



INDEPENDENT AUDITOR'S REPORT

To the Members of  
INDO FARM EQUIPMENT LIMITED

Report on the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Indo Farm Equipment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Profit and Loss and its cash flows for the year ended on that date.

2. 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.

3. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and



detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

#### 4. Auditors' Responsibility for the Audit of 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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.

## 5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- 1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note No. 28.6 (a) to the financial statements;
- 2) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- 3) there has been no delay in transferring amounts if any, required to be transfer, to the Investor Education and Protection fund by the Company.

h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For DEEPAK JINDAL & CO.  
Chartered Accountants  
Firm Regn. No. 023023N



per Deepak Jindal  
Partner

M. No. 514745

UDIN: 19514745AAAABH2500

PLACE : CHANDIGARH  
DATE : 04/09/2019

ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN OUR REPORT TO THE MEMBERS OF INDOFARM EQUIPMENT LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2019;

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, the Fixed Assets have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the Fixed Assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventory:
  - (a) According to the information and explanations given to us, the Company has conducted physical verification of inventory at year end on 31st march 2019.
  - (b) As explained to us, the discrepancies noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
3. The Company has granted unsecured loan to its wholly owned subsidiary Barota Finance Limited amounting to Rs. 2,075.00 Lakh and the closing balance as at March 31, 2019 was Rs.2,470.00 Lakh. In our opinion and according to the information and explanations give to us, in respect of these loans :
  - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
  - b) There is no schedule of repayment of principal and are repayable on demand. Also, there is no stipulation as to date of payment of interest.
  - c) Since the principal and interest on this loan is repayable on demand, question of overdue amount does not rise.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.



5. In our opinion and according to the information and explanations given to us, the Company has not invited any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the cost records maintained by the Company, pursuant to the Rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7.(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, customs duty, service tax, excise duty, cess, GST, value added tax and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of, Wealth Tax, Sales Tax, Value Added Tax, Cess, GST and Custom Duty, which are outstanding as at 31st March, 2019 and which have not been deposited on account of any dispute.
- However, according to information and explanation given to us, the following dues of excise duty, Income Tax and service tax have not been deposited by the Company on account of disputes as detailed below:

<u>Name of the Statute</u>	<u>Nature of Dues</u>	<u>Amount (Rs.in Lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is Pending</u>
<u>Central Excise Act, 1944</u>	<u>Excise Duty</u>	<u>303.67</u>	<u>November 2003 -Jan 05</u>	<u>Commissioner (Appeals), Customs and Central Excise, Chandigarh</u>
<u>Central Excise Act, 1944</u>	<u>Excise Duty</u>	<u>97.47</u>	<u>January 2008 – December 2011</u>	<u>Commissioner (Appeals), Customs and Central Excise, Chandigarh</u>
<u>Income Tax Act,1961</u>	<u>Income Tax</u>	<u>31.15</u>	<u>Assessment Year 2011-12</u>	<u>Commissioner of Income Tax (Appeals)</u>

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
9. In our opinion and according to the information and explanations given to us, during the year



the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.

10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of shares during the period. As per explanations given to us, the conditions of section 42 of Companies Act 2013 have been fulfilled. The consideration for share issue has been utilized for the purpose for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable .
16. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For DEEPAK JINDAL & CO.  
Chartered Accountants  
Firm Regn. No. 023023N



*Deepak*  
Per Deepak Jindal  
Partner  
M. No. 514745  
UDIN: 19514745AAAABH2500

Place : Chandigarh  
Date :04/09/2019

## Annexure “B” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of INDOFARM EQUIPMENT LIMITED (“the Company”) as of 31 March 2019 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 auditors’ 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 the 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 change in conditions, or that the degree of compliance with the policies or procedure 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 2019, 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 DEEPAK JINDAL & CO.  
Chartered Accountants  
Firm Regn. No. 023023N

*Deepak*  
per Deepak Jindal  
Partner  
M. No. 514745

UDIN: 19514745AAAABH2500

PLACE: CHANDIGARH

DATE: 04/09/2019

Indo Farm Equipment Limited  
Balance Sheet as at 31st March 2019  
(All amounts in Rs. Lacs unless stated otherwise)

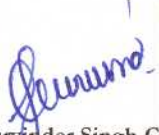
	Notes	As at 31st March 2019	As at 31 March 2018
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	938.79	906.79
Reserves and surplus	4	17,635.70	16,092.03
		<b>18,574.49</b>	<b>16,998.82</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,925.40	943.29
Deferred tax liabilities (net)	6	500.21	726.59
Other Non Current Liabilities	7	473.40	399.10
		<b>2,899.01</b>	<b>2,068.98</b>
<b>Current liabilities</b>			
Short-term borrowings	8	11,918.92	10,002.53
Trade payables	9	2,726.80	3,318.97
Other current liabilities	10	992.55	972.49
Short-term provisions	11	90.20	78.16
		<b>15,728.47</b>	<b>14,372.15</b>
<b>Total</b>		<b>37,201.97</b>	<b>33,439.95</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12(a)	7,831.76	8,256.02
Intangible assets	12(b)	190.42	141.35
Capital work-in-progress		383.46	327.27
Non-current investments	13	1,419.90	819.90
Long-term loans and advances	14	2,613.33	479.73
Other Non Current Assets	15	326.06	310.63
		<b>12,764.94</b>	<b>10,334.89</b>
<b>Current assets</b>			
Inventories	16	12,914.67	13,002.24
Trade receivables	17	9,723.13	7,113.38
Cash and bank balances	18	248.89	361.48
Short-term loans and advances	19	1,508.91	2,558.13
Other current assets	20	41.42	69.84
		<b>24,437.03</b>	<b>23,105.06</b>
<b>Total</b>		<b>37,201.97</b>	<b>33,439.95</b>

