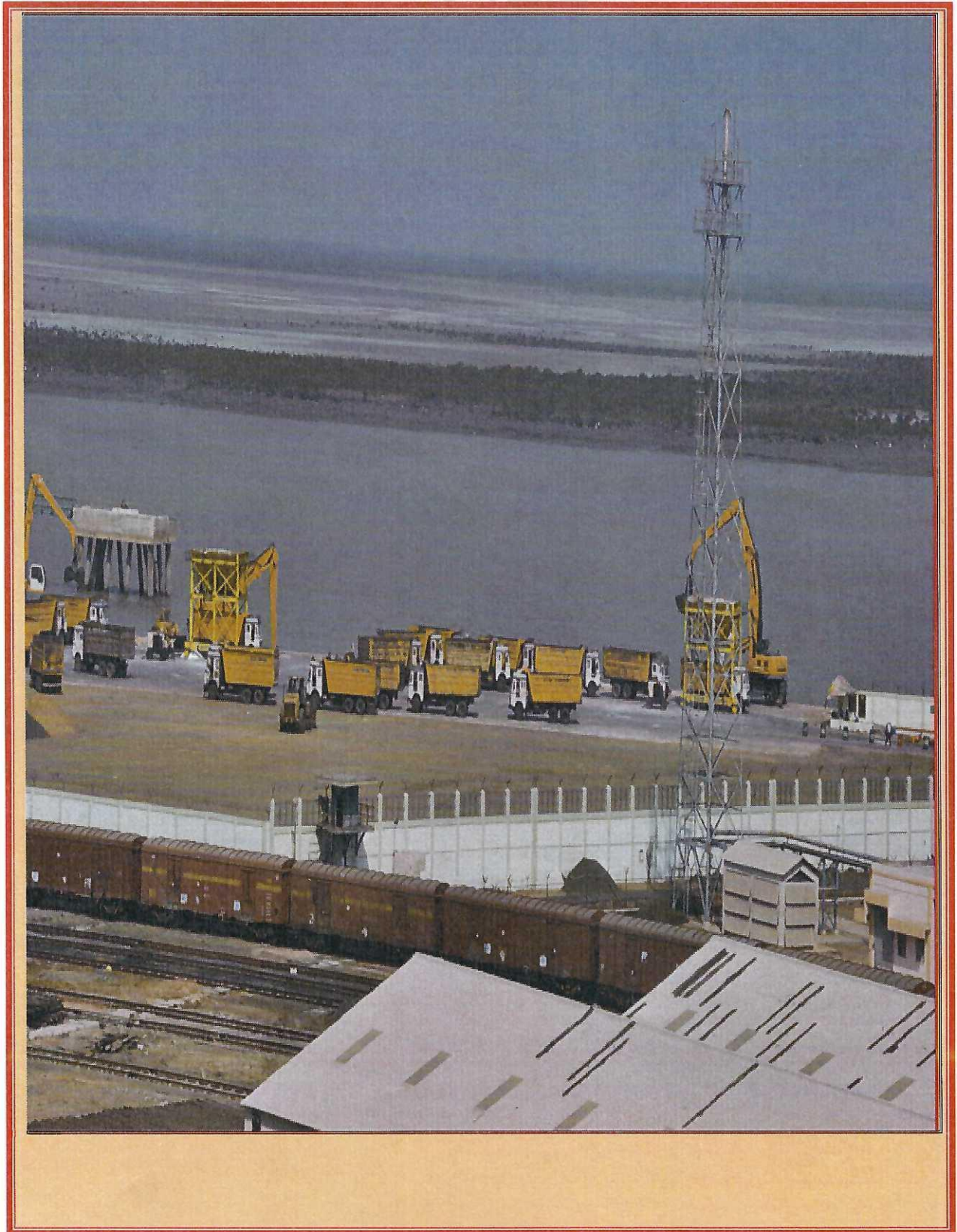


IFFCO KISAN LOGISTICS LIMITED
(ANNUAL REPORT- F.Y.2022-2023)





IFFCO KISAN LOGISTICS LIMITED

19TH ANNUAL REPORT

2022-2023



IFFCO KISAN LOGISTICS LIMITED

(CIN-U74999DL2004PLC124867)

BOARD OF DIRECTORS

Dr. U. S. Awasthi	Chairman & Nominee Director
Shri Rakesh Kapur	Nominee Director
Shri R.P.Singh	M.D & Nominee Director
Shri K.L.Singh	Nominee Director
Shri Yogendra Kumar	Nominee Director
Shri Sunil Khatri	Nominee Director
Shri Ashwini Mehra	Independent Director
Smt. Reena Kaishing	Independent Director
Sh. O.P.Dayama	Nominee Director & CEO (till 31/01/2023)
Sh.A.K.Sharma	Nominee Director (w.e.f 05/03/2023) & CEO (w.e.f. 24/03/2023)

STATUTORY AUDITORS

M/s S.Tekriwal & Associates
B4/237,LGF,Safdarjung Enclave,
Behind Safdarjung Club,
New Delhi-110029

SECRETARIAL AUDITORS

M/s Amit Agrawal & Associates
H-63,Ground Floor,Vijay Chowk,
Laxminagar,
New Delhi-92.

KEY MANAGERIAL PERSONNEL

Sh.O.P.Dayama – Chief Executive Officer (till 31/01/2023)
Sh. A.K.Sharma- Chief Executive Officer (w.e.f 24/03/2023)
Sh.S.R.Bommi-Chief Financial Officer
Ms. Achala Bhatt-Company Secretary

REGISTERED OFFICE

“IFFCO Sadan”, C-1, District Centre,
Saket , New Delhi-110017.

Tel: +91-11-42592626

Fax: +91-11-40593194

Email: faxho@iffco.in

BANKERS

Indian Overseas Bank

State Bank of India

HDFC Bank Ltd.

Regd.Office: “IFFCO Sadan”, C-1, District Centre, Saket , New Delhi-110017

Tel: +91-11-42592653

IFFCO KISAN LOGISTICS LIMITED

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DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in submitting their 19th Annual Report on the business & operations of the company along with the Audited Balance Sheet and Profit and Loss Account for the Year ended 31st March 2023.

FINANCIAL RESULTS:

The financial results of the company for the year under review along with the figures for the previous year are as follows:

(Amount in Rs./ Thousand)

<u>Particulars</u>	<u>31ST March 2023</u>	<u>31ST March 2022</u>	<u>Increase(+)/Decrease (-) (%)</u>
Total Income	1,18,903	1,34,323	(-11%)
Profit/ (Loss) before Depreciation	34,264	71,699	(-52%)
<i>Less: Depreciation</i>	23,371	23,371	Nil
Profit/(Loss) before Exceptional Items and Tax	10,893	48,328	(-77%)
Profit/(Loss) before Tax	10,893	48,328	(-77%)
Tax expenses			
-Deferred Tax	2,821	1,207	(134%)
-MAT	0	422	(-100%)
Profit /(Loss) after Tax	8,072	46,699	(-83%)
Balance brought forward – last year	(1,46,987)	(1,93,686)	(-24%)
Balance carried forward to balance sheet	(1,38,915)	(1,46,987)	(-5%)

DIVIDEND:

The Board of Directors have not recommended any dividend for the Financial Year ending on 31st March 2023.

FINANCIAL HIGHLIGHTS:

As per Financial Statements of F.Y 2022-2023 Total Income is Rs.1,18,903 Thousands, Total Expenses are Rs.1,08,010 Thousands, Profit/(Loss) before Tax is Rs.10,893 Thousands, Deferred Tax is Rs. 2,821 Thousands & Profit after Tax is Rs.8,072 Thousands pursuant to sec. 134(i) and Rule 8(5)(i) of Companies (Accounts) Rules, 2014.

BUSINESS PLAN:

The company is in its tenth year of operation. Although the Jetty has the capacity to handle 20LMT of Cargo, the Minimum Guaranteed Cargo to be handled is 10 LMT.

In the year 2022-23, IKLL has handled 4,13,161 MT Captive Cargo at Barge Jetty @ Rs.75.44 PMT(excluding taxes) as per agreement between IFFCO and IKLL. Accordingly, Service Charges amounting to Rs.31,169 Thousands and Warehousing charges amounting to Rs.27,009 Thousands has been recognized in the books of account. No Third Party Cargo has been handled by IKLL. Further, Income from Berth Hire for FY 2022-23 of Rs.102 Thousands has been recognized during the year.

The Volume of Cargo handled in the F.Y 2022-23 as compared to previous F.Y.2017-18,2018-2019, 2019-2020 & 2020-2021 & 2021-2022 are shown in Table 1

Table-1- Comparative figures of Cargo handled Financial Year Wise:

(Fig.in Thousands MT)

COMMODITY	F.Y:2017-2018	F.Y:-2018-2019	F.Y.2019-2020	FY-2020-2021	FY-2021-2022	FY-2022-2023
Mkt. Urea	86	44	0	0	0	0
Imported DAP	0	433	400	209	135	84
NPK	0	0	0	0	0	36
MOP	591	508	489	560	435	261
Plant Urea	46	0	59	0	63	26
Coastal Cargo	12	0	0	0	0	0
NPS	0	0	0	27	0	6
Total	735	985	948	796	633	413

The three Godowns with the total capacity of 35000 MT commissioned in the year 2015 are being utilized for the Cargo storage.

The Management has decided to commence Trading of Phosphoric Acid from the F.Y.2023-2024 in order to augment its revenue resources.

MATERIAL CHANGES AND COMMITMENTS ,IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT U/s 134(3)(I)OF THE COMPANIES ACT, 2013:

There are no material changes and commitments which have occurred affecting the Financial position of IKLL which have occurred between the end of the Financial Year of the company to which the Financial Statement relates and the date of the Report u/s 134(3)(I) of the Companies Act, 2013.

AMOUNT TRANSFERRED TO RESERVES:

In accordance with section 134(3) (j)of the Companies Act, 2013, Reserves and Surplus is Rs.8,072 Thousands for the F.Y 2022-2023.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION:

All applicable Environment , Labour Laws are being complied with. IKLL has integrated the conservation of Environment, Health and Safety in all its business operations aiming at zero accidents, good health and Pollution free Environment.

IKLL has complied with all regulations under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution)Act, 1981 The Environment (Protection) Act, 1986 , the International Ship and Port Security Clearance Certification and submits six monthly Compliance Report to Gujarat Pollution Control Board and Ministry of Environment and Forests.

Safe working practices are followed during the operations of the company. Spillages/Leakages from any Cargo handling equipment are attended promptly and material recovered through sweepings.

DIRECTORS:

The Board consists of Executive and Non –Executive Directors having wide and varied experience in different disciplines of Corporate functioning.

(I) Directors during the F.Y-2022-2023:

- (i) Dr.U.S.Awasthi(Chairman & Nominee Director) (DIN:00026019)
- (ii)Sh. Rakesh Kapur(Nominee Director) (DIN:00007230)
- (iii)Sh.R.P.Singh(MD & Nominee Director) (DIN:03016827)
- (iv) Sh. K.L.Singh (Nominee Director) (DIN:01562210)
- (v)Sh. Yogendra Kumar(Nominee Director) (DIN:07589061)
- (vi)Sh.Sunil Khatri(Nominee Director) (DIN:06903603)
- (vii)Sh. Ashwini Mehra (Independent Director) (DIN:02948537)
- (viii)Mrs. Reena Kaishing(Independent Director) (DIN:07233812)
- (ix)Sh. A.K.Sharma(CEO & Nominee Director) (DIN: 10077041)

(Sh.O.P.Dayama- DIN: 08933299 had ceased to be Nominee Director & CEO vide 85th Board Meeting on attaining the age of Superannuation on 31/01/2023 and Sh. A.K.Sharma – DIN: 10077041 has been appointed as Nominee Director w.e.f 05/03/2023 & CEO w.e.f. 24/03/2023 vide 85th Board Meeting & 13th Nomination & Remuneration Committee Meetings.)

