



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, 2020, 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.

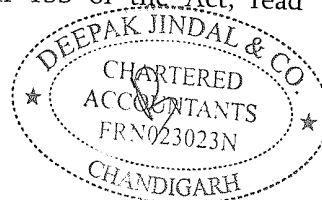
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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.

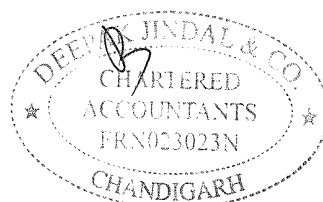
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) with respect to the adequacy of the internal financial controls 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.

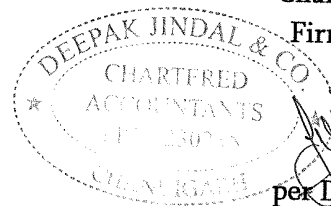
- h) With respect to the matter to be included in the Auditors' Report under section 197(16):

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: 20514745AAAC9837

PLACE: CHANDIGARH

DATE: 27-11-2020

ANNEXURE "A" TO THE AUDITORS' REPORT

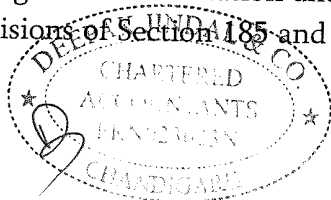
REFERRED TO IN OUR REPORT TO THE MEMBERS OF INDOFARM EQUIPMENT LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020;

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 physical verification of inventory has been conducted on reasonable intervals and no material discrepancies has been noticed on such verification.
 - (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, the closing balance as at March 31, 2020 was Rs.811.26 Lakh (Previous Year Rs. 2470 lakhs).

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) The loan is repayable on demand and rate of interest stipulated in the terms of contract is 10.80%.
 - c) Since the principal and interest on this loan is repayable on demand, question of overdue amount does not rise.
4. The company has given corporate guarantee to its wholly owned subsidiary Barota Finance Limited amounting to Rs. 8000 lakhs (Previous Year Rs. 6000 lakhs).

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.

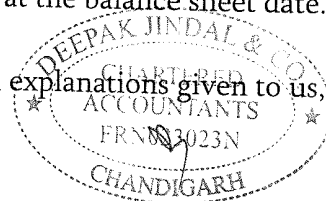


5. In our opinion and according to the information and explanations given to us, the Company has not invited any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the cost records maintained by the Company, 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, 2020 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:

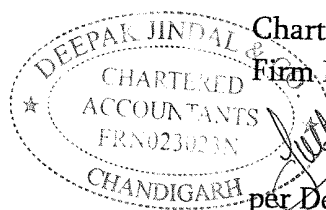
<u>Name of the Statute</u>	<u>Nature of Dues</u>	<u>Amount (Rs.in Lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is Pending</u>
<u>Central Excise Act, 1944</u>	<u>Excise Duty</u>	<u>97.47</u>	<u>January 2008 – December 2011</u>	<u>Commissioner (Appeals), Customs and Central Excise, Chandigarh</u>
<u>Central Excise Act, 1944</u>	<u>Excise Duty</u>	<u>13.22</u>	<u>May 2006-April 2007</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 given 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 Information and explanations given to us and based on our examination of the records of the company, the company has not made private placement of shares during the period.
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

per Deepak Jindal

Partner

M. No. 514745

UDIN: 20514745AAAACY9837

Place : Chandigarh

Date : 27-11-2020

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 INDO FARM EQUIPMENT LIMITED (“the Company”) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management’s Responsibility for Internal Financial Controls

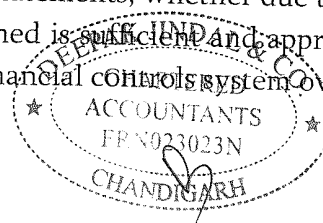
The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 2020, 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

per Deepak Jindal

Partner

M. No.514745

UDIN:

PLACE: CHANDIGARH

DATE:

Indo Farm Equipment Limited
Balance Sheet as at 31st March 2020
(All amounts in Rs. Lacs unless stated otherwise)