Notes 1 to 28 form integral part of these Financial Statements

This is the Balance Sheet referred to in our report of even date  
For **Deepak Jindal & Co.**  
Chartered Accountants  
Firm Regn No: 023023N

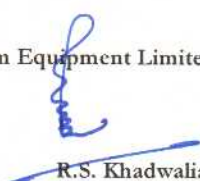
  
per Deepak Jindal  
Partner  
M.No:- 514745  
UDIN:- 19514745AAAABH2500



  
Gurvinder Singh Chadha  
(Deputy General Manager)

For Indo Farm Equipment Limited

  
S.P. Mittal  
(Director)

  
R.S. Khadwalia  
(Chairman Cum  
Managing Director)

  
Harash Arora  
(Chief Financial Officer)

  
Navpreet Kaur  
(Company Secretary)

Place : Chandigarh  
Date : 04/09/2019

Place : Chandigarh  
Date : 04/09/2019

Indo Farm Equipment Limited  
 Statement of Profit and Loss for the year ended 31st March 2019  
 (All amounts in Rs. Lacs unless stated otherwise)

	Notes	Year ended 31st March 2019	Year ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	21	30,279.17	26,065.34
Other income	22	213.93	59.98
<b>Total revenue</b>		<b>30,493.10</b>	<b>26,125.32</b>
<b>Cost of Material Consumed</b>			
Cost of Material Consumed	23	18,388.15	16,411.34
Changes in Inventories of Finished Goods And Work-In-Progress		(268.61)	(1,058.62)
Employee Benefit Expense	24	3,770.93	3,317.37
Finance Cost	25	1,342.18	1,292.71
Depreciation	26	941.61	829.50
Other Expenses	27	5,227.83	4,354.15
Prior Period Expenses		12.49	18.05
<b>Total expenses</b>		<b>29,414.58</b>	<b>25,164.51</b>
<b>Profit before tax</b>		<b>1,078.52</b>	<b>960.80</b>
<b>Tax expense</b>			
Current tax		235.10	207.77
Deferred tax		(226.38)	16.93
MAT credit entitlement		94.13	137.68
<b>Profit for the year</b>		<b>975.67</b>	<b>598.42</b>
<b>Earnings per equity share</b>			
Basic		10.56	6.60
Diluted		10.56	6.60

Notes 1 to 28 form intergral part of these Financial Statements

This is the Statement of Profit and Loss as referred to in our report of even date  
 For Deepak Jindal & Co.

Chartered Accountants  
 Firm Regn No: 023023N

  
 per Deepak Jindal  
 Partner  
 M.No:- 514745  
 UDIN:- 19514745AAAABH2500



For Indo Farm Equipment Limited

  
 S.P. Mittal  
 (Director)

  
 R.S. Khadwalia  
 (Chairman Cum Managing Director)

  
 Gurvinder Singh Chadha  
 (Deputy General Manager)

  
 Harash Arora  
 (Chief Financial Officer)

  
 Navpreet Kaur  
 (Company Secretary)

Place : Chandigarh  
 Date : 04/09/2019

Place : Chandigarh  
 Date : 04/09/2019

Indo Farm Equipment Limited  
Cash Flow Statement for the year Ended 31st March 2019  
(All amounts in Rs. unless stated otherwise)

	Year ended 31st March 2019	Year ended 31st March 2018
<b>A. Cash flow from operating activities:</b>		
Profit for the year before tax and prior period items	1,078.52	960.80
Adjustments for:		
Depreciation & Amortization Expenses	941.61	829.50
Loss on Sale of Fixed Assets	18.03	-
Profit on Sale of Fixed Assets	(2.14)	(2.37)
Profit on Sale of Mutual Funds	-	(2.45)
Interest expense	1,198.48	1,156.09
Miscellaneous Income	(19.90)	(13.38)
Interest Income	(171.87)	(16.04)
<b>Operating profit before working capital changes</b>	<b>3,042.73</b>	<b>2,912.15</b>
Adjustments for:		
Trade and other receivables	(2,609.76)	1,219.51
Inventories	87.57	(1,338.64)
Loans and advances	(1,120.78)	(816.14)
Trade and other payables	(572.11)	564.05
Provision movement	12.20	6.15
Other Non Current Assets	(81.53)	(280.86)
<b>Cash generated from operations</b>	<b>(1,241.68)</b>	<b>2,266.22</b>
Income taxes paid ( Including tax deducted at source)	(264.43)	(302.70)
<b>Net cash from operating activities</b>	<b>(1,506.11)</b>	<b>1,963.52</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets/ capital work-in-progress	(595.79)	(1,412.27)
Proceeds from disposal of fixed assets	23.24	41.41
Purchase of Investments	(600.00)	(790.62)
Interest received	171.87	16.04
Profit on Sale of Mutual Funds	-	2.45
Miscellaneous income	19.90	13.38
<b>Net cash (used)/Generated in investing activities</b>	<b>(980.78)</b>	<b>(2,129.61)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds/(repayment) of long term borrowings	982.11	176.67
Proceeds/(repayment) of short term borrowings	1,916.39	1,221.31
Interest paid	(1,198.48)	(1,156.09)
<b>Net cash (used)/generated in financing activities</b>	<b>2,374.31</b>	<b>241.89</b>
<b>Net Decrease in cash and cash equivalents (A)+(B)+( C)</b>	<b>(112.59)</b>	<b>75.80</b>
Cash and cash equivalents at the beginning of the year	361.48	285.67
<b>Cash and cash equivalents at the end of the year</b>	<b>248.89</b>	<b>361.48</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	3.70	10.27
<b>Balances with scheduled banks</b>		
In current accounts	100.93	214.87
In Fixed Deposits	144.26	136.34
<b>Cash &amp; cash equivalents in cash flow statement:</b>	<b>248.89</b>	<b>361.48</b>

- a) Cash flow statement has been prepared under the 'Indirect method' as set out in Accounting Standard -3 on Cash Flow Statements notified by Companies (Accounting Standards) Rules, 2006 (as amended)  
b) Negative figures have been shown in brackets.