Dr. U.S.Awasthi (Nominee Director)(DIN:00026019) is liable to retire by rotation and being eligible offers himself for re-appointment. Your directors recommend his re-appointment.

Sh.K.L.Singh (Nominee Director)(DIN:01562210) is liable to retire by rotation and the vacancy of the retiring Director is not filled in.

Mrs.Reena Kaishing((DIN:07233812)and Sh. Ashwini Mehra (DIN:02948537)were re-appointed as Independent Directors for second consecutive term of five years vide 74th Board Meeting pursuant to sec.149(4)(10)&(11)of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL:

Pursuant to section 203 of the Companies Act, 2013 the Key Managerial Personnel (KMP)for the F.Y 2022-2023 are-

- Managing Director- Sh. R.P. Singh.
- Chief Executive Officer- Sh.A.K.Sharma(w.e.f 24/03/2023)

-Chief Financial Officer- Sh. S.R. Bommidi

-Company Secretary- CS Achala Bhatt

None of the above Key Managerial Person has resigned during the year ended 31/3/2023.

DECLARATION BY INDEPENDENT DIRECTOR THAT THEY MEET THE CRITERIA OF INDEPENDENCE U/S 134(3)(d) AND 149(6) OF THE COMPANIES ACT, 2013:

Pursuant to section 134(3)(d) and 149(6) of the Companies Act, 2013, Sh. Ashwini Mehra (DIN: 02948537) & Mrs Reena Kaishing (DIN:07233812)- Independent Directors have given declaration of their Independence to the Board of Directors for the F.Y 2022-2023.

- SECRETARIAL AUDITORS:

M/s Amit Agrawal & Associates (Company Secretaries Firm) has been appointed as Secretarial Auditor of the Company for the Financial Year 2022-23. Audit Report MR-3 forms part of the Board's Report pursuant to sec.204 of the Companies Act, 2013 placed at **ANNEXURE- A.**

- INTERNAL AUDITORS :

M/s Sanjay Ruchandani & Associates (Chartered Accountants Firm) has been appointed as the Internal Auditor of the Company for the Financial Year 2022-23 pursuant to section 138(1) of the Companies Act, 2013.

- STATUTORY AUDITORS:

M/s S. Tekriwal & Associates (C.A.Firm)(Regt. No.009612N) were reappointed as Statutory Auditor u/s 139 of the Companies Act, 2013 for second term of five years w.e.f. April 1, 2022 – March 31, 2027 vide 18th Annual General Meeting held on June 20, 2022 .

AUDITORS' REPORT:

Audit Reports for the F.Y 2022-2023 have been submitted by M/s Sanjay Ruchandani & Associates (Chartered Accountants Firm)- Internal Auditor, M/s S. Tekriwal & Associates (Chartered Accountant firm)-Statutory Auditor and M/s Amit Agrawal & Associates (Company Secretaries Firm)- Secretarial Auditor.

No adverse observation/ comment has been made by any Auditor(s) in their Audit Report(s) and hence needs no Management Reply.

DEPOSITS:

The company has not taken any Deposits from public.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134 (3) (c) and 134(5) of the Companies Act, 2013 the Board confirm and submit the Directors Responsibility Statement as follows-

(a) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures,

(b) The Directors had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period,

(c) The Directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities,

(d) The Directors had prepared the Annual Accounts on a going concern basis ,

(e) The Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems are adequate and operating effectively .

Further, IKLL has established and has been maintaining Internal Financial Controls based on Internal Control over Financial Reporting criteria. These include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient operation of its business, including adherence to the Company's Policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting Records and the timely preparation of reliable Financial Information, as required under the Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS:

IKLL has voluntarily complied with applicable Secretarial Standards i.e. SS-1(Board Meetings), SS-2(General Meetings), SS-4(Report on Board of Directors).

PERSONNEL:

The company continues to have cordial relations with its employees.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosures pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo forms part of the Directors Report at **ANNEXURE- B** pursuant to section 134 (3) (m) read with Rule 8 of the Companies (Accounts) Rules 2014.

PARTICULARS OF EMPLOYEES:

None of the Employee are drawing in excess of the limits set under Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ABSTRACT OF THE ANNUAL RETURN:

FORM no. MGT-9 forms part of Abstract of Annual Return for the F.Y 2022-2023 at **ANNEXURE-C** and a copy of the same is placed at website – www.iklltd.com.

CONSTITUTION OF AUDIT COMMITTEE:

Pursuant to section 177(8) of the Companies Act, 2013 the Members of the Audit Committee are as follows:

<u>Sr. No.</u>	<u>Name(s) of the Audit Committee Member(s)</u>	<u>Designation</u>
1.	Sh. Ashwini Mehra	Chairman
2.	Smt. Reena Kaishing	Member
3.	Sh. R.P.Singh	Member
4.	Sh. S.R. Bommidi	CFO-Special Invitee
5.	Ms. Achala Bhatt	C.S-Special Invitee
6.	M/s S.Tekriwal & Associates(CA Firm)	Statutory Auditor- Special Invitee.
7.	M/s Sanjay Ruchandani & Associates(CA Firm)	Internal Auditor- Special Invitee.

CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE:

Pursuant to sec.178 of the Companies Act, 2013 the Nomination & Remuneration Committee Members are as follows:

<u>Sr. No.</u>	<u>Name(s) of Nomination & Remuneration Committee Member(s)</u>	<u>Designation</u>
1.	Sh. Ashwini Mehra	Chairman
2.	Smt. Reena Kaishing	Member
3.	Sh. R.P.Singh	Member
4.	Sh. Sunil Khatri	Member
5.	Ms. Achala Bhatt	C.S-Special Invitee

NUMBER OF MEETINGS OF BOARD / ANNUAL GENERAL MEETING / INDEPENDENT DIRECTORS MEETING/ AUDIT COMMITTEE MEETINGS/ NOMINATION AND REMUNERATION COMMITTEE MEETINGS:

i.)BOARD MEETINGS : Pursuant to section 134 (3) (b) and section 173 of the Companies Act, 2013 the number of Board Meetings held during the Financial Year 2022-23 thru Video Conferencing are as under-

No. Of Board Meeting(s)	No. & Date of holding Board Meeting(s)	Attendance of Director(s)
1.	82 nd -17/06/2022	All Directors were present .
2.	83 rd - 14/10/2022	Leave of absence was granted to Sh. Yogendra Kumar
3.	84 th – 30/12/2022	Leave of absence was granted to Sh. Yogendra Kumar.
4.	85 th - 24/03/2023	All Directors were present .

ii.)AUDIT COMMITTEE MEETINGS:Pursuant to section 177 of the Companies Act 2013 the number of Audit Meetings held during the Financial Year 2022-23 thru Video Conferencing are as under-

No. of Audit Meeting(s)	No.& Date of holding Audit Meeting(s)	Attendance of Committee Member(s)
1.	35 th -17/06/2022	All Members were present.
2.	36 th -14/10/2022	All Members were present.
3.	37 th - 30/12/2022	Leave of absence granted to Sh. S.R.Bommidi –CFO.
4.	38 th -24/03/2023	All Members were present.

iii.)ANNUAL GENERAL MEETING: Pursuant to section 96 of the Companies Act, 2013 the 19th Annual General Meeting of the company is scheduled to be held on June 20,2023(Tuesday) at 12.30 P.M .at Shorter Notice u/s 101(i)of the Companies Act, 2013 at the registered office of the company.

iv.)INDEPENDENT DIRECTORS MEETING:In accordance with sec.149 (8) of the Companies Act, 2013 the eighth Independent Directors Meeting was held on March 24 ,2023 thru Video Conferencing.

v.)NOMINATION & REMUNERATION COMMITTEE MEETINGS:- Pursuant to sec. 178 of the Companies Act, 2013 the 12th & 13th Nomination & Remuneration Committee Meetings were held thru Video-conferencing on 17/06/2022 & 24/03/2023 respectively.

PARTICULARS OF LOANS,GUARANTEES OR INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013:

IKLL has invested its surplus funds in the following Scheduled Bank FDRs during F.Y 2022-2023:

-An amount of Rs. 2 Crore had been invested in FDR in HDFC Ltd., New Delhi for tenure of One Year @6.30p.a. on dt:21/07/2022 approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 5 Crore had been invested in FDR in IndusInd Bank, Anjar Branch, Gujarat for tenure of 31 days @4.55% p.a.on dt:21/07/2022 approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 5 Crore had been invested in FDR in IndusInd Bank, Anjar Branch, Gujarat for tenure of 14 days @4.30 % p.a.on dt: 22 / 07 /2022 approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 5.07 Crore including interest from FDR done on dt: 22/07/2022 matured on 05/08/2022 in FDR with IndusInd Bank, Anjar branch, Gujarat for tenure of 14 days @4.30% p.a.made on 05/08/2022 approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 5 Crore had been invested in FDR in IndusInd Bank, Anjar Branch, Gujarat for tenure of 14 days @4.75% p.a. on dt:30/08/2022 approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 5 crore from Maturity Proceeds of FDR made on 30/08/2022 & matured on 13/09/2022 in FDR with IndusInd Bank, Anjar Branch, Gujarat for a tenure of 83 days @5.45% p.a. made on 14/09/2022 approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 5,00,45,000/- has been invested on September 7th, 2022 in auction of 7.53% Assam-State Development Loan (SDL) 2032 through ICICI Securities Primary Dealership Ltd. approved vide 83rd Board & 36th Audit Committee Meetings.

-An amount of Rs. 100 lacs had been invested in FDR of HDFC Ltd (NBFC),New Delhi for tenure of One Year at interest rate @ 6.45% p.a. done on 16/09/2022 approved vide 83rd Board & 36th Audit Committee Meetings.

- An amount of Rs. 2 Crores had been invested in FDR – Axis Bank,Gandhidham Branch for tenure of 60 days @ 6% p.a.approved vide 84th Board & 37th Audit Committee Meetings.

- An amount of Rs.500 Lakhs had been invested in FDR in IndusInd Bank Ltd.Anjar (Gujarat) for tenure of 1 year @7.75 % p.a done on 11/01/2023 approved vide 85th Board & 38th Audit Committee Meetings.

-An amount of Rs.200 lakhs had been invested in FDR in HDFC Ltd.(NBFC)New Delhi for tenure of 2 years @7.70 % p.a.done on 22/02/2023 approved vide 85th Board & 38th Audit Committee Meetings.

-An amount of Rs.200 lakhs had been invested in FDR in HDFC Ltd.(NBFC)New Delhi for tenure of 1 year @ 7.80 % p.a. done on 06/03/2023 approved vide 85th Board & 38th Audit Committee Meetings.

- Further, investment of 10,000 Secured 7.85 % Non- Convertible Debentures of IL & FS on expiry of maturity date on 30/12/2022 had been written off from IKLL books of accounts.However, the company will continue to pursue with IL & FS for recovery of any amount as may be feasible.

-Enhancement in Monetary Limit for Investment to further Rs. 5 Crores – totalling the Investment Limits upto Rs. 25 Crores had been approved vide 85th Board & 38th Audit Committee Meetings.

The above Investments had been done as per approved Investment Policy of IKLL.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES U/S 134(3)(h) AND RULE 8(2) OF CO. (ACCOUNTS) RULES, 2014 AND 188(1)OF THE COMPANIES ACT, 2013:

IKLL(Subsidiary Company) has entered into Related Party Transaction with IFFCO (Holding Enterprise) u/s 188(1) and u/s 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of Company (Accounts)Rules,2014 as per the following details-

i.)Sale/ Purchase of Rock Phosphate by IKLL from IFFCO Paradeep Unit approved vide 82nd Board Meeting,35th Audit Committee Meeting & 18th AGM entered in its Ordinary course of business and at Arm's Length basis and forms part of the Board Report in Form **AOC-2**.