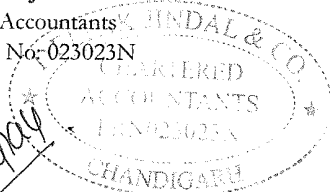
	Notes	As at 31st March 2020	As at 31 March 2019
Equity and liabilities			
Shareholders' funds			
Share capital	3	938.79	938.79
Reserves and surplus	4	17,976.55	17,600.69
		18,915.34	18,539.48
Non-current liabilities			
Long-term borrowings	5	1,509.25	1,925.40
Deferred tax liabilities (net)	6	544.51	530.84
Other Non Current Liabilities	7	449.04	473.40
		2,502.80	2,929.65
Current liabilities			
Short-term borrowings	8	11,811.36	11,918.92
Trade payables	9	2,768.35	2,726.80
Other current liabilities	10	825.86	992.55
Short-term provisions	11	69.29	90.20
		15,474.85	15,728.47
Total		36,893.00	37,197.59
Assets			
Non-current assets			
Property, Plant & Equipment			
Tangible assets	12(a)	7,108.44	7,831.76
Intangible assets	12(b)	228.88	190.42
Capital work-in-progress		1,798.86	383.46
Non-current investments	13	1,704.55	1,419.90
Long-term loans and advances	14	928.50	2,613.33
Other Non Current Assets	15	243.66	326.06
		12,012.91	12,764.94
Current assets			
Inventories	16	12,850.44	12,914.67
Trade receivables	17	10,461.94	9,723.13
Cash and bank balances	18	235.21	248.89
Short-term loans and advances	19	1,301.10	1,504.54
Other current assets	20	31.40	41.42
		24,880.09	24,432.65
Total		36,893.00	37,197.59

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:- 20514745AAAACY9837

Gurvinder Singh Chadha
(Deputy General Manager)

S.P. Mittal
(Director)

Harash Arora
(Chief Financial Officer)

For Indo Farm Equipment Limited

R.S. Khadwalia
(Chairman Cum
Managing Director)

Navpreet Kaur
(Company Secretary)

Place: Chandigarh

Date: 27-11-2020

Indo Farm Equipment Limited
Statement of Profit and Loss for the year ended 31st March 2020
(All amounts in Rs. Lacs unless stated otherwise)

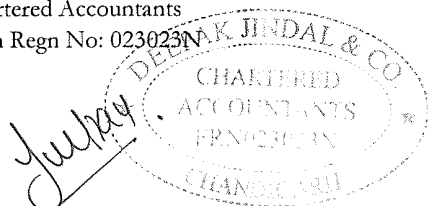
	Notes	Year ended 31st March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	21	23,178.46	30,279.17
Other income	22	185.44	213.93
Total revenue		23,363.89	30,493.10
Cost of Material Consumed			
Changes in Inventories of Finished Goods And Work-In-Progress	23	13,532.82	18,388.15
Employee Benefit Expense	24	3,007.22	3,770.93
Finance Cost	25	1,374.03	1,342.18
Depreciation	26	957.39	941.61
Other Expenses	27	3,821.25	5,227.83
Prior Period Expenses		23.35	12.49
Total expenses		22,772.83	29,414.58
Profit before tax		591.07	1,078.52
Tax expense			
Current tax		98.66	235.10
Deferred tax		13.66	(195.74)
MAT credit entitlement		102.88	98.50
Profit for the year		375.87	940.66
Earnings per equity share			
Basic		4.00	10.37
Diluted		4.00	10.37

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: 0230231N



per Deepak Jindal
Partner

M.No:- 514745

UDIN:- 20514745 AAAACY9837

Gurvinder Singh Chadha
 (Deputy General Manager)

Harash Arora
 (Chief Financial Officer)

Navpreet Kaur
 (Company Secretary)

For Indo Farm Equipment Limited

S.P. Mittal
 (Director)

R.S. Khadwalia
 (Chairman Cum Managing
 Director)