Notes 1 to 28 form integral part of these Financial Statements  
This is the cash flow statement referred to in our report of even date

For Deepak Jindal & Co.  
Chartered Accountants  
Firm Regn No: 023023N

per Deepak Jindal  
Partner  
M.No:- 514745  
UDIN:- 19514745AAAABH2500



Gurvir Singh Chadha  
(Deputy General Manager)

For Indo Farm Equipment Limited

S.P. Mittal  
(Director)

R.S. Khadwalia  
(Chairman Cum  
Managing Director)

Harash Arora  
(Chief Financial Officer)

Navpreet Kaur  
(Company Secretary)

Place : Chandigarh  
Date : 04/09/2019

Place : Chandigarh  
Date : 04/09/2019

## Indo Farm Equipment Limited

### Notes to the financial statements for the year ended 31 March 2019

1 Indo Farm Equipment Limited (the Company) is a Public Limited Company incorporated under the provisions of the Companies Act, 1956 on 5th October 1994 and commenced its operations of manufacture of Tractor and its components in the year 2000.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

i) These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

ii) The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts. The financial statements are presented in Indian rupees rounded off to the nearest rupees in Lacs.

#### ii) Use of Estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### 2.2 FIXED ASSETS AND DEPRECIATION

(i) Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

(ii) Self fabricated fixed assets include material cost and appropriate share of attributable expenses.

(iii) Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.

(iv) Depreciation is provided on SLM basis based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.



## 2.3 INVESTMENTS

Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for any decline in market value.

## 2.4 INVENTORIES

### **Raw Material, Stores and Spares and Packaging Materials**

Lower of Cost or Net Realizable Value. Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of finished goods are not written down below cost if the products in which they will be used are expected to be sold at or above cost. Cost is determined on FIFO basis.

### **Finished Goods**

Lower of Cost or Net Realizable Value. Cost includes direct materials, freight and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished Goods lying at Sales Depots including cess and freight.

### **Work in Progress**

At Cost up to estimated stage of completion. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 2.5 FOREIGN EXCHANGE TRANSACTIONS

### i) Initial Recognition

Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

### (a) Conversion

Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.

### (b) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long



term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year.

## 2.6 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.

### **Sale of goods:**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of sales returns and sales tax but including export benefits accruing on export sales.

Revenue is also recognised for goods sold but not dispatched, where the property in such goods is transferred from the seller to the buyers and where dispatches could not be made on account of practical difficulties at the buyers' end.

### **Interest:**

Interest is recognized on a time proportion basis taking into account the amount of underlying outstanding and the rate applicable.

### **Dividends:**

Dividend from investments is recognized in the Profit and Loss Account when the right to receive payment is established.

### **Export Benefits:**

Export benefits and other benefits are accounted for on accrual basis.

## 2.7 EMPLOYEE BENEFITS

a) The Company has a gratuity scheme whereby the Company contributes premium annually to the Life Insurance Corporation of India to cover its statutory as well as contractual liability to its employees.

b) Leave encashment is accounted for on accrual basis whereby the Company contributes premium annually to the Life Insurance Corporation of India to cover its statutory as well as contractual liability to its employees.

c) Contribution to Provident Fund is made in accordance with provision of Employees Provident Fund Act, 1952, and is recognized as an expense in the statement of profit and loss in the period in which the contribution is due.

## 2.8 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.



## 2.9 LEASES

Leases, where the lessor retains substantially all the risks and benefits of the ownership of the leased item are classified as operating leases. Lease rentals for assets taken on operating lease are charged to the profit and loss account in accordance with Accounting Standard 19 on leases.

## 2.10 GOVERNMENT GRANTS AND SUBSIDIES

Government Grants related to specific fixed assets are accounted for on receipt basis. Grants received are deducted from the gross value of fixed assets concerned in arriving at their book value.

Government Grants related to specific expense are booked on accrual basis and deducted from the related expense.

Government Grants in the nature of promoter's contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

## 2.11 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

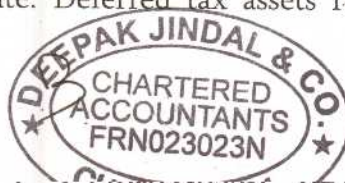
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.12 IMPAIRMENT OF ASSETS

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value of the asset exceeds the value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

## 2.13 TAXATION

Tax expense comprises of current taxes, deferred taxes, net of MAT credits if any. Provision for current taxation is ascertained on the basis of the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets relating to timing





differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. MAT credit has been recognised as an asset and created by way of a credit to the profit and loss account, in accordance with the provisions of the Guidance Note on accounting for credit available in respect of MAT under the Income Tax Act, 1961.

#### **2.14 PROVISIONS AND CONTINGENCIES**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### **2.15 PRODUCT WARRANTIES**

In respect of warranties given by the Company on sale of products, the estimated costs of these warranties are accrued at the time of sales. The estimates for accounting of warranties are reviewed and revisions are made as required.

#### **2.16 (a)Product Development**

Product Development is to be amortized on a straight line basis over a period of five years.

#### **(b) Deferred Revenue Expenditure**

Deferred Revenue Expenditure is to be amortized on a straight line basis over a period of succeeding five years.