COMPANY'S POLICY ON DIRECTORS'APPOINTMENT AND REMUNERATION, INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS,POSITIVE ATTRIBUTES,INDEPENDENCE OF A DIRECTOR U/S 178 (3)OF THE COMPANIES ACT, 2013.

Pursuant to section 178(3) of the Companies Act, 2013 IKLL has constituted Nomination and Remuneration Committee for formulating and implementing above Policy.

Accordingly, no Salary or Remuneration is paid to Dr.U.S.Awasthi(Chairman & Nominee Director)Sh.Rakesh Kapur (Nominee Director) Sh.R.P.Singh (M.D & Nominee Director)Sh. Yogendra Kumar (Nominee Director) for attending Board or Audit Committee Meetings.Sh.Ashwini Mehra (Independent Director) Mrs Reena Kaishing (Independent Director) Sh. Sunil Khatri (Nominee Director) are paid Sitting Fees for attending Board, Audit & Nomination & Remuneration Committee Meetings.Sh.O.P.Dayama(ceased as CEO w.e.f.31/01/2023)Sh.A.K.Sharma (appointed as CEO w.e.f.24/03/2023) & Sh. S.R.Bommidi (CFO) were paid Professional Charges for Managerial Services for the F.Y 2022-2023.The policy is available at company website-www.iklltd.com.

DEVELOPMENT AND IMPLEMENTATION OF POLICY ON CORPORATE SOCIAL RESPONSIBILITY U/S 134(3)AND U/S 135 OF THE COMPANIES ACT, 2013:

IKLL has not constituted any Corporate Social Responsibility Committee nor formulated any Corporate Social Responsibility Policy u/s 134 (3) and u/s 135

of the Companies Act, 2013 as it is not fulfilling the criteria of Networth, Turnover, Net Profit as stipulated for the period under review.

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS U/S 134 (p) OF THE COMPANIES ACT, 2013:

IKLL believes that systemic evaluation contributes significantly to improved performance at three levels- Organisational, Board and at Individual levels encouraging leadership, teamwork, accountability, decision making, communication and efficiency. For the F.Y- 2022-23 an annual performance evaluation of Board , its Committee and Individual Directors thru Questionnaire had been conducted .

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY U/S 134(3)(n) OF THE COMPANIES ACT, 2013:

IKLL has formulated a RISK ASSESSMENT POLICY pursuant to section 134 (3) (n) of the Companies Act, 2013. It aims at minimising threats, contribute towards more efficient use and allocation of resources and optimise operational efficiency by having adequate safeguards with reference to Strategic, Commercial, Environmental, Financial and Operational Risks.

ORDERS PASSED BY THE REGULATORS OR THE COURTS OR THE TRIBUNAL:

No adverse Orders had been passed by any Regulator/ Court or the Tribunal for the period under review.

ACKNOWLEDGEMENT:

Your company's Directors place on record their appreciation for the cooperation and assistance received from Shareholders, Customers, Vendors DeenDayal Port Trust Authority as well as Regulatory and Government authorities. Your Directors also thank all employees who through their dedication, cooperation, support and hard work have enabled the company to achieve growth.

For and on behalf of the Board of Directors

Date: 20/06/2023

Place: New Delhi

- sd -
(Chairman)
DIN: 00026019

ANNEXURES

(ANNEXURE-A)

SECRETARIAL AUDIT REPORT: The Secretarial Audit Report submitted by Secretarial Auditor-M/s Amit Agrawal & Associates(C.S Firm (Membership no.5311) for the Financial Year 2022-2023 is enclosed herewith in MR-3.

(ANNEXURE-B)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

-Conservation of energy, technology absorption:

The Company has endeavoured to optimise the use of Energy resources and taken adequate steps to avoid wastage. Your company is adopting latest technology in its Operations . It has not invested any amount in Research and Development activities .

-Foreign Exchange Earnings and outgo:

	<u>Current Year (2022-2023)</u>	<u>(Rs. in lakhs)</u> <u>Previous Year(2021-2022)</u>
-Earnings	Nil	Nil
-Outgoing:	Nil	Nil
	----- Nil	----- Nil

(ANNEXURE-C)

ABSTRACT OF ANNUAL RETURN U/S 92 OF THE COMPANIES ACT, 2013.

An abstract of the Annual Return u/s 92 of the Companies Act, 2013 is enclosed in MGT-9 , forms part of the Directors Report and also placed at company website-www.iklltd.com.

FORM -AOC-2

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

1. **Details of Contracts or Arrangements or Transactions not at Arm's Length basis: NIL.**
2. **Details of Contracts or Arrangements or Transactions at Arm's Length Basis:**

(a)Name of the Related Party and Nature of Relationship:

Indian Farmers Fertiliser Cooperative Limited (IFFCO- Holding Enterprise)

(b) Nature of the Contracts/ Arrangements/ Transactions and date of Approvals:

-Agreement for Sale/ Purchase of Rock Phosphate from IFFCO Paradeep Unit by IKLL, entered into Ordinary course of business and at arm's Length basis approved vide 82nd Board ,35th Audit Meetings held on dt: 17/06/2022 & 18th AGM as per details in Table-1.

(c) Duration of the Contracts/ Arrangements/ Transactions: as per periodic requirement.

(d) Salient Terms of Contracts or Arrangements including the Value, if any:

Table-1

Name of the Related Party	Relationship with the Related Party	Particulars of the Agreement.	Manner of determining the pricing and other terms of the Agreement.
Indian Farmers Fertiliser Cooperative Limited (IFFCO)	Holding Enterprise	Agreement for Sale/Purchase of Rock Phosphate from IFFCO Paradeep Unit by IKLL, entered in its ordinary course of business and at arm's Length transaction basis. -Approved vide IKLL 82 nd Board Meeting, 35 th Audit Meeting, 18 th AGM & IFFCO Board of Directors Sub Committee on Marketing-165 th Meeting.	Sale Price of Imported Rock Phosphate (₹ per MT) = (Bprice X 1.10) + GST Where, **"Bprice" is the Rock Phosphate CFR India cost of the latest shipment Imported by Paradeep Unit. **"1.10" is the factor to cover the landed cost, storage & handling and Margin. *GST is the rate applicable to Rock Phosphate for Sale.
		Justification-	Since IKLL aims to develop retail market for Rock Phosphate, IFFCO Paradeep Unit proposed 5% margin on the landed cost Rock Phosphate (which is 1.05 to 1.06 times the CFR price) Hence, the recommended 10% hike on CFR price of Rock Phosphate plus GST is considered reasonable.

(e) **Amount paid as advance, if any:** No amount has been paid as advance for purchase of Rock Phosphate in the F.Y 2022-2023.

For and on behalf of the Board of Directors

-sd-
(Chairman)
DIN:00026019

Date: 20/06/2023

Place: New Delhi

IFFCO KISAN LOGISTICS LIMITED
IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

Balance Sheet as at March 31, 2023

		(₹ in '000s)	
Particulars	Sch. No.	As at March 31, 2023	As at March 31, 2022
A. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	7,01,478	7,01,478
(b) Reserves and Surplus	2	(1,38,915)	(1,46,987)
2 Share Application Money Pending Allotment		-	-
3 Non Current Liabilities			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	3	43,592	40,771
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	4	1,535	1,169
4 Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables	5	4,002	2,934
(c) Other Current Liabilities	6	950	10,548
(d) Short Term Provisions	7	54	458
Total		6,12,696	6,10,371
B. ASSETS			
1 Non Current Assets			
(a) Property, plant and equipment and Intangible assets			
(i) Property, Plant and Equipment	8	3,61,884	3,86,471
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress	9	2,688	-
(iv) Intangible Assets under Development		-	-
(b) Non Current Investments	10	70,000	19,790
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans and Advances		-	-
(e) Other Non Current Assets	11	1,214	1,172
2 Current Assets			
(a) Current Investments	10	69,790	25,000
(b) Inventories		-	-
(c) Trade Receivables	12	3,615	55,579
(d) Cash and cash equivalents	13	65,566	84,829
(e) Short Term Loans and Advances	14	34,667	33,971
(f) Other Current Assets	15	3,272	3,559
Total		6,12,696	6,10,371

Note: Accounting Policies and Notes 1 to 22 form an integral part of the Financial Statements.

As per our Report of even date

For S. Tekriwal & Associates
Chartered Accountants
Regn.No. FRN-009612N

-sd-
(Shishir Tekriwal)
Partner
M.No. 088262

For and on behalf of Board of Directors

-sd- -sd-
(R. P. Singh) (Yogendra Kumar)
Managing Director Director

-sd-
(A.K. Sharma)
Director & Chief Executive Officer

-sd- -sd-
(S. R. Bommid) (Achala Bhatt)
Chief Financial Officer Company Secretary

Place: New Delhi
Dated: 20/06/2023

IFFCO KISAN LOGISTICS LIMITED
IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017

Statement of Cash Flows for the period ended March 31, 2023

		(₹ in '000s)	
	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A	OPERATING ACTIVITIES		
	Profit / (Loss) before tax	10,893	48,328
	Adjustment for:		
	Prov. for Diminution in value of Investment Written back	(10,000)	-
	Doubtful Interest Income Provision W/Back	(325)	-
	Provision written back	-	(98)
	Fixed Asset Written Off	1,214	-
	Loss on Investment Written Off	10,000	-
	Bad Debts Due to Loss of Interest on IL&FS	325	-
	Interest on Investments	(10,248)	(7,462)
	Depreciation	23,371	23,371
	Operating Profit before Working Capital changes	25,230	64,139
	Working Capital changes		
	Increase / (Decrease) in Trade and Other Payables	1,067	1,625
	Increase / (Decrease) in Other Current Liabilities	(9,598)	(4,279)
	Increase / (Decrease) in Long term provisions	366	-
	Increase / (Decrease) in Short term provisions	(403)	-
	(Increase) / Decrease in Inventories	-	-
	(Increase) / Decrease in Short Term Loans and Advances	(695)	(7,057)
	(Increase) / Decrease in Trade Receivables	51,965	(55,579)
	(Increase) / Decrease in Other Current Assets	-	2,588
	Net Cash from Operating Activities	67,932	1,437
B	INVESTING ACTIVITIES		
	(Addition) / Deletion to Fixed Assets	-	(102)
	(Addition) / Deletion to Capital Work in Progress	(2,688)	-
	Interest received on investment	10,493	7,931
	(Addition) / Deletion to investments	(95,000)	55,000
	Net cash used in investing activities	(87,195)	62,829
C	FINANCING ACTIVITIES		
	Issue of Share Capital	-	-
	Net cash from Financing activities	-	-
	Net change in cash and cash equivalents (A+B+C)	(19,263)	64,266
	Cash and cash equivalent at the beginning of the year	84,829	20,563
	Cash and cash equivalent at the end of the year	65,566	84,829
	Components of Cash and Cash Equivalent		
	<i>Balance with Scheduled Banks:</i>		
	- in Current account (IOB, Nehru Place, New Delhi)	2,366	2,891
	-in HDFC Current account, Gandhidham	1,883	-
	- in Escrow account (IOB, Gandhidham)	11,216	24,437
	- in Current account (SBI, Kandla)	101	101
	<i>Bank deposits with more than three months maturity from the date of acquisition</i>	50,000	57,400
	Total	65,566	84,829

Note: Accounting Policies and Notes 1 to 22 form an integral part of the Financial Statements.