Place : Chandigarh

Date : 27-11-2020

Indo Farm Equipment Limited
Cash Flow Statement for the year Ended 31st March 2020
(All amounts in Rs. unless stated otherwise)

	Year ended 31st March 2020	Year ended 31 March 2019
A. Cash flow from operating activities:		
Profit for the year before tax and prior period items	591.07	1,026.63
Adjustments for:		
Depreciation & Amortization Expenses	957.39	993.50
Dividend Income	(0.32)	
Loss on Sale of Fixed Assets	13.37	18.03
Profit on Sale of Mutual Funds	(2.85)	
Interest expense	1,240.52	1,198.48
Miscellaneous Income	(30.42)	(19.90)
Interest Income	(149.60)	(171.87)
Operating profit before working capital changes	2,619.16	3,042.73
Adjustments for:		
Trade and other receivables	(738.81)	(2,609.76)
Inventories	64.23	87.57
Loans and advances	1,820.36	(1,120.78)
Trade and other payables	(125.14)	(572.11)
Provision movement	(20.92)	12.20
Other Non Current Assets	-	(81.53)
Cash generated from operations	3,618.88	(1,241.68)
Income taxes paid (Including tax deducted at source)	(123.61)	(264.43)
Net cash from operating activities	3,495.27	(1,506.11)
B. Cash flow from investing activities:		
Purchase of fixed assets/ capital work-in-progress	(1,664.35)	(595.79)
Proceeds from disposal of fixed assets	45.45	23.24
Purchase of Investments	(284.65)	(600.00)
Interest received	149.60	171.87
Profit on Sale of Mutual Funds	2.85	
Dividend received	0.32	-
Miscellaneous income	30.42	19.90
Net cash (used)/Generated in investing activities	(1,720.37)	(980.78)
C. Cash flow from financing activities:		
Proceeds/(repayment) of long term borrowings	(416.15)	982.11
Proceeds/(repayment) of short term borrowings	(107.56)	1,916.39
Proceeds/(repayment) of capital	-	600.00
Proceeds/(repayment) of security deposits	(24.36)	74.30
Interest paid	(1,240.52)	(1,198.48)
Net cash (used)/generated in financing activities	(1,788.59)	2,374.31
Net Decrease in cash and cash equivalents (A)+(B)+(C)	(13.68)	(112.59)
Cash and cash equivalents at the beginning of the year	248.89	361.48
Cash and cash equivalents at the end of the year	235.21	248.89
Components of cash and cash equivalents		
Cash in hand	17.62	3.70
Balances with scheduled banks		
In current accounts	19.91	100.93
In Fixed Deposits	197.67	144.26
Cash & cash equivalents in cash flow statement:	235.21	248.89

- 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

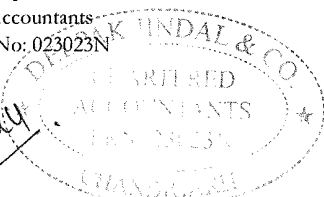
per Deepak Jindal
Partner

M.No: 514745

UDIN:-20514745AAAACY9837

Place: Chandigarh

Date: 27-11-2020



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)

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

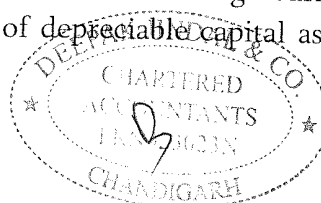
Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

(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

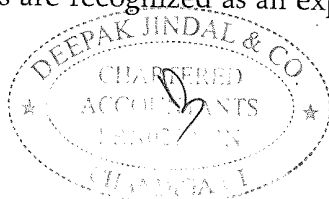
a) The Company has a gratuity scheme whereby the Company contributes premium annually to the Life Insurance Corporation of India to cover its statutory as well as contractual liability to its employees.

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.