Indo Farm Equipment Limited  
 Notes to the financial statements for the year ended 31st March 2019  
 (All amounts in Rs. Lacs unless stated otherwise)

3 Share capital

Authorised share capital

Equity shares of Rs. 10 each

Issued, subscribed and fully paid up

Equity shares of Rs. 10 each

	As at 31st March 2019	As at 31st March 2018
Number	Amounts	Amounts
15,000,000	1,500.00	1,500.00
15,000,000	1,500.00	1,500.00
9,387,900	938.79	906.79
9,387,900	938.79	906.79
<b>4 Reserves and surplus</b>		
<b>General Reserve</b>		
Opening Balance	6,217.18	6,217.18
Add : Profit Transferred from Statement of Profit & Loss	-	-
<b>Closing Balance</b>	<b>6,217.18</b>	<b>6,217.18</b>
<b>Securities Premium Reserve</b>		
Opening Balance	-	-
Add : Additions during the year	568.00	-
<b>Closing Balance</b>	<b>568.00</b>	<b>-</b>
<b>Profit &amp; Loss Balance</b>		
Opening Balance	9,874.85	9,276.42
Add : Profit Transferred from Statement of Profit & Loss	975.67	598.42
<b>Closing Balance</b>	<b>10,850.51</b>	<b>9,874.85</b>
	<b>17,635.70</b>	<b>16,092.03</b>



Indo Farm Equipment Limited  
Notes to the financial statements for the year ended 31st March 2019  
*(All amounts in Rs. Lacs unless stated otherwise)*

	As at 31st March 2019	As at 31st March 2018
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
Term Loans From Banks/Financial Institutions	777.47	379.55
<b>Unsecured</b>		
<b>Vehicle Loans</b>		
-From Banks	185.54	222.09
<b>Other Loans</b>		
-Inter Corporate Deposits	962.39	341.65
	<b>1,925.40</b>	<b>943.29</b>
<b>6 Deferred tax liabilities (net)</b>		
<b>A Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation of tangible and intangible assets	2,021.13	2,487.88
	<b>2,021.13</b>	<b>2,487.88</b>
<b>B Deferred Tax Assets Arising On Account Of:</b>		
Provision for Doubtful Debts	247.29	247.29
Provision for Bonus	48.18	53.00
Provision for Gratuity	7.91	11.13
	<b>303.37</b>	<b>311.43</b>
Net Deffered Tax Liability (A-B)	1,717.76	2,176.46
<b>Deferred tax liabilities( TAX IMPACT)</b>	<b>500.21</b>	<b>726.59</b>
<b>7 Other Non Current Liabilities</b>		
Security Deposit From Customers	473.40	399.10
	<b>473.40</b>	<b>399.10</b>



Indo Farm Equipment Limited  
Notes to the financial statements for the year ended 31st March 2019  
*(All amounts in Rs. Lacs unless stated otherwise)*

	As at 31st March 2019	As at 31st March 2018
<b>8 Short term borrowings</b>		
Working capital borrowings from banks (secured)	10,918.92	10,002.53
Working Capital Demand Loan	1,000.00	-
	<b>11,918.92</b>	<b>10,002.53</b>
<b>9 Trade payables</b>		
Dues to micro small and medium enterprises (refer note 28.5(i) )	597.42	501.13
Dues to others	2,129.38	2,817.84
	<b>2,726.80</b>	<b>3,318.97</b>
<b>10 Other current liabilities</b>		
Current maturities of long term debts		
Secured Loans From Banks/Financial Institutions	117.08	344.70
Unsecured Vehicle Loans from Banks	73.40	62.57
Inter Corporate Deposits	288.42	100.01
Statutory Remittances	84.91	83.36
Other payables	428.74	381.85
	<b>992.55</b>	<b>972.49</b>
<b>11 Short-term provisions</b>		
Provision for Warranties & Servicing costs	90.20	78.00
Provision for income tax (net of advance tax and tax deducted at source)	-	0.16
	<b>90.20</b>	<b>78.16</b>



Indo Farm Equipment Limited  
Notes to the financial statements for the year ended 31 March 2019  
(All amounts in Rs. unless stated otherwise)  
Note - 12

Particulars	Gross block			Accumulated depreciation and amortisation			Net block		
	As at 1 April 2018	Additions during the year	Sales / adjustment during the year	As at 31 Mar 2019	As at 1 April 2018	For the year	Adjustment during the year	As at 31 Mar 2019	As at 31 March 2018
<b>Tangible assets (a)</b>									
Land	410.29	-	-	410.29	-	-	-	410.29	410.29
Lease hold Land	33.75	-	-	33.75	1.57	-	-	32.18	32.18
Buildings	2,499.77	-	-	2,499.77	803.92	78.39	-	1,617.47	1,695.86
Furniture & Fixture	252.00	1.49	-	253.49	167.77	18.19	-	67.53	84.23
Office Building	284.09	2.00	-	286.09	31.99	4.51	-	249.59	252.10
Computer Equipments	323.20	0.20	-	323.40	287.45	11.65	-	24.30	35.75
Vehicles	1,389.97	102.05	70.59	1,421.43	591.63	150.49	31.32	710.62	798.34
Office Equipments	165.65	2.17	-	167.82	126.29	5.66	-	35.88	39.36
Plant & Machinery	7,819.33	311.47	-	8,130.80	3,080.89	521.03	-	4,528.87	4,738.44
Electrical Installations	282.39	-	-	282.39	222.18	12.38	-	47.83	60.21
Residential Building	127.16	-	-	127.16	17.90	2.06	-	107.21	109.26
<b>Total</b>	<b>13,587.60</b>	<b>419.38</b>	<b>70.59</b>	<b>13,936.38</b>	<b>5,331.58</b>	<b>804.35</b>	<b>31.32</b>	<b>7,831.76</b>	<b>8,256.02</b>
Previous year									
<b>Intangible assets (b)</b>									
Product Development	235.59	120.23	-	355.82	94.24	71.16	-	190.42	141.35
<b>Total</b>	<b>235.59</b>	<b>120.23</b>	<b>-</b>	<b>355.82</b>	<b>94.24</b>	<b>71.16</b>	<b>-</b>	<b>190.42</b>	<b>141.35</b>