As per our Report of even date

For S. Tekriwal & Associates
Chartered Accountants
Regn.No. FRN-009612N

-sd-
(Shishir Tekriwal)
Partner
M.No. 088262

For and on behalf of Board of Directors

-sd- -sd-
(R. P. Singh) (Yogendra Kumar)
Managing Director Director

-sd-
(A.K. Sharma)
Director & Chief Executive Officer

-sd- -sd-
(S. R. Bommidi) (Achala Bhatt)
Chief Financial Officer Company Secretary

Place: New Delhi
Dated: 20/06/2023

Schedules for FY 2022-23

1. Share Capital

Particulars	(₹ in '000s)	
	As at March 31, 2023	As at March 31, 2022
Authorised:		
7,50,00,000 Equity Shares ₹ 10/- each	7,50,000	7,50,000
Issued, Subscribed and Fully Paid-up		
7,01,47,812 Equity Shares of ₹ 10/- each fully paid-up, held by IFFCO, the Holding Enterprise.	7,01,478	7,01,478
	7,01,478	7,01,478

2. Reserves and Surplus

Particulars	(₹ in '000s)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	(1,46,987)	(1,93,686)
Profit/ (Loss) for the year	8,072	46,699
Balance at the end of the year	(1,38,915)	(1,46,987)

3. Deferred Tax Liabilities

Particulars	(₹ in '000s)	
	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
- Depreciation	44,005	43,769
Deferred Tax Asset		
- Provision for Gratuity and Leave Encashment on Actuarial basis	413	313
- Provision for Diminution in value of investment	-	2,600
- Provision for Doubtful Interest Income	-	85
Deferred Tax Liability (Net)	43,592	40,771

4. Long Term Provisions

Particulars	(₹ in '000s)	
	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
- Provision for Gratuity on Actuarial basis	463	353
- Provision for Leave on Actuarial basis	1,072	816
	1,535	1,169

5. Trade Payables

Particulars	(₹ in '000s)	
	As at March 31, 2023	As at March 31, 2022
MSME	-	-
Other than MSME	4,002	2,934
	4,002	2,934

IFFCO KISAN LOGISTICS LIMITEDIFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)**6. Other Current Liabilities** (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Earnest Money / Security Deposits / Retention Money	582	89
Other Payables:		
- Statutory Dues	100	9,531
- Electricity Charges Payable	12	20
- Security Expenses Payable	-	331
- Provision for Doubtful Interest Income	-	325
- Outstanding Liability	251	244
- Berth Hire Charges Payable to DPA	2	3
- EDP Charges Payable	3	5
	-	-
	950	10,548

7. Short Term Provisions (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
- Provision for Gratuity on Actuarial basis	9	7
- Provision for Leave on Actuarial basis	45	28
- Current Tax Payable	-	423
	54	458

8. Property, plant and equipment

(Refer PPE Sheet)

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sedan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

8. Property, Plant and Equipment

Particulars	GROSS BLOCK				DEPRECIATION			Net Value As on last day of previous financial year
	Opening As on 01-Apr-22	Addition/ Adjustment	Deletion/ Adjustment	Total As on 31-Mar-23	Opening As on 01-Apr-22	Provided During the Year	Adjustment	
A. BUILDINGS								
BUILDING: FACTORY / PORT	33,370	-	-	33,370	9,983	1,195	-	22,192
BUILDING: OTHER THAN FACTORY	1,51,068	-	-	1,51,068	36,211	5,883	-	1,08,974
ROADS, DRAINS & CULVERTS	6,963	-	-	6,963	4,490	696	-	1,777
Sub Total	1,91,401	-	-	1,91,401	50,684	7,774	-	1,32,943
B. PLANT & MACHINERY & OTHERS								
BARGE JETTY	3,59,270	-	-	3,59,270	1,18,982	14,380	-	2,25,908
ELECTRICAL INSTALLATION	7,726	-	-	7,726	6,032	734	-	960
COMPUTER SYSTEM	1,281	-	-	1,281	1,217	-	-	64
OTHER EQUIPMENT - WEIGHING	5,322	-	3,885	1,437	2,738	327	2,287	659
AC/COOLERS / FRIDGE ETC.	187	-	-	187	96	12	-	79
FIRE & SAFETY EQUIPMENTS	1,961	-	-	1,961	1,025	125	-	812
MOBILE PHONE (I PHONE 13 PRO)	102	-	-	102	7	19	-	75
Sub Total	3,75,849	-	3,885	3,71,964	1,30,097	15,597	2,287	2,28,557
C. Weighing Equipment Held for Disposal								
	-	384	-	384	-	-	-	384
Current Year Total(A+B+C)	5,67,250	384	3,885	5,63,749	1,80,781	23,371	2,287	3,61,884
Previous Year Total	5,67,148	102	-	5,67,250	1,57,410	23,371	-	3,86,471

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

9. Capital Work-in-Progress

(₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Plant & Machinery	2,688	-
	2,688	-

10. Non Current & Current Investments (at cost)

(₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Current Investments		
(i) Investments in Government or trust securities		
Quoted		
7.53% Assam SDL 2032 (Maturity: 07.09.2032)	50,000	-
(ii) Investments in Bonds / Debentures		
Quoted		
20000 Secured NCD units of 8.9% Tata Capital Financial Services Ltd, 2023, face value of ₹ 1,000 each (Maturity: 27.09.2023)	-	19,790
(iii) Investments in NBFC FDRs		
Ungquoted		
7.7% HDFC Deposits FDR -2 Years (Maturity: 22.02.2025)	20,000	-
Total of (a)	70,000	19,790
(b) Current Investments		
i) Current Maturities of Non-Current Investments		
10000 Secured NCD units of 7.85% IL&FS Ltd., 2022, face value of ₹ 10,000 each (Maturity: 30.12.2022)	-	10,000
Less: Provision for Diminution in value of investment	-	10,000
20000 Secured NCD units of 8.9% Tata Capital Financial Services Ltd, 2023, face value of ₹ 1,000 each (Maturity: 27.09.2023)	19,790	-
ii) Investments in NBFC FDRs		
5.25% HDFC Deposits, FDR -1 Year (Maturity: 30.12.2022)	-	10,000
5.75% HDFC Deposits, FDR -1 Year (Maturity: 19.07.2022)	-	15,000
6.3% HDFC Deposits FDR -1 Year (Maturity: 21.07.2023)	20,000	-
6.45% HDFC Deposits FDR -1 Year (Maturity: 16.09.2023)	10,000	-
7.8% HDFC Deposits FDR -1 Year (Maturity: 06.03.2024)	20,000	-
Total of (b)	69,790	25,000
Total of (a & b)	1,39,790	44,790

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

11. Other Non Current Assets (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with KPT for Electricity Connection	1,172	1,172
Premium Paid on 7.53% Assam SDL's	42	-
	1,214	1,172

12. Trade Receivables (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding for a period exceeding six months from due date of payment	-	-
Outstanding for a period upto six months from due date of payment	3,615	55,579
-Unsecured, Considered Good	-	-
	3,615	55,579

13. Cash and cash equivalents (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash & cash equivalents		
Balance with Scheduled Banks:		
- in IOB Current account, New Delhi (A/c No. 054302000002176)	2,366	2,891
- in HDFC Current account, Gandhidham (A/c No. 57500001010124)	1,883	-
- in IOB (ESCROW) account, Gandhidham (A/c No. 029802000002111)	11,216	24,437
- in SBI Current account, Kandla (A/c No. 39582855308)	101	101
Total of (a)	15,566	27,429
b) Other bank balances:		
Bank deposits with more than three months maturity from the date of acquisition:		
6% IndusInd Bank FDR -1 Year (Maturity:12.07.2022)	-	17,500
6% IndusInd Bank FDR -1 Year (Maturity:18.12.2022)	-	10,000
6% IndusInd Bank FDR -1 Year (Maturity:30.12.2022)	-	19,900
6.5% IndusInd Bank FDR -1 Year (Maturity:07.05.2022)	-	10,000
7.75% IndusInd Bank FDR -1 Year (Maturity: 11.01.2024)	50,000	-
Total of (b)	50,000	57,400
Total of (a & b)	65,566	84,829

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

14. Short Term Loans and Advances (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Loans and Advances (Unsecured, Considered Good)		
- Prepaid Expenses	23,622	20,401
- Input Tax Credit - GST	3,075	2,992
- TDS Receivable	7,970	10,511
- TCS Receivable	-	66
- Advance to Staff	-	1
	34,667	33,971

15. Other Current Assets (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on investments	3,272	3,559
	3,272	3,559

16. Revenue from Operations (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Revenue from Barge Jetty Operations		
a. Income From Handling Cargo at Barge Jetty	31,169	42,602
b. Income From Berth Hire	102	149
c. Income From Warehousing	27,009	52,354
d. Wharfage Reimbursement Income	40,050	24,977
Total of (A.)	98,330	1,20,082
B. Revenue from Sale of Anhydrous Ammonia	-	6,681
	98,330	1,26,763

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

17. Other Income (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision on Gratuity Written Back	-	27
Provision on Leave Encashment Written Back	-	48
Unclaimed Retention Money of earlier years Written Off	-	23
Interest on investments	9,887	7,375
Interest on Income Tax refund	361	87
Doubtful Interest Income Provision W/Back- IL&FS	325	-
Provision for Dimi. in Value of Inv. IL&FS W/Back	10,000	-
	20,573	7,560

18. Purchases of Stock-in-Trade (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Purchase of Anhydrous Ammonia	-	5,725
	-	5,725

19. Employee Benefits Expense (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries & Allowances	2,643	1,633
Medical Expenses	10	7
Contribution to Provident Fund & Other Funds	211	157
	2,864	1,797

20. Finance Cost (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Charges	50	34
	50	34

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

21. Other Expenses (₹ in '000s)

Particulars	As at March 31, 2023	As at March 31, 2022
Audit Fees [Refer Note (i) below]	90	75
Auditors Out of Pocket Expenses	6	-
Repair & Maintenance	2,040	292
Travelling Expenses	32	-
Share of Berth Hire Charges to DPA	26	37
License Fees & Waterfront charges	23,401	21,979
Custom Establishment Charges	-	2,849
Consent Renewal Fees	29	29
Courtesy Expenses	7	-
Demat Charges	14	14
Director's Sitting Fee	1,000	1,000
EDP Charges	28	30
Insurance	1,167	1,120
NSDL Annual Custody Charges	75	75
Office Expenses	1	-
Office Rent	105	105
Printing & Stationery Expenses	40	20
Professional Consultancy & Legal Fees	197	667
Professional Charges for Managerial Service	230	240
Power purchased	190	191
Wharfage on Shortfall Quantity	40,050	24,977
Security Expenses - Factory	1,408	1,338
Earlier Year TDS Receivable Written Off	-	30
Retention Money Claim of Earlier Years W/off	23	-
Vehicle Hire Charges	25	-
Premium Paid on 7.53% Assam SDL's Written Off	2	-
Bad Debts Due to Loss of Interest on IL&FS	325	-
Fixed Assets Written Off	1,214	-
Loss on Investment Written Off	10,000	-
	81,725	55,068

Notes: (i) (₹ in '000s)

Audit Fees includes:	As at March 31, 2023	As at March 31, 2022
Statutory Audit Fees	60	50
Tax Audit Fees	30	25

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, Saket, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

22. NOTES TO ACCOUNTS

IFFCO Kisan Logistics Limited ("the Company") was incorporated on February 26, 2004 under the Companies Act, 1956. The Company is wholly owned subsidiary of Indian Farmers Fertilizer Cooperative Limited (IFFCO). The Company entered into an agreement with Deendayal Port Authority (formerly Kandla Port Trust/ Deendayal Port Trust) on February 17, 2011 for construction and setting up of a Barge Jetty at Kandla Port (Build Operate Transfer Basis) for captive use of its promoter (IFFCO). The construction of Barge Jetty has been completed and commercial operation commenced w.e.f. 16th November, 2013.