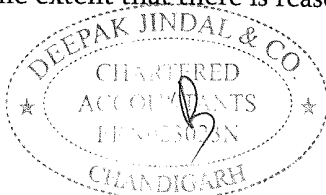
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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 2020		As at 31 March 2019	
Number	Amounts	Number	Amounts
1,50,00,000	1,500.00	1,50,00,000	1,500.00
1,50,00,000	1,500.00	1,50,00,000	1,500.00
93,87,900	938.79	93,87,900	938.79
93,87,900	938.79	93,87,900	938.79

4 Reserves and surplus

General Reserve

Opening Balance

Add : Profit Transferred from Statement of Profit & Loss

Closing Balance

6,217.18

6,217.18

6,217.18

6,217.18

Securities Premium Reserve

Opening Balance

Add : Additions during the year

Closing Balance

568.00

568.00

568.00

568.00

Profit & Loss Balance

Opening Balance

Add : Profit Transferred from Statement of Profit & Loss

Closing Balance

10,815.50

9,874.85

375.87

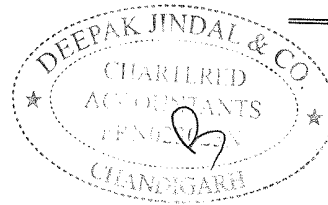
940.66

11,191.37

10,815.50

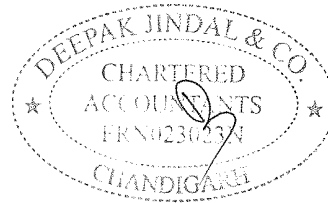
17,976.55

17,600.69



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 2020	As at 31 March 2019
5 Long-term borrowings		
Secured		
Term Loans From Banks/Financial Institutions	707.03	777.47
Vehicle Loans		
-From Banks	111.07	185.54
Other Loans		
-Inter Corporate Deposits	691.15	962.39
	1,509.25	1,925.40
6 Deferred tax liabilities (net)		
A Deferred tax liabilities		
Timing difference on depreciation and amortisation of tangible and intangible assets	2,222.18	2,126.33
	2,222.18	2,126.33
B Deferred Tax Assets Arising On Account Of:		
Provision for Doubtful Debts	247.29	247.29
Provision for Bonus	10.72	48.18
Provision for Gratuity	6.91	7.91
	264.93	303.37
Net Deffered Tax Liability (A-B)	1,957.25	1,822.95
Deferred tax liabilities(TAX IMPACT)	544.51	530.84
7 Other Non Current Liabilities		
Security Deposit From Customers	449.04	473.40
	449.04	473.40



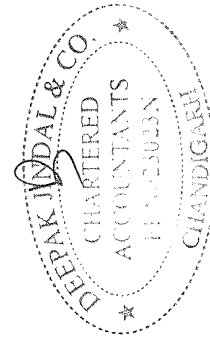
Indo Farm Equipment Limited
Notes to the financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020	As at 31 March 2019
8 Short term borrowings		
Working capital borrowings from banks (secured)	10,811.36	10,918.92
Working Capital Demand Loan	1,000.00	1,000.00
	<u>11,811.36</u>	<u>11,918.92</u>
9 Trade payables		
Dues to micro small and medium enterprises (refer note 28.5(i))	472.85	597.42
Dues to others	2,295.50	2,129.38
	<u>2,768.35</u>	<u>2,726.80</u>
10 Other current liabilities		
Current maturities of long term debts		
Secured Loans From Banks/Financial Institutions	72.45	117.08
Secured Vehicle Loans from Banks	74.93	73.40
Inter Corporate Deposits	271.75	288.42
Statutory Remittances	46.12	84.91
Other payables	360.61	428.74
	<u>825.86</u>	<u>992.55</u>
11 Short-term provisions		
Provision for Warranties & Servicing costs	69.29	90.20
	<u>69.29</u>	<u>90.20</u>



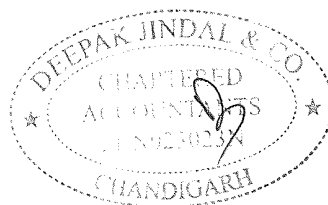
Indo Farm Equipment Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Rs. Lacs unless stated otherwise)
Note - 12