Indo Farm Equipment Limited  
Notes to the financial statements for the year ended 31st March 2019  
(All amounts in Rs. Lacs unless stated otherwise)

13 Non-current investments

Non Trade

Quoted

(Value at lower of cost or market value)

1000 equity shares of Rs 10 each in Canara Bank  
(Market Value as on 31st March,2019 Rs. 2.92 lacs)  
( Previous Year Rs. 2.64 lacs )

Canara Robeco Medium Term Opportunities Fund- Regular Growth Plan  
(No of units 154349)  
(NAV as on 31st March, 2019 Rs 17.83 lacs)  
( Previous Year Rs. 16.88 lacs )

1000 equity shares of Rs 10 each in Max Ventures & Industries Limited  
(Market Value as on 31st March,2019 Rs. .45 lacs)  
( Previous Year Rs. 0.65 lacs )

100 equity shares of Rs 10 each in MCX India Limited  
(Market Value as on 31st March,2019 Rs. .80 lacs)  
( Previous Year Rs. 0.80 lacs )

200 equity shares of Rs 10 each in Jindal Steels & Power Limited  
(Market Value as on 31st March,2019 Rs. .35 lacs)  
( Previous Year Rs. 0.44 lacs )

Unquoted

18,000 equity shares (Previous Year 18,000 equity shares) of Rs 10 each  
in Shivalik Solid Waste Management Limited

1,40,00,000 equity shares(Previous Year 80,00,000 equity shares) of  
Rs 10 each in Barota Finance Limited

14 Long-term loans and advances (unsecured considered good, unless  
otherwise stated)

Security Deposit  
Advance to subsidiary

	As at 31st March 2019	As at 31st March 2018
	0.35	0.35
	15.35	15.35
	0.81	0.81
	1.21	1.21
	0.39	0.39
	<b>18.10</b>	<b>18.10</b>
	1.80	1.80
	1,400.00	800.00
	<b>1,401.80</b>	<b>801.80</b>
	<b>1,419.90</b>	<b>819.90</b>
	143.33	82.54
	2,470.00	397.19
	<b>2,613.33</b>	<b>479.73</b>



Indo Farm Equipment Limited

Notes to the financial statements for the year ended 31st March 2019

(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2019	As at 31st March 2018
<b>15 Other Non Current Assets</b>		
Opening Balance	310.63	39.69
Deferred Revenue Expenditure incurred during the year	81.53	280.86
Less : Written off during the year (refer note no 26)	66.09	9.92
	<b>326.06</b>	<b>310.63</b>
<b>16 Inventories</b>		
Raw Material	5,539.62	5,895.79
Finished Goods	2,779.16	3,079.88
Work In Progress	4,595.90	4,026.56
	<b>12,914.67</b>	<b>13,002.24</b>
<b>17 Trade receivables</b>		
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months from due date	2,498.84	2,684.01
Others	7,224.29	4,429.36
	<b>9,723.13</b>	<b>7,113.38</b>
<b>Unsecured considered doubtful</b>		
Outstanding for a period exceeding six months from due date	247.29	247.29
Less: Provision	247.29	247.29
	<b>9,723.13</b>	<b>7,113.38</b>
<b>18 Cash and bank balances</b>		
Cash in Hand	3.70	10.27
Balances with Banks	100.93	214.87
FDRs with Banks	144.26	136.34
	<b>248.89</b>	<b>361.48</b>
<b>19 Short-term loans and advances</b>		
Advances to Employees	93.23	56.11
Balances with Revenue Authorities	349.55	1,181.99
Income Tax Refund Due	29.32	116.42
MAT Credit Entitlement	829.96	924.08
Others	206.85	279.51
	<b>1,508.91</b>	<b>2,558.13</b>
<b>20 Other current assets</b>		
Prepaid Expenses	41.42	69.84
	<b>41.42</b>	<b>69.84</b>



Indo Farm Equipment Limited  
 Notes to the financial statements for the year ended 31st March 2019  
 (All amounts in Rs. Lacs unless stated otherwise)

	Year ended 31st March 2019	Year ended 31st March 2018
<b>21 Revenue</b>		
<b>Revenue from Operations</b>		
Sale of Products	30,279.17	26,065.34
	<b>30,279.17</b>	<b>26,065.34</b>
<b>22 Other income</b>		
Interest Received	171.87	16.04
Profit on Sale of Fixed Assets	2.14	2.37
Gain from Foreign exchange transaction	7.69	8.95
Miscellaneous income	12.21	4.43
Profit on Sale of Mutual Funds	-	2.45
Rent Received	20.02	25.74
	<b>213.93</b>	<b>59.98</b>





Indo Farm Equipment Limited  
Notes to the financial statements for the year ended 31st March 2019  
(All amounts in Rs. Lacs unless stated otherwise)

23 Cost of Raw Material Consumed

Opening stock  
Add : Purchases during the year  
Less : Closing stock

**Changes in Inventories of Finished Goods And Work-In-Progress**

Stock at commencement- Work in Process  
Stock at commencement-Finished

Stock at Close- Work in Process  
Stock at Close-Finished

(Increase)/Decrease in stock

24 Employee benefits expense

Directors' Salary  
Salaries and Wages  
Staff welfare  
Gratuity & Leave Encashment  
Contribution to provident and other funds

25 Finance costs

Interest expenses  
Other Borrowing Cost

26 Depreciation and amortisation

Depreciation of tangible assets (refer note 12)  
Amortisation Expenses (refer note 12 & 15)