22.1 Previous year's figures have been regrouped and rearranged wherever necessary, so as to make them comparable with those of the current year. As per the latest amendments to Schedule III of Companies Act, 2013 through MCA notification dated 24th March, 2021 effective from 01st April, 2021 related to mandatory rounding off, the **company has opted to round off the figures in the financials and notes to accounts to nearest thousands.**

22.2 The entire subscribed and paid-up capital of the company is held by Indian Farmers Fertilisers Cooperative Limited, the holding entity, and its nominees. The details of shareholding by the Promoters at the end of the year are as follows:

Shares held by promoters as on 31-03-2023				% of Change during the year
SI No	Promoter Name	No. of Shares	% of Total Shares	
1.	INDIAN FARMERS FERTILISER CO-OPERATIVE LTD. (Holding Enterprise)	7,01,47,805 equity shares of ₹ 10/- each	99.99 %	No change.
2.	SH. RAKESH KAPUR (Nominee Shareholder)	1 equity share of ₹ 10/- each	0.01 %	No change.
3.	SH. SRINIVASA RAO BOMMIDI (Nominee Shareholder)	1 equity share of ₹ 10/- each		1st acquisition of share. No further change during the year. Transfer of 1 equity share of ₹ 10/- from Sh. K.S Gowda to Sh. Srinivasa Rao Bommidi vide 83rd Board Meeting held on 14/10/2022.
4.	SH. YOGENDRA KUMAR (Nominee Shareholder)	1 equity share of ₹ 10/- each		No change.
5.	SH. BIRINDER SINGH (Nominee Shareholder)	1 equity share of ₹ 10/- each		No change.
6.	SH. MANISH GUPTA (Nominee Shareholder)	1 equity share of ₹ 10/- each		No change.
7.	SH. ANIL KUMAR GUPTA (Nominee Shareholder)	1 equity share of ₹ 10/- each		No change.
8.	SH. SANJAY KHANDELWAL (Nominee Shareholder)	1 equity share of ₹ 10/- each		No change.
	TOTAL SHARE(S)-	7,01,47,812 equity shares of ₹ 10/- each		100%

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, Saket, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

Please note :

In the above table, Percentage change has been computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

22.3 The estimated value of capital commitments (net of advances) to be executed on capital account and not provided for as on 31-03-2023 amounts to ₹ 921 thousands (Previous Year ₹ NIL).

22.4 Contingent liabilities at the year-end are ₹ NIL (Previous year ₹ NIL).

22.5 Call amount received during the year against shares issued by the company is ₹ NIL (Previous year ₹ NIL).

22.6 In the year 2022-23, IKLL has handled 4,13,161 MT (Previous Year: 6,32,937 MT) captive cargo at Barge Jetty @ ₹ 75.44 PMT (excluding taxes) (Previous year: ₹ 67.31 PMT average rate) as per agreement between IFFCO and IKLL. Accordingly, Service Charges amounting to ₹ 31,169 thousands (Previous year: ₹ 42,602 thousands) and Warehousing charges amounting to ₹ 27,009 thousands (Previous year: ₹ 52,354 thousands) has been recognized in the books of account. No third party cargo has been handled by IKLL. Further, Income from Berth Hire for FY 2022-23 of ₹ 102 thousands (Previous year: ₹ 149 thousands) has been recognized during the year.

22.7 Income tax on results for the financial year 2022-23 comprises of current tax and deferred tax. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and their carrying amounts in the Balance Sheet. The principal temporary difference arises from depreciation on fixed assets.

(a) No provision for current tax is made as such the Company is not liable to pay income tax as per the provisions of Income Tax Act, 1961 after setting-off of brought-forward business loss and unabsorbed depreciation. (Previous Year: ₹ 423 thousands)

(b) In accordance with the Accounting Standard (AS-22) issued by ICAI "Accounting for taxes on Income", the Company has recognized net Deferred Tax Liability for the year amounting to ₹ 2,821 thousands. (Previous Year: Net DTL ₹ 1,206 thousands) which has been charged in the Statement of Profit & Loss.

Deferred Tax (Statement of Profit & Loss):

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22
Deferred Tax	2,821	1,206

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Deferred Tax (Balance Sheet):

Particulars	(₹ in '000s)	
	FY 2022-23	FY 2021-22
Opening Balance	40,771	39,565
(Credit) / Charge for the Year	2,821	1,206
Closing Balance	43,592	40,771

Deferred Tax Liability of ₹ 236 thousands has been created in FY 2022-23 on account of Depreciation (Previous year ₹ 1187 thousand).

Deferred Tax Asset of ₹ 100 thousands has been created in FY 2022-23 on account of Provision for Gratuity and Leave Encashment on Actuarial basis (Previous year ₹ 19 thousands-DTA reversal).

Deferred Tax Asset of ₹ 2600 thousands created during the previous years for the Provision made for diminution in value of IL&FS NCDs of face value ₹ 10,000 thousands has been reversed in FY 2022-23. The DTA has been reversed after review as on 31-03-2023 based on Para 6 of AS-22 (Accounting for Taxes on Income) since it is no longer reasonably certain or virtually certain that sufficient future taxable income under the head 'Capital Gains' will be available against which deferred tax asset can be realised.

Deferred Tax Asset of ₹ 85 thousands created during the previous years for the Provision made for doubtful interest income (of ₹ 325 thousands) on IL&FS NCDs has been reversed in FY 2022-23 since the said amount of unrealized interest shall be allowed as tax deduction in current financial year.

22.8 Earnings per Share:

Earnings per share has been computed in accordance with Accounting Standard-20 "Earnings per Share" by dividing Net Profit/(Loss) after tax by the weighted average number of shares outstanding for the period, as under:

Particulars	(₹ in '000s)	
	2022-23	2021-22
Net Profit / (Loss) after tax (₹/000)	8,072	46,699
Weighted Number of Shares (Nos.)	7,01,47,812	7,01,47,812
Earning per Share (₹)	0.12	0.67

22.9 Lease:

As per Concession Agreement dated 17-02-2011 between the Company and Deendayal Port Authority (DPA), 36,000m² of Land has been leased by DPA on a consideration of license fee @ ₹ 30.07 per sq. meter per month till 19-01-2023 and @ ₹ 36.083 per sq. meter per month thereafter payable annually amounting to ₹ 13,431 thousands (Previous Year: ₹12,204 thousands).

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Further, land area of 2400 m² for Barge Jetty has been leased out by DPA on a consideration of ₹ 9,970 thousands per annum (Previous year: ₹9,775 thousands) as Water Front Charges, subject to yearly escalation as per land policy prevailing from time to time.

These payments have been shown in Note – 21 under “License Fees and Waterfront Charges”.

22.10 Foreign Currency Transactions:

The Company has received ₹ NIL foreign currency, (previous year ₹ NIL) during the year.

22.11 There are no Preliminary Expenses to be written off during the year and the balance outstanding in Preliminary Expenses (Asset) account as on 31.03.2023 is ₹ NIL (Previous year: ₹ NIL).

22.12 In accordance with Accounting Standard - 28 (AS-28) “Impairment of Assets”, company has assessed as on the Balance Sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that there is no potential loss. Accordingly, no impairment loss has been provided in the books of account.

22.13 **Trade Payables ageing schedule-** The following is the schedule for Trade payables due for payment:

(₹ in '000s)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,153 (85)	-	-	-	1,153 (85)
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	2,849	-	-	2,849
	(2,849)	-	-	-	(2,849)

Previous year figures have been shown in the brackets.

22.14 No provision for Custom establishment charges for the period from April 2022 to March 2023 has been made because no demand is received from Customs since IKLL has applied for exemption as per Circular No. 02/2021 dated 19-01-2021.

22.15 Transaction during the year with Micro, Small & Medium Enterprises under the Micro, Small and Medium Enterprises Development Act 2006 are as under:

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(₹ in '000s)

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
a)	Principal Amount due and remaining unpaid to any Supplier as at the end of the accounting year.	Nil	Nil
b)	Interest due on Principal amount remaining unpaid as at the end of accounting year.	Nil	Nil
c)	Amount of interest along with principal amount paid to supplier beyond due date of payment.	Nil	791
d)	Amount of interest accrued / due and remaining unpaid at the end of accounting year.	Nil	Nil

The given information has been determined to the extent such parties have been identified on the basis of information available with the Company.

22.16 Segment reporting as per Accounting Standard (AS-17) is as under:

a) Primary Segment:

The accounting policies adopted for segment reporting are in line with those of the Company with the following additional policies for segment reporting:

- i. Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- ii. Revenues, interest, income tax and other expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Corporate Incomes" & "Unallocated Corporate Expenses" respectively.
- iii. Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are shown as "Unallocated Corporate Assets" & "Unallocated Corporate Liabilities" respectively.

(₹ in '000s)

Particulars	Anhydrous Ammonia Trading		Barge Jetty Operations		Total	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Revenue						
Sales/Gross Receipts	-	6,681	98,330	1,20,082	98,330	1,26,763
Other Revenue	-	-	-	98	-	98
Total Revenue (A)	-	6,681	98,330	1,20,180	98,330	1,26,861
Operating Expenses						
Purchases/Expenses	-	5,725	97,633	80,236	97,633	85,961
Total Operating Expenses (B)	-	5,725	97,633	80,236	97,633	85,961

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Segment Operating Income (A-B)	-	956	697	39,944	697	40,900
Add: Unallocated Income					20,573	7,462
Less: Unallocated Expenses					10,327	-
Less: Finance Cost					50	34
Net Profit before Tax					10,893	48,328
Income/Deferred Tax (Net)					2,821	1,629
Profit after Tax					8,072	46,699

(₹ in '000s)

Particulars	Anhydrous Ammonia Trading		Barge Jetty Operations		Total	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Assets						
Segment Assets	101	101	4,22,805	5,08,080	4,22,906	5,08,181
Unallocated Assets					1,89,790	1,02,190
Total Assets (A)	101	101	4,22,805	5,08,080	6,12,696	6,10,371
Liabilities						
Segment Liabilities	-	-	6,541	14,784	6,541	14,785
Unallocated Liabilities					43,592	41,096
Total Liabilities (B)	-	-	6,541	14,784	50,133	55,881
Depreciation/amortisation			23,371	23,371	23,371	23,371

b) Geographical Segment:

The Company is operating only at one location in India. Hence, geographical segment disclosure is not considered necessary.

22.17 Related party disclosure as per Accounting Standard (AS-18) "Related Party Disclosures", is as under:

a) Name of the party: Indian Farmers Fertiliser Cooperative Ltd.

Relationship: Holding Enterprise.

(₹ in '000s)

		As at 31.03.2023	As at 31.03.2022
Transactions during the year:			
(i)	Income from Barge Jetty (Handling & Storage charges)	58,178	94,956
(ii)	Purchase of Anhydrous Ammonia	0	5,725
(iii)	Wharfage Reimbursement Income	40,050	24,977
(iv)	Professional Charges for Managerial Service expense	230	240
(v)	Office Rent expense	105	105

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Balance as at close of the year:			
(i)	Amount Receivable (Handling & Storage Charges)	3,604	55,537
(ii)	Amount Payable	0	85
(iii)	Amount Paid as Advance (Purchase of Anhydrous Ammonia)	0	0

- b) Name of Party: IFFCO Tokio General Insurance Company Limited
Relationship: Fellow Subsidiary.