Particulars	Gross block			Accumulated depreciation and amortisation				Net block	
	As at 1 April 2019	Additions during the year	Sales / adjustment during the year	As at 31 Mar 2020	As at 1 April 2019	For the year	Sales / Adjustment during the year	As at 31 Mar 2020	As at 31 March 2019
Tangible assets (a)									
Land	410.29	-	-	410.29	-	-	-	410.29	410.29
Lease hold Land	33.75	-	-	33.75	1.57	-	1.57	32.18	32.18
Buildings	2,499.77	-	-	2,499.77	882.30	78.39	960.69	1,539.08	1,617.47
Furniture & Fixture	253.49	0.25	-	253.74	185.96	15.33	201.29	52.45	67.53
Office Building	286.09	-	-	286.09	36.50	4.51	41.02	245.07	249.59
Computer Equipments	323.40	6.72	-	330.11	299.10	4.16	303.26	26.85	24.30
Vehicles	1,421.43	8.42	97.55	1,332.29	710.80	139.79	811.85	520.44	710.62
Office Equipments	167.82	2.84	-	170.66	131.95	4.31	136.26	34.40	35.88
Plant & Machinery	8,130.80	91.67	-	8,222.47	3,601.92	517.41	4,119.33	4,103.14	4,528.87
Electrical Installations	282.39	2.00	-	284.40	234.56	10.44	245.00	39.40	47.83
Residential Building	127.16	-	-	127.16	19.95	2.06	22.01	105.15	107.21
Total (a)	13,936.38	111.91	97.55	13,950.73	6,104.62	776.40	38.74	7,108.45	7,831.76
Intangible assets (b)									
Product Development	355.82	137.04	-	492.85	165.40	98.57	263.97	228.88	190.42
Total (b)	355.82	137.04	-	492.85	165.40	98.57	263.97	228.88	190.42
Grand Total (a+b)	14,292.20	248.94	97.55	14,443.59	6,270.02	874.97	38.74	7,337.34	8,022.18



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 2020	As at 31 March 2019
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,2020 Rs. 0.91 lacs) (Previous Year Rs. 2.92 lacs)	0.35	0.35
1000 equity shares of Rs 10 each in Max Ventures & Industries Limited (Market Value as on 31st March,2020 Rs. 0.33 lacs) (Previous Year Rs. 0.45 lacs)	0.81	0.81
100 equity shares of Rs 10 each in MCX India Limited (Market Value as on 31st March,2020 Rs. 1.12 lacs) (Previous Year Rs. 0.80 lacs)	1.21	1.21
200 equity shares of Rs 10 each in Jindal Steels & Power Limited (Market Value as on 31st March,2020 Rs. 0.16 lacs) (Previous Year Rs. 0.35 lacs)	0.39	0.39
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. 17.83 lacs)	-	15.35
	<u>2.75</u>	<u>18.10</u>
Unquoted		
18,000 equity shares (Previous Year 18,000 equity shares) of Rs 10 each in Shivalik Solid Waste Management Limited	1.80	1.80
1,40,00,000 equity shares(Previous Year 80,00,000 equity shares) of Rs 10 each in Barota Finance Limited	1,400.00	1,400.00
30,00,000 optionally convertible preference shares of Rs 10 each in Barota Finance Ltd. (Previous Year Nil)	300.00	
	<u>1,701.80</u>	<u>1,401.80</u>
	<u>1,704.55</u>	<u>1,419.90</u>
14 Long-term loans and advances (unsecured considered good, unless otherwise stated)		
Security Deposit	117.24	143.33
Advance to subsidiary	811.26	2,470.00
	<u>928.50</u>	<u>2,613.33</u>