	Year ended 31st March 2019	Year ended 31st March 2018
	5,895.79	5,615.76
	18,031.98	16,691.36
	23,927.77	22,307.13
	5,539.62	5,895.79
	<b>18,388.15</b>	<b>16,411.34</b>
	4,026.56	3,444.37
	3,079.88	2,603.46
	<b>7,106.45</b>	<b>6,047.83</b>
	4,595.90	4,026.56
	2,779.16	3,079.88
	<b>7,375.05</b>	<b>7,106.45</b>
	<b>(268.61)</b>	<b>(1,058.62)</b>
	411.03	228.00
	3,087.37	2,826.98
	81.06	68.83
	14.25	19.70
	177.21	173.86
	<b>3,770.93</b>	<b>3,317.37</b>
	1,198.48	1,156.09
	143.69	136.62
	<b>1,342.18</b>	<b>1,292.71</b>
	875.52	772.46
	66.09	57.04
	<b>941.61</b>	<b>829.50</b>



Indo Farm Equipment Limited  
Notes to the financial statements for the year ended 31st March 2019  
(All amounts in Rs. Lacs unless stated otherwise)

27 Other expenses

**Manufacturing Expenses :**

Fuel, Electricity & Power  
Job Work Charges

**Administrative Expenses :**

Audit Fees  
Charity & Donation  
Misc. Expenses  
Insurance  
Legal & Professional Charges  
Loss on sale of Fixed Assets  
Printing & Stationery  
Rate, Fee & Tax  
Rent  
Repairs  
R&D Expenses  
Vehicle Running & Maintenance  
Telephone & Communications  
Travelling & Conveyance Expenses  
- Director  
- Others  
CSR Expenses  
Fine & Penalty

**Selling Expenses :**

Advertisement Expenses  
Business promotion  
Commission  
Rebate Discount & Incentives  
Freight & Cartage on Sale  
After sale service expenses  
Vat Expenses  
Bad Debts written off

	Year ended 31st March 2019	Year ended 31st March 2018
	440.89	406.54
	31.36	22.32
	<b>472.25</b>	<b>428.86</b>
	15.00	12.00
	0.62	0.51
	3.85	22.72
	72.98	50.78
	51.27	54.99
	18.03	-
	4.66	5.75
	33.44	28.51
	71.49	62.09
	27.18	48.00
	99.89	252.07
	88.09	116.16
	59.06	59.51
	10.34	23.86
	548.59	573.82
	14.85	64.68
	0.16	0.10
	<b>1,119.49</b>	<b>1,375.53</b>
	18.09	43.05
	569.25	167.75
	26.84	71.91
	2,066.31	1,556.69
	690.22	362.68
	43.26	81.74
	25.92	8.90
	196.20	257.04
	<b>3,636.09</b>	<b>2,549.76</b>
	<b>5,227.83</b>	<b>4,354.15</b>



## 28.1 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES

Particulars	As at 31 <sup>st</sup> March,2019		As at 31 <sup>st</sup> March,2018	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
R. S. Khadwalia	50,77,600	54.08%	50,00,000	55.15%
Sunita Saini	26,62,587	28.36%	24,99,120	27.56%
M/s Futuristic Mining and Constructions Solutions Ltd.	10,92,990	11.64%	10,92,990	12.05%

### Reconciliation of the number of shares outstanding:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Equity shares at the beginning of the year	90,67,900	90,67,900
Add: Shares issued during the year	3,20,000	Nil
Equity shares at the end of the year	93,87,900	90,67,900

## 28.2 SECURED LOANS

- I. Term Loan from Federal Bank is secured by way of extension of charge on residential property, having Address H.No.103-104, Sector 6, Panchkula, Haryana owned by Directors. Further secured by way of personal guarantee of Directors.

Term Loan from Siemens has been secured against hypothecation of respective machinery.

Other Loans comprise of Vehicle Loans which are secured against hypothecation of respective vehicles.

- I. Working Capital Limits are secured by way of Exclusive Charge on all the current assets of the Company and further secured by way of Exclusive Charge on all the fixed assets excluding vehicles of the Company and personal guarantee of directors.

Working Capital Demand Loan from Federal Bank is secured by way of extension of charge on residential property, having Address H.No.103-104, Sector 6, Panchkula, Haryana owned by Directors. Further secured by way of personal guarantee of Directors.



## Maturity Profile

Particulars	(Rs. in Lacs)		
	1 – 2 years	2 - 5 years	Beyond 5 years
From Banks:			
- Term Loans	128.25	461.52	187.69
- Vehicle Loans	79.90	103.59	2.05
- Inter Corporate Deposit	287.90	674.48	-

## 28.3 DEPRECIATION

Pursuant to the enactment of Companies act 2013, the company has applied the estimated useful lives as specified in schedule II, read together with Accounting Standard 10 (AS – 10) “Property, Plant & Equipment”.

## 28.4 CURRENT ASSETS, LOANS & ADVANCES

In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business.

## 28.5 CURRENT LIABILITIES

I. The principal amount remaining unpaid as at 31st March 2019 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” are Rs. 597.42 lacs (previous year Rs. 501.13 lacs). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 5.06 Lacs (previous year Rs. 9.57 Lacs) is remaining unpaid as of 31st March 2019. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and the same has been relied upon by the auditors.

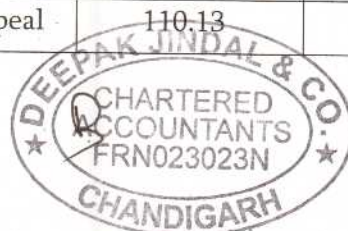
## II Investor Education and Protection Fund

There are no amounts in respect of unpaid dividend which have become due for deposit to Investor Education and Protection Fund as at balance sheet date.