(₹ in '000s)

		As at 31.03.2023	As at 31.03.2022
Transactions during the year:			
(i)	Insurance Premium	1,167	1,120
Balance as at close of the year:		Nil	Nil

- c) **The directors of the Company are:**

- 1) Dr. Udai Shanker Awasthi, Chairman and Nominee Director
- 2) Mr. Rakesh Kapur, Nominee Director
- 3) Mr. Rajendra Prasad Singh, Managing Director and Nominee Director
- 4) Mr. Kanhaiya Lal Singh, Nominee Director
- 5) Mr. Yogendra Kumar, Nominee Director
- 6) Mr. Sunil Khatri, Nominee Director
- 7) Mr. Ashwini Mehra, Independent Director
- 8) Mrs. Reena Kaishing, Independent Director
- 9) Mr. Arun Kumar Sharma, Nominee Director & CEO

During the period no payment has been made to them as salary / allowance except sitting fees of ₹ 1000 thousands (Previous year: ₹1000 thousands) paid to Mrs. Reena Kaishing, Mr. Sunil Khatri and Mr. Ashwini Mehra.

22.18 Auditors' Remuneration (excluding applicable taxes).

(₹ in '000s)

Particulars	2022-23	2021-22
Audit Fee (Statutory & Tax Audit)	90	75
Auditors Out of Pocket Expenses	6	0

22.19 Employee Benefits:

- a) **Gratuity:** Provision for Gratuity has been made in the books on the basis of actuarial valuation on projected unit credit method at the end of financial year.
- b) **Leave:** Long term compensated absences are provided for based on actuarial valuation at the end of financial year. The actuarial valuation done is as per projected unit credit method.

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22.20 Investments in Bonds / Debentures- During FY 2022-23, investments of ₹ 10,000 thousands in IL&FS NCDs have been written off. Provision for the said amounts was made ₹ 5,000 thousands in F.Y 2018-2019 & balance ₹ 5,000 thousands in F.Y 2019-2020 due to repeated default in annual Interest payments by IL & FS, hence there is no impact of the said write offs in current year Profit and Loss Account.

22.21 Interest on Investments in Bonds / Debentures- During FY 2022-23, interest income on IL&FS NCDs has not been recognized in books of accounts. The provision made for doubtful interest income of ₹ 325 thousands on IL&FS NCDs made in FY 2018-19 has been reversed in FY 2022-23 and the said amount of unrealized interest shall be allowed as tax deduction in current financial year.

22.22 Assets held for Disposal- A Mettler make weighing equipment (Weighbridge) had been discarded as scrap on 13-03-2023 having Gross Value as mentioned in Schedule-8 of Rs. 3885 thousands and the accumulated depreciation on the same amounted to Rs. 2287 thousands. The net book value as on 31-03-2023 was Rs. 1597 thousands and the NRV of the same was Rs. 384 thousands (Amount realised in advance on 07-04-2023 and sales booked on 12-04-2023). As per AS-10 "Property, Plant and Equipment" which states that "Items of property, plant and equipment retired from active use and held for disposal should be stated at the lower of their carrying amount and net realisable value. Any write-down in this regard should be recognised immediately in the statement of profit and loss." Hence, we have stated the weighing equipment held for disposal at its NRV being lower than carrying value as on 31-03-2023 i.e. Rs.384 thousands and the loss of Rs. 1214 thousands has been considered in P&L account Schedule-21 in FY 2022-23. (Rs. 1598 thousands Less: Rs. 384 thousands).

22.23 Trade Receivables ageing schedule- The following is the schedule for Trade receivables outstanding:

(₹ in '000s)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,615 (55,579)	-	-	-	-	3,615 (55,579)
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

Previous year figures have been shown in the brackets.

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22.24 Capital work-in-progress (CWIP) ageing schedule / completion schedule- The following is the schedule for CWIP:

(₹ in '000s)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2,688	-	-	-	2,688
Projects temporarily suspended	-	-	-	-	-

CWIP in previous year was Nil.

22.25 Accounting Ratios- The following are the key ratios:

1. Current Ratio:

The current ratio indicates a company's overall liquidity position.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22	% Variance
Current Assets	1,76,910	2,02,938	
Current Liabilities	5,006	13,940	
Current Ratio	35.34	14.56	142.72%
Reason for variance: Substantial increase in current investments as on 31.03.2023 as compared to 31.03.2022.			

2. Debt-Equity Ratio:

Debt-to-equity ratio compares a Company's total debt to shareholders equity. Both of these numbers can be found in a Company's balance sheet.

$$\text{Debt-Equity Ratio} = \frac{\text{Total Debt}}{\text{Shareholder's Equity}}$$

Since IKLL does not have any debt, the above ratio cannot be calculated.

3. Debt Service Coverage Ratio:

Debt Service coverage ratio is used to analyze the firm's ability to pay-off current interest and instalments.

$$\text{Debt Service Coverage Ratio} = \frac{\text{Earnings available for debt service}}{\text{Debt Service}}$$

Since IKLL does not have any debt, the above ratio cannot be calculated.

4. Return on Equity Ratio (%):

It measures the profitability of equity funds invested in the Company. The ratio reveals how profitability of the equity-holders' funds have been utilized by the Company. It also measures the percentage return generated to equity-holders. The ratio is computed as:

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Return on Equity (ROE) = $\frac{\text{Net Profits after taxes} - \text{Preference dividend (if any)}}{\text{Average Shareholder's Equity}} \times 100$

Particulars	FY 2022-23	FY 2021-22	% Variance
Net Profit after tax	8,072	46,699	
Opening Shareholder's equity	5,54,491	5,07,792	
Closing Shareholder's equity	5,62,563	5,54,491	
Average Shareholder's Equity	5,58,527	5,31,142	
ROE Ratio	1.00%	9.00%	-88.89%
Reason for variance: Decrease in warehousing income during the financial year 2022-23 as compared to previous financial year.			

5. Inventory turnover Ratio:

This ratio also known as stock turnover ratio and it establishes the relationship between the cost of goods sold during the period or sales during the period and average inventory held during the period. It measures the efficiency with which a Company utilizes or manages its inventory.

Inventory turnover ratio = $\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$

Average inventory is $(\text{Opening} + \text{Closing balance} / 2)$

Since IKLL does not have any opening and closing balances of inventory, the above ratio cannot be calculated.

6. Trade receivables turnover Ratio (times):

It measures the efficiency at which the firm is managing the receivables.

Trade receivables turnover ratio = $\frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$

Net credit sales consist of revenue from operations only from barge jetty, since there was no credit period allowed towards ammonia sales and amount was received in advance for the same.

Average trade debtors = $(\text{Opening} + \text{Closing balance} / 2)$

Particulars	FY 2022-23	FY 2021-22	% Variance
Net Credit Sales (other than ammonia)	98,330	1,20,082	
Opening trade receivables	55,579	0	
Closing trade receivables	3,615	55,579	
Average Accounts Receivable	29,597	27,790	
Trade receivables turnover Ratio	3.32	4.32	-23.15%
Reason for variance: Opening debtors have been realized and the sales and closing debtors have been reduced as compared to previous financial year.			

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7. Trade payables turnover Ratio (times):

It indicates the number of times sundry creditors have been paid during a period. It is calculated to judge the requirements of cash for paying sundry creditors. It is calculated by dividing the net credit purchases by average creditors.

$$\text{Trade payables turnover ratio} = \frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$$

Net credit purchases consist of all expenses directly related to the barge jetty business during the year such as berth hire, insurance, power, license fee & waterfront charges, security, repairs, custom establishment charges & consent renewal fees.

$$\text{Average trade creditors} = (\text{Opening} + \text{Closing balance} / 2)$$

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22	% Variance
Net Credit Purchases	28,261	27,835	
Opening trade payables	2,934	1,309	
Closing trade payables	4,002	2,934	
Average Trade Payables	3,468	2,122	
Trade payables turnover Ratio	8.15	13.12	-37.88%
Reason for variance: The Creditors as on 31.03.2022 of ₹ 2,849 thousands are disputed and have not been paid due to pendency of application for waiver of payment of Custom Establishment charges with Customs department.			

8. Net capital turnover Ratio (times):

It indicates a company's effectiveness in using its working capital. The working capital turnover ratio is calculated as follows: Net Sales divided by the average amount of working capital during the same period.

$$\text{Net capital turnover ratio} = \frac{\text{Net Sales}}{\text{Average Working Capital}}$$

Net Sales shall be calculated as total sales minus sales returns.

Working capital shall be calculated as current assets minus current liabilities.

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22	% Variance
Net Sales	98,330	1,26,763	
Opening working capital	1,88,998	1,07,599	
Closing working capital	1,71,904	1,88,998	
Average Working Capital	1,80,451	1,48,299	
Net capital turnover Ratio	0.54	0.85	-36.47%
Reason for variance: Opening debtors have been realised and amount has been invested. The Creditors as on 31.03.2022 of ₹ 2,849 thousands are disputed and have not been paid due to pendency of application for waiver of payment of Custom Establishment charges with Customs department.			

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9. Net profit Ratio:

It measures the relationship between net profit and sales of the business.

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}}$$

Net profit shall be after tax.

Net sales shall be calculated as total sales minus sales returns.

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22	% Variance
Net Profit	8,072	46,699	
Net Sales	98,330	1,26,763	
Net Profit Ratio	0.08	0.37	-78.38%
Reason for variance: The decrease in Net profit ratio is due to decrease in warehousing income during the financial year 2022-23 as compared to previous financial year.			

10. Return on Capital Employed (ROCE):

Return on capital employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders. Higher the ratio, more efficiently is the capital being employed by the company to generate returns.

$$\text{ROCE} = \frac{\text{Earnings before interest and taxes}}{\text{Capital Employed}}$$

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22	% Variance
Earnings before interest and taxes	10,893	48,328	
Tangible Net Worth	5,62,563	5,54,491	
Deferred Tax Liability	43,592	40,771	
Capital Employed	6,06,155	5,95,262	
Return on capital employed	0.02	0.08	-75%
Reason for variance: Decrease in EBIT due to reduction in warehousing income during the financial year 2022-23 as compared to previous financial year.			

11. Return on Investment (ROI):

Return on investment (ROI) is a financial ratio used to calculate the benefit an investor will receive in relation to their investment cost. The higher the ratio, the greater the benefit earned. This ratio gives a basic estimate of the return earned by an investor in a particular asset class in which investment is made.

$$\text{ROI} = \frac{\text{Interest Income}}{\text{Average Investments}}$$

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Average Investments = (Opening + Closing value / 2)

(₹ in '000s)

Particulars	FY 2022-23	FY 2021-22	% Variance
Interest Income	9,887	7,375	
Opening Investments	1,02,190	99,790	
Closing Investments	1,89,790	1,02,190	
Average Investments	1,45,990	1,00,990	
Return on Investment	0.07	0.07	0%
Reason for variance: As investments made by IKLL are in NCDs/Fixed Deposits, which are fixed income securities, the return earned is consistent in both the years under comparison.			

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SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation

The Financial Statements are prepared under the historical cost convention concept on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India and provisions of the Companies Act, 2013 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(ii) Use of Estimates

The preparation of financial statements, in conformity with the Indian generally accepted accounting principles, requires management to make estimates and assumptions wherever necessary that affect the reported amount of assets, liabilities and contingent liabilities as on the date of the financial statements and the reported amount of revenue and expenses during the period. Difference between the actual results and estimates are recognized in the period, in which the results materialize.

(iii) Revenue Recognition

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

(a) Income from Barge Jetty is recognized on accrual basis.

(b) Sales are recognized when all significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with the ownership.

(c) Interest income is recognized on a time proportion basis except for impaired investments, which is recognized on realization basis.

(c) Interest on delayed payments from customers, insurance claims and claims from suppliers are recognized when reasonable certainty exists with regard to the amount to be realized and ultimate collection thereof.

(iv) Property, Plant and Equipment and Intangible assets

(a) Property, plant and equipment are stated at acquisition cost less accumulated depreciation / amortisation. Cost comprises of the purchase price and other attributable expenses including the cost of borrowings till the date of capitalization in case of assets involving material investment and substantial lead time.