## 28.6 CONTINGENT LIABILITIES AND COMMITMENTS

### a) Contingent Liabilities

S.No.	Particulars	(Rs. in lacs)	
		31.03.2019	31.03.2018
i)	Counter guarantee to bank	13.92	12.56
ii)	Bond Executed by the company in favour of DGFT	68.23	8.57
iii)	Claims against the company not acknowledged as debts	311.92	274.88
iv)	Excise matters in dispute	401.14	401.14
v)	Consumer cases in dispute/Under appeal	110.13	132.61



vi)	Bill Discounting	404.64	1185.01
vii)	Differential accounts of custom duty in respect of machinery imported under EPCG Scheme	Nil	Nil

b) Commitments

(Rs. in lacs)

S.No.	Particulars	31.03.2019	31.03.2018
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	166.62
ii)	Uncalled liability on shares and other investments partly paid	Nil	Nil
iii)	Other commitments	Nil	Nil

28.7 PAYMENT TO AUDITORS

(Rs. In Lacs)

Particulars	2018-19	2017-18
Statutory Audit	10.00	9.00
Tax Audit Fee	5.00	3.00
Others(Audit Expenses)	0.19	0.18
GST	2.70	2.16

28.8 INCOME TAX

Current Tax

Provision for Income tax has been made as per Income-tax Act, 1961.

Deferred Tax

In compliance with Accounting Standard (AS-22) relating to "Accounting for Taxes on Income" issued under Companies (Accounting standards) Rule 2006, as amended upto date , the Company has provided Deferred Tax Asset accruing during the year aggregating to Rs. 226.38 Lacs (Previous Year Rs. 16.93 Lacs Deferred Tax Liability) and it has been recognized in the Profit & Loss Account. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.



28.9 EMPLOYEE RETIREMENT BENEFITS\*

GRATUITY

Membership Data	
No. of Members	195
Average Age	40.47
Average Monthly Salary	9824.66
Average Past Service	11.42

Actuarial Assumptions	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount rate	7.5% p.a

Result of Valuation	
Present Valuation of Past Services benefits	81,45,213
Current Service Cost	6,75,021
Total Service Gratuity	3,14,88,113
Accrued Service Gratuity	1,27,34,962
LCSA	1,87,53,151
LC Premium	60,915
GST	10,965

Recommended Contribution Rate	
Fund Value as on Renewal Date	81,01,345
Additional Contribution for existing fund	43,868
Current Service Cost	6,75,021

<b>TOTAL AMOUNT PAYABLE</b>	<b>7,90,769</b>
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\* as per Valuation by Life Insurance Corporation of India who manages the Fund.



## 28.10 SEGMENT REPORTING

Segment Reporting Disclosure						
Particulars	Tractors	Crane	Others	Eliminations	Unallocable Items	Rs. In Lacs Consolidated Total
	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
<b>REVENUE</b>						
External Sales	20,111.15	10,166.78	1.25	-	-	30,279.17
Inter Segment Sales	-	-	2,281.05	(2,281.05)	-	-
<b>Total Sales</b>	<b>20,111.15</b>	<b>10,166.78</b>	<b>2,282.30</b>	<b>(2,281.05)</b>	-	<b>30,279.17</b>
Miscellaneous Income	11.76	0.45	-	-	-	<b>12.21</b>
<b>Segment Revenue</b>	<b>20,122.90</b>	<b>10,167.23</b>	<b>2,282.30</b>	<b>(2,281.05)</b>	-	<b>30,291.38</b>
Interest Income	-	-	-	-	171.87	171.87
Other Unallocable Income	-	-	-	-	29.85	29.85
<b>Total Revenue</b>	<b>20,122.90</b>	<b>10,167.23</b>	<b>2,282.30</b>	<b>(2,281.05)</b>	<b>201.72</b>	<b>30,493.10</b>
<b>RESULT</b>						
<b>Segment Result</b>	<b>672.36</b>	<b>362.49</b>	<b>43.67</b>	-	-	<b>1,078.52</b>
Unallocated Corporate Expenses	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
<b>Profit Before Taxation</b>	-	-	-	-	-	<b>1,078.52</b>
Income Taxes	-	-	-	-	-	137.86
<b>Profit Before Prior Period Expenses</b>	-	-	-	-	-	<b>940.66</b>
Prior Period Expenses	-	-	-	-	-	-
<b>Profit For the Year</b>	-	-	-	-	-	<b>940.66</b>
<b>OTHER INFORMATION</b>						
Segment Assets	30,045.05	1,869.94	3,756.80	-	-	35,671.79
Unallocated Corporate Assets	-	-	-	-	1,525.80	1,525.80
<b>Total Assets</b>	<b>30,045.05</b>	<b>1,869.94</b>	<b>3,756.80</b>	-	<b>1,525.80</b>	<b>37,197.59</b>
Segment Liabilities	1,455.70	2,251.69	11.97	-	14,938.77	18,658.11
<b>Total Liabilities</b>	<b>1,455.70</b>	<b>2,251.69</b>	<b>11.97</b>	-	<b>14,938.77</b>	<b>18,658.11</b>
Depreciaion	680.25	67.07	4.34	-	189.96	941.61

The primary and secondary reportable segments are business and geographic segments, respectively:-

(a) **Business Segments**

For management purposes the company is organized on a worldwide basis into two major reportable segments:

- (1) Tractors & its parts
- (2) Mobile Cranes



The divisions are the basis on which the company reports its primary segment information. The 'Tractors & its parts' segment produces broad range of Tractors & its accessories and other agricultural implements. The 'Mobile Cranes' segment manufactures cranes of various capacities ranging from 10 tonne to 20 tonnes. Other operations include Foundry Division, Genset manufacturing, Combine Harvester, Rotavator & Hydraulic parts manufacturing activities.

**(b) Geographical Segments**

Though the Company's business activity falls in two primary segments viz. "Tractor and its parts" and "Mobile cranes" reportable as per Accounting Standard -17 "Segment Reporting", issued by The Institute of Chartered Accountants of India but it operates in a single geographical segment that is subject to same risk & return all over, so the segment does not qualify for the disclosure requirements of the above standard for secondary reportable segment on the basis of Geographical area, as such same has not been reported.

**(c) Segment revenues and expenses**

All segment revenues and expenses are directly attributable to the segments.

**(d) Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

**(e) Inter-segment transfers:**

Segment revenue, segment expenses and segment result include transfers between business segments and between geographical segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. Those transfers are eliminated in consolidation.

**(f) Accounting policies:**

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenues and expenditure in individual segments.

**(g) Unallocable and Head office expenses**

General administrative expenses, head-office expenses, and other expenses that arise at the corporate level and relate to the Group as a whole, are shown as unallocable item





## 28.11 RELATED PARTY DISCLOSURES

Related party disclosures as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued under Companies (Accounting Standards) Rule 2006, as amended upto date , are given below: -

a) **Relationship**

i) **Subsidiary Companies**

Barota Finance Limited

ii) **Joint Ventures and Associates**

None

iii) **Key Managerial Personnel (Managing Director/Whole-time directors/Company Secretary)**

R.S. Khadwalia

Sunita Saini

Charan Singh Saini

Ram Kanwar Saini

S.P. Mittal

Inder Singh Negi

Prem Kumar Dhasmana

Shaveta Sharma

Anshul Khadwalia (w.e.f 18.10.2018)

Navpreet Kaur

Dhian Lal Rana

iv) **Relatives of the Key Managerial Personnel**

Shubham Khadwalia (s/o R.S. Khadwalia)

Ritu Saini

Anshul Khadwalia

v) **Entities over which key managerial personnel/their relatives are able to exercise significant influence**

None

\* With whom the Company had transactions during the year.



b) The following transactions were carried out with related parties in the ordinary course of business.

i) Subsidiary Companies

(Rs. In Lacs)			
Sr. No.	PARTICULARS	31.03.2019	31.03.2018
i.	Investment made in shares of Subsidiary	600.00	800.00
ii.	Rent Received	19.05	13.08
iii.	Unsecured Loan Provided (Closing Balance)	2470.00	397.19
iv.	Interest Received	137.31	6.04
v.	Purchase of Repo Tractors	245.14	-
vi.	Loans and Advances Provided (Closing Balance)	35.63	11.97

i) Key Managerial Personnel

(Rs. In Lacs)			
Sr. No.	PARTICULARS	31.03.2019	31.03.2018
i.	Remuneration	418.21	234.90
ii.	Rent Paid	16.09	16.06

ii) Relatives of the Key Managerial Personnel

Sr. No.	PARTICULARS	31.03.2019	31.03.2018
i.	Remuneration	176.05	193.60
ii.	Incentive Paid	-	1.21
iii.	Others (Gratuity & Ex - Gratia)	-	6.84
iv.	Rent Paid	1.17	-

28.12 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED	YEAR ENDED
		31.03.2019	31.03.2018
Profit After Tax (Before Previous Year Adjustments)	Rs in Lacs	975.67	598.42
No of Shares Outstanding	Nos.	93,87,900	90,67,900
No of Weighted Average equity shares	Nos.	92,36,229	90,67,900
Diluted	Nos.	92,36,229	90,67,900



Nominal value of equity shares	Rs.	10/-	10/-
Earnings per Share			
-Basic	Rs.	10.56	6.60
-Diluted	Rs.	10.56	6.60

28.13 DETAIL OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES CONSUMED

a) RAW MATERIAL CONSUMED

(Rs. In Lacs)					
Sr. No	Particulars	Amount	2018-19 (%age)	Amount	2017-18 (%age)
1.	Imported	141.12	0.78%	96.42	0.59%
2.	Indigenous	17893.14	99.22%	16,314.92	99.41%

28.14 OTHER INFORMATION

(Rs. In Lacs)			
	Particulars	2018-19	2017-18
(a)	CIF Value of Imports		
1.	Material Purchased (Rs in lacs)	141.12	96.42
(b)	Expenditure in Foreign Currency – Others	24.95	47.44
(c)	Remittances in Foreign Currency	Nil	Nil
(d)	Earnings in Foreign Currency	1118.60	1,367.63

28.15 PROVISION FOR LIABILITIES, OTHER THAN FOR TAXES ON INCOME AND RETIREMENT BENEFITS:

(Rs. In Lacs)		
Provisions for product warranty and servicing costs #	2019	2018
Opening Balance	78.00	71.85
Additions During the year	90.20	78.00
Amount Used\Write Off during the year	78.00	71.85
Closing Balance	90.20	78.00

# Warranty provisions are made for expected future cash outflows and computed on total sales made during the year, based on past experience.



28.16 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof: Rs. 14.85 Lacs.

28.17 The Company has re-grouped previous year's figures to confirm to current year's classification.

For Deepak Jindal & Co.

Chartered Accountants

Firm Regn. No:-023023N

*Subay*



per Deepak Jindal  
Partner

M.No. 514745

UDIN: 19514745AAAABH2500

For Indo Farm Equipment Limited

*S.P. Mittal*

S.P Mittal  
(Director)

*Navpreet Kaur*  
Navpreet Kaur  
(Company Secretary)

*R.S. Khadwalia*

R.S. Khadwalia  
(Chairman Cum Managing Director)

*Harash Arora*

Harash Arora  
(Chief Financial Officer)

*Gurwinder Singh Chaddha*  
Gurwinder Singh Chaddha  
(Senior Manger Accounts)

Place : Chandigarh

Date : 04/09/2019

Place: Chandigarh

Date : 04/09/2019