(b) Assets retired from active use and held for disposal are shown separately under Property, Plant and Equipment at lower of net book value and net realizable value.

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(v) Impairment of Assets

At each Balance Sheet date an assessment within the meaning of AS-28 is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount, by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

(vi) Investments

Investments that are readily realizable and are intended to be held for not more than one year at the point of acquisition are classified as "Current Investments". All other investments are classified as "Non-Current Investments".

Current Investments are stated at the lower of cost and fair value determined on an individual investment basis.

Long term Investments (Non-Current) are stated at cost in accordance with Para 17 of AS-13. Provision for diminution in the value of such investments is made to recognize a decline, other than temporary.

(a) Discount earned on acquisition of long term investments:

Discount earned (on face value) on acquisition of long term investments is not recognized and the investment is stated at the cost of acquisition over the life of investment.

(b) Premium paid on acquisition of long term investments:

Premium paid (on face value) on acquisition of long term investments is reduced from the cost of investment and amortized over the life of the investment due to the certainty of non-recovery of premium amount at the time of maturity of the said investments.

(vii) Inventories

Not applicable as there were no inventory at the closing of financial year.

(viii) Depreciation

- Depreciation on Property, Plant and Equipment is provided on Straight Line Method based on useful life and in the manner prescribed by Schedule II to the Companies Act, 2013, except Building (other than Factory) & Factory Building, which is depreciated based on the remaining period of the lease.
- Assets (except Roads, Culverts and Drains) are depreciated to the extent of 95% of the original cost except items individually costing up to ₹ 5 thousands which are fully depreciated in the year of purchase / acquisition / addition. Pro-rata depreciation is provided in respect of assets added / disposed / discarded / sold during the year.

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- In case of capitalization of project, depreciation is provided on pro-rata basis from the date of commencement of commercial operation.
- In case of Assets retired from active use and held for disposal, depreciation is considered till the date the asset was in use.

(ix) Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are normally recorded at exchange rate prevailing at the time of transaction. Foreign Currency liabilities and assets at the close of the year are stated at Exchange Rate prevailing on the date of the Balance Sheet.
- b) Foreign currency loans taken for capital expenditure are translated at the exchange rates prevailing on the Balance Sheet date and consequent adjustments are made in the fixed asset accounts.
- c) Exchange rate differences arising on foreign currency transactions other than transactions as per Para (b) above are recognized as income or expense in the period in which they arise.

(x) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets.

A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

(xi) Income Tax

Income-tax expense comprises current tax (Amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) determined in accordance with Accounting Standard 22 of the Institute of Chartered Accountants of India. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted as on the Balance Sheet date.

Deferred Tax Assets are reviewed at the end of each year and are carried forward to the extent it is reasonably / virtually certain that future taxable profit will be available, against which such Deferred Tax Assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is considered as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company

IFFCO KISAN LOGISTICS LIMITED

IFFCO Sadan, C - 1, District Centre, Saket Place, Saket, New Delhi - 110 017
(CIN: U74999DL2004PLC124867)

recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit

to the statement of profit and loss and shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(xii) Employee Benefits

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

(b) Provision for Gratuity is made on the basis of actuarial valuation on projected unit credit method at the end of financial year.

(c) Contribution to Provident Fund is recognized as expense and is charged to the Statement of Profit and Loss.

(d) Long term Employee benefits - The liability for Leave Encashment / Compensated absences is recognized on the basis of actuarial valuation made at the year end.

(e) Gains and Losses arising out of actuarial valuation are recognized in the Statement of Profit and Loss.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

(a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:

(i) The organization has a present obligation as a result of a past event;

(ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and

(iii) The amount of the obligation can be reliably estimated.

(b) Contingent liability is disclosed in case of:

(i) A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(ii) A possible obligation, unless the probability of outflow in settlement is remote.

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(c) Contingent Assets are neither recognized nor disclosed in the financial statements.

(xiv) Prior Period Income/ Expenditure

Income/Expenditure items relating to prior period(s) which do not exceed Rupees one lakh in each case is treated as Income / Expenditure for the current year.

(xv) Pre-paid Expenses

Expenditure upto ₹ 25 thousands in each case except Insurance Premium is accounted for in the year in which the same is incurred.

As per our report of even date

For & on behalf of Board of Directors

**For S. Tekriwal & Associates
Chartered Accountants
FRN-009612N**

**-sd-
(R. P. Singh)
Managing Director**

**-sd-
(Yogendra Kumar)
Director**

**-sd-
(A.K. Sharma)
Director & CEO**

**-sd-
(Shishir Tekriwal)
Partner, M. No. 088262**

**-sd-
(S.R. Bommidi)
CFO**

**-sd-
(Achala Bhatt)
CS**

Date: 20/06/2023
Place: New Delhi

Independent Auditor's Report

To the Members of IFFCO Kisan Logistics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **IFFCO Kisan Logistics Limited** (formerly known as **IFFCO KISAN BAZAR & LOGISTICS LIMITED**) ("the company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and 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 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2023, its Profit 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 Companies Act, 2013. Our responsibilities under those Standards 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 Companies Act, 2013 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.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's 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 during the course of our audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 system 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India 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. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, 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 as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" wherein we have expressed an unmodified opinion; and
 - g) With respect to 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 does not have any pending litigations which would impact its financial position as at 31 March 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **S. Tekriwal & Associates**
Chartered Accountants
FRN: 009612N

-sd-
Shishir Tekriwal
Partner, M. No. 088262
UDIN: 23088262B GUVFN4214

Place: New Delhi
Date: 20/06/2023.

Annexure A” referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment's.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company

(b) All fixed assets are physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not provided loans or guarantees to others. Accordingly, reporting under clause 3(iii)(a),(b),(c),(d),(e)&(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(viii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 statutory dues referred to in sub clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not taken loan from any bank or financial institution or other lender. Accordingly, reporting under clause 3(ix)(a),(b),(c),(d),(e)&(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance

with section 177 and section 188 of the Act and the details have been disclosed in the notes to the financial statements as required by the applicable Standards.

(xiv)(a) According to the information and explanations given to us, The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash loss during the current year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **S. Tekriwal & Associates**

Chartered Accountants

FRN: 009612N

-sd-

Shishir Tekriwal

Partner, M. No. 088262

UDIN: 23088262BQUU FN 4214

Place: New Delhi

Date: 20/06/2023

Annexure "B" to the Independent Auditor's Report of even date on the Standalone financial statements of IFFCO Kisan Logistics Limited

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **IFFCO KISAN LOGISTICS LIMITED** ("the company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on

the assessed risk. The procedures selected depend on the auditor's 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 controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note

on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

For S. Tekriwal & Associates
Chartered Accountants
FRN: 009612N

-sd-

Shishir Tekriwal
Partner, M. No. 088262
UDIN: 230 88262B GUU FN 4214

Place: New Delhi

Date: 20/06/2023

(Annexure - "A")

To,
The Members
IFFCO Kisan Logistics Limited
IFFCO Sadan, C-1, District Centre,
Saket Place, New Delhi-110017

Sir/Madam

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

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

Signature:

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

Date: 22.05.2023

Place: Delhi



AMIT AGRAWAL & ASSOCIATES
(Company Secretaries)

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-43019279
E-mailed.: amitagcs@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
IFFCO Kisan Logistics Limited
IFFCO Sadan, C-1, Distt. Centre, Saket Place
New Delhi-110017, India

We have conducted the Secretarial Audit of the Compliance of applicable Statutory provisions and the adherence to good corporate practices by **IFFCO Kisan Logistics Limited** (hereinafter called the Company) having its Registered office at IFFCO Sadan, C-1, Distt. Centre, Saket Place, New Delhi-110017, India. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing my opinion thereon.

Based on our verification of **IFFCO Kisan Logistics Limited** Books, Papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit period covering the financial year ended on **31st March, 2023** complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute books, forms and returns filed and other records maintained by **IFFCO Kisan Logistics Limited** for the financial year ended on **31st March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Secretarial Standards issued by The Institute of Company Secretaries of India.



(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) Other laws applicable specifically to the Company namely:

- a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- b) Payment of Gratuity Act, 1972
- c) Payment of Wages Act, 1936
- d) Payment of Minimum Wages Act, 1948
- e) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013
- f) Payment of Bonus Act, 1965
- g) Environment (Protection) Act, 1986

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

However, during the period under review, provisions of the following regulations were not applicable to the Company because of for clause (I) no FDI and ECB has been taken by the Company since incorporation and for (II) to (III) clauses below the Company is unlisted Company, Hence, comments are not required to be made in respect of these clauses:

- I. Foreign Exchange Management Act, 1999 and rules and regulation made there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- II. The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- III. The Listing Agreement with any Stock Exchange.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Director.

The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



AMIT AGRAWAL & ASSOCIATES
(Company Secretaries)

H-63, Vijay Chowk,
Laxmi Nagar, Delhi-110092
Phone No. 011-43019279
E-mailed.: amitagcs@gmail.com

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period the company has provided details of specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place :New Delhi
Date : 22.05.2023

For Amit Agrawal & Associates
(Company Secretaries)

-sd-
CS Amit Agrawal

(Proprietor)
M. No. F5311, C.P. No. : 3647
UDIN: F005311E000348711
Peer Review No.: 853/2020

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on

31st March 2023

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i.)CIN:- U74999DL2004PLC124867
ii)Registration Date: 26.02.2004
iii)Name of the Company: IFFCO Kisan Logistics Limited
iv)Category of the company: Public company limited by shares
Sub-Category of the Company: Indian non-government company
v)Address of the Registered office : IFFCO Sadan , C-1 ,District Centre,
Saket, New Delhi-17 .
contact details: 011-42592626 ,email:faxho@iffco.in
vi) Whether listed company: No
vii)Name, Address and Contact details of Registrar and Transfer Agent, if any:
Bigshare Services P. Ltd.
302,Kushal Bazar,32-33,Nehru Place, New Delhi-110019 .
Phone:011-42425004/47565852.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code -2008 of the Product/ service	% to total turnover of the company
1	Water Transportation-Section-H	Division-50	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-*

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section

*Indian Farmers Fertiliser Cooperative Limited (IFFCO) is the Holding Enterprise (Multistate Cooperative Society) holding 100% shareholding along with its Nominees.

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning Of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/HUF	7	Nil	7	0.01%	7	Nil	7	0.01%	
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any	70147805	Nil	70147805	99.99%	70147805	Nil	70147805	99.99%	
Other(IFFCO-Holding Enterprise)	70147812	Nil	70147812	100%	70147812	Nil	70147812	100%	Nil
Sub- Total (A) (1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(2) Foreign									
a) NRIs - Individuals									
b) Other Individuals									
c) Bodies Corporate									
d) Banks/ FI									
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-Total (A) (2):-									
Total Shareholding of Promoter (A) = (A) (1) + (A)(2)	70147812	Nil	70147812	100%	70147812	Nil	70147812	100%	

B. Public Shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B) (1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non- Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-Total (B) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1) +(B) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	70147812	Nil	70147812	100%	70147812	Nil	70147812	100%	Nil

(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	
1	IFFCO (Holding Enterprise)	70147805	99.99%	Nil	70147805	99.99%	Nil	Nil
2	Sh. Rakesh Kapur	1		Nil	1		Nil	Nil
3	Sh. Yogendra Kumar	1	0.01	Nil	1	0.01	Nil	Nil
4.	Sh. Manish Gupta	1		Nil	1		Nil	Nil
5.	Sh. Birinder Singh	1		Nil	1		Nil	Nil
6.	Sh. A.K.Gupta	1		Nil	1		Nil	Nil
7.	Sh. S. R.Bommidi (Transfer of one equity share of Rs. 10/- from Sh. K.S.Gowda to Sh. S.R.Bommidi vide 83 rd Board Meeting held on 14/10/2022)	1		Nil	1		Nil	Nil
8.	Sh.Sanjay Khandelwal	1		Nil	1		Nil	Nil
	Total	70147812	100%	Nil	70147812	100%	Nil	Nil

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

Sl. No.		Shareholding -at the beginning of Yr.			Cumulative -Shareholding during the Yr.		
		No. of shares	Amount in Rs.	% of total shares of the Co.	No. of shares	Amount in Rs.	% of total shares of the company
	At the beginning of the year	7,01,47,812	70,14,78,120	100%	7,01,47,812	70,14,78,120	100%
	Date wise Increase / Decrease in Promoters Share holding during the year	Transfer of One equity share of Rs. 10/- from Sh.K.S.Gowda to Sh.S.R. Bommidi vide 83 rd Board Meeting held on 14/10/2022	NA		No Change	NA	
	At the End of year-31st March 2023.	7,01,47,812	70,14,78,120	100%	7,01,47,812	70,14,78,120	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the yr.	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors/Key Managerial Personnel :as on 31st March 2023:

Sl. No.		Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% shares of the Co.	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	<u>At the beginning of the year- Directors /KMP shareholding</u>	TOTAL=3	0.01%	TOTAL =3	0.01%
	1.Sh. Rakesh Kapur(Nominee Director)	1		1	
	2.Sh.Yogendra Kumar(Nominee Director)	1		1	
	3.)Sh.S.R.Bommidi (CFO)	1		1	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Transfer of one equity share of Rs. 10/- from Sh.K.S.Gowda to Sh.S.R. Bommidi vide 83 rd Board Meeting held on 14/10/2022		Transfer of one equity share of Rs. 10/- from Sh.K.S.Gowda to Sh.S.R. Bommidi vide 83 rd Board Meeting held on 14/10/2022	
	<u>At the End of the year(2022-2023)</u>	TOTAL=3	0.01%	TOTAL=3	0.01%
	1.)Sh. Rakesh Kapur (Nominee Director)	1		1	

2)Sh.Yogendra Kumar(Nominee Director)	1		1	
3.) Sh.S.R.Bommidi (CFO)	1		1	

V. INDEBTEDNESS:

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	MD / WTD/ Manager		
		1.) <u>Sh.R.P.Singh (M.D.)</u>	2) <u>Rest of Directors</u>	Total Amount (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act	N.A.	N.A	N.A

B.. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
3. Independent Directors • Fee for attending Board / Audit meetings • Commission • Others, please specify		<u>Sh. Ashwini Mehra</u> Rs.4,00,000	<u>Mrs. Reena Kaishing</u> Rs.4,00,000	
		Nil	Nil	
		Nil	Nil	
	Total (1)	Rs. 4,00,000	Rs. 4,00,000	Rs. 8,00,000
4. Other Non-Executive Directors • Fee for attending Board Meetings • Commission • Others, please specify		<u>Sh. Sunil Khatri</u> Rs.2,00,000		
		Nil Nil		
	Total (2)	Rs.2,00,000		Rs.2,00,000
	Total Managerial Remuneration			Rs.10,00,000
	Overall Ceiling as per the Act	Rs. 1 Lac per Meeting		

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961	Nil	Rs. 15,55,981	Nil	15,55,981
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil
5.	Others, please Specify (For rendering Professional Services)	Sh.O.P.Dayama- Rs. 1,00,000 & Sh. A.K.Sharma- Rs. 10,000	Nil	Sh.S.R.Bommidi Rs.1,20,000	2,30,000
	Total	1,10,000	15,55,981	1,20,000	17,85,981

NOTE: Sh. O.P.Dayama ceased as CEO on 31/01/2023 due to Superannuation and Sh. A.K.Sharma was appointed as CEO w.e.f.24/03/2023.

VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Co. Act 2013.	Brief Description	Details of Penalty / Punishment/ Compounding	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<u>C.OTHER OFFICERS IN DEFAULT:</u>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



IFFCO KISAN LOGISTICS LIMITED

Regt: Office: 'IFFCO Sadan', C-1 Distt. Centre, Saket, New Delhi-110 017.
(Tel:011-42592653; e mail: feedback.ikll@iffco.in, Website:www.iklltd.co)
[CIN: U74999DL2004PLC124867]

NOTICE OF THE 19TH ANNUAL GENERAL MEETING

TO THE MEMBERS

NOTICE is hereby given that the **19th Annual General Meeting** of Members of **IFFCO Kisan Logistics Limited** will be held at its Registered Office at 'IFFCO Sadan', C-1, District Centre, Saket, New Delhi-110017 **on June 20, 2023(Tuesday) at 12.30 PM** at Shorter Notice u/s 101 (1) of the Companies Act, 2013 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March, 31st 2023 together with the Auditors' Report thereon and the Report of the Board of Directors to the Members.
2. (a) To appoint Director in place of Dr. U.S.Awasthi (DIN:00026019) who retires by rotation and is eligible for reappointment.

(b) Sh.K.L.Singh (DIN:01562210) retires by rotation and the vacancy of the retiring Director is not to be filled in at present.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following as Special Resolution:

REAPPOINTMENT OF SH. R.P.SINGH (DIN:03016827) AS MANAGING DIRECTOR-IKLL U/S 196 OF THE COMPANIES ACT, 2013:

"RESOLVED THAT consent be and is hereby granted by the Members for reappointment of Sh. R.P.Singh (DIN: 03016827) as Managing Director-IKLL for a period of Two Years w.e.f. July 1, 2023 to June 30, 2025 pursuant to section(s)196,197 & other applicable provisions read with Schedule V of the Companies Act, 2013 & Article 92 of Articles of Association of the

Company.

RESOLVED FURTHER THAT Sh.R.P.Singh(DIN : 03016827)shall not be paid any remuneration for holding the office of Managing Director of the company.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all such acts,deeds and things as may be necessary for the purpose of giving effect to above resolutions.”

4. To consider and if thought fit, to pass with or without modification, the following as Ordinary Resolution-

RELATED PARTY TRANSACTION U/S 188 OF THE COMPANIES ACT, 2013: PROPOSAL FOR SALE/ PURCHASE OF PHOSPHORIC ACID FROM IFFCO KANDLA/ PARADEEP UNITS BY IKLL:

“**RESOLVED THAT** the proposal to buy Phosphoric Acid by IKLL from IFFCO Kandla / Paradeep Units @1.12 times the CFR India price of Fertiliser Grade Phosphoric Acid per MT P₂O₅ as applicable as per publications on the date of sale on Ex-Works, Kandla basis plus GST, subject to its availability, being a Related Party Transaction u/s 188 of the Companies Act 2013, entered in the Ordinary course of business and at Arm's Length Transaction, be and is hereby approved.

RESOLVED FURTHER that the proposal to sell Phosphoric Acid by IKLL to retail buyers @1.17 times the CFR India price of Fertilizer Grade Phosphoric Acid per MT P₂O₅ as applicable as per publications on the date of sale on Ex-Works Kandla basis plus GST, subject to its availability be and is hereby approved.

RESOLVED FURTHER that the proposal for sale of 1426.904 MT of Phosphoric Acid from Kandla Unit to M/s Krishana Phoschem Ltd. & M/s Madhya Bharat Agro Products Ltd, both are situated in Madhya Pradesh



@1.17 times the CFR India price of Phosphoric Acid (in per MT P₂O₅) as may be applicable for April 2023 as per publication plus GST, on Ex-Works Kandla basis ratified on ex- post facto basis.

RESOLVED FURTHER that the proposal of continuation of Phosphoric Acid sales to retail buyers on provisional price basis in case the finalisation of Phosphoric Acid price is pending in any quarter and settlement to be done later through Debit Note/Credit Note, for payment within a week of price finalisation, be and is hereby approved.

RESOLVED FURTHER that the Managing Director be and is hereby authorised to take further necessary action in this matter.”

By order of the Board
For IFFCO Kisan Logistics Limited

Registered Office:
IFFCO Sadan, C-1,
Distt: Centre, Saket,
New Delhi- 110017
Dt: 20/06/2023

-sd -
(Chairman)
DIN:00026019

NOTES:

1. A Member, entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. Notice of AGM alongwith Annual Report 2022-23 and Annexures are being sent thru electronic mode and physical copies wherever possible.
3. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Meeting is annexed hereto.

4. Members are informed that as per Notification of Ministry of Corporate Affairs (MCA) New Delhi dt: 10th September, 2018 all equity shares of IFFCO Kisan Logistics Limited had been dematerialised in accordance with the provisions of The Depositories Act, 1996 & regulations made thereunder. The Registrar and Transfer Agent is Bigshare Services Private Limited having Registered office at 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019.

Explanatory Statement u/s 102 (1) of the Companies Act, 2013:

ITEM NO.3:

The tenure of Sh. R.P. Singh (DIN: 03016827) as Managing Director- IKLL is expiring on June 30, 2023. As per Letter from IFFCO (Holding Enterprise) Dt: June 2, 2023 and vide 14th Nomination & Remuneration Committee Meeting recommendation, his reappointment as Managing Director for a period of Two Years w.e.f. July 1, 2023 to June 30, 2025 is proposed as Special Resolution subject to Shareholders approval at the 19th Annual General Meeting as per the terms set out in the Notice.

The reappointment of Sh. R.P. Singh is in accordance with sec.(s) 196, 197 and other applicable provisions of The Companies Act, 2013 read with Schedule V of The Companies Act, 2013 without requiring the approval of Central Government.

Board recommends the proposed Special Resolution for Members approval as Sh. R.P. Singh has attained the age of 70 Years and has extensive knowledge of the Human Resource Management, Corporate Affairs and Fertiliser Industry for a period of over 45 years.

None of the Directors, Key Managerial Personnel of the Company except Sh. R.P. Singh is concerned or interested in the proposed resolutions.

ITEM NO. 4:

The Fertiliser Grade Phosphoric Acid, one of the key Raw Material required for manufacture of Phosphatic Fertiliser (NPK/DAP) is being imported at Kandla Unit and is being produced at Paradeep Unit for use as Raw Material for production of DAP/NP

Fertiliser. There is a retail demand of around 36,000 MT per annum of Fertiliser Grade Phosphoric Acid annually in the Country and is expected to increase further.

IFFCO Kisan Logistics Limited (IKLL) had expressed its interest to deal in buying and selling Fertiliser Grade Phosphoric Acid within India, in retail market. Further, M/s Ostwal Group of Industries had expressed its interest in buying Phosphoric Acid (100% P₂O₅ basis) from Kandla/Paradeep Units. IKLL has been able to fix-up buyers M/s Krishana Phoschem and M/s Madhya Bharat Agro Products Ltd. who have agreed to buy Phosphoric Acid on regular basis if the prices are competitive.

IFFCO (Holding Enterprise) had approved the proposal for fixation of rates for sale of Phosphoric Acid from IFFCO Kandla/ Paradeep Units to IKLL vide 168 SCM Meeting. IKLL Board had approved the resolutions for Sale / Purchase of Phosphoric Acid from IFFCO Kandla/ Paradeep Units vide 86th Board Meeting and 39th Audit Committee Meetings respectively.

Board recommend the proposed resolutions for Members approval pursuant to Sec. 188 of the Companies Act, 2013 read with Rule 15(3)(a)(i) of The Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 as per Notification No. GSR 590 (E) dt:14/08/2014.

By order of the Board
For IFFCO Kisan Logistics Limited

Registered Office:
IFFCO Sadan, C-1,
Distt: Centre, Saket,
New Delhi- 110017
Dt: 20/06/2023

-sd-
(Chairman)
DIN:00026019