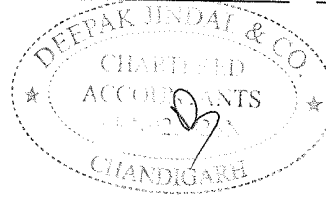
Indo Farm Equipment Limited
Notes to the financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020	As at 31 March 2019
15 Other Non Current Assets		
Opening Balance	326.06	310.63
Deferred Revenue Expenditure incurred during the year	-	81.53
Less : Written off during the year (refer note no 26)	82.40	66.09
	243.66	326.06
16 Inventories		
Raw Material	5,532.17	5,539.62
Finished Goods	3,043.18	2,779.16
Work In Progress	4,275.10	4,595.90
	12,850.44	12,914.67
17 Trade receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from due date	3,068.64	2,498.84
Others	7,393.30	7,224.29
	10,461.94	9,723.13
Unsecured considered doubtful		
Outstanding for a period exceeding six months from due date	247.29	247.29
Less: Provision	247.29	247.29
	10,461.94	9,723.13
18 Cash and bank balances		
Cash in Hand	17.62	3.70
Balances with Banks	19.91	100.93
FDRs with Banks	197.67	144.26
	235.21	248.89
19 Short-term loans and advances		
Advances to Employees	66.89	93.23
Balances with Revenue Authorities	189.89	349.55
Income Tax Refund Due	24.95	29.32
MAT Credit Entitlement	722.70	825.58
Others	296.67	206.85
	1,301.10	1,504.54
20 Other current assets		
Prepaid Expenses	31.40	41.42
	31.40	41.42



Indo Farm Equipment Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts in Rs. Lacs unless stated otherwise)

	<u>Year ended</u> <u>31st March 2020</u>	<u>Year ended</u> <u>31 March 2019</u>
21 Revenue		
Revenue from Operations		
Sale of Products	23,178.46	30,279.17
	<u>23,178.46</u>	<u>30,279.17</u>
22 Other income		
Interest Received	149.60	171.87
Dividend Received	0.32	-
Profit on Sale of Fixed Assets	-	2.14
Gain from Foreign exchange transaction	12.51	7.69
Miscellaneous income	17.90	12.21
Profit on Sale of Mutual Funds	2.85	-
Rent Received	2.26	20.02
	<u>185.44</u>	<u>213.93</u>

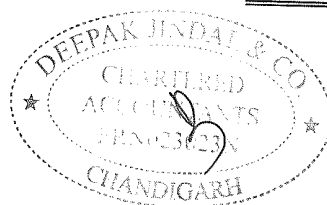


Indo Farm Equipment Limited

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Rs. Lacs unless stated otherwise)

	Year ended 31st March 2020	Year ended 31 March 2019
23 Cost of Raw Material Consumed		
Opening stock	5,539.62	5,895.79
Add : Purchases during the year	13,525.37	18,031.98
Less : Closing stock	19,064.98	23,927.77
	5,532.17	5,539.62
	13,532.82	18,388.15
Changes in Inventories of Finished Goods And Work-In-Progress		
Stock at commencement- Work in Process	4,595.90	4,026.56
Stock at commencement-Finished	2,779.16	3,079.88
	7,375.05	7,106.45
Stock at Close- Work in Process	4,275.10	4,595.90
Stock at Close-Finished	3,043.18	2,779.16
	7,318.27	7,375.05
(Increase)/Decrease in stock	56.78	(268.61)
24 Employee benefits expense		
Directors' Salary	289.69	411.03
Salaries and Wages	2,487.29	3,087.37
Staff welfare	64.42	81.06
Gratuity & Leave Encashment	16.15	14.25
Contribution to provident and other funds	149.67	177.21
	3,007.22	3,770.93
25 Finance costs		
Interest expenses	1,240.52	1,198.48
Other Borrowing Cost	133.50	143.69
	1,374.03	1,342.18
26 Depreciation and amortisation		
Depreciation of tangible assets (refer note 12)	874.99	875.52
Amortisation Expenses (refer note 12 & 15)	82.40	66.09
	957.39	941.61

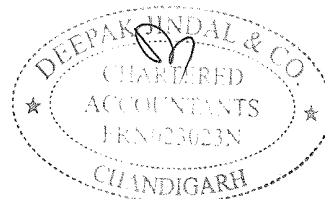


Indo Farm Equipment Limited

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Rs. Lacs unless stated otherwise)

	Year ended 31st March 2020	Year ended 31 March 2019
27 Other expenses		
Manufacturing Expenses :		
Fuel, Electricity & Power	378.35	440.89
Job Work Charges	34.26	31.36
	412.61	472.25
Administrative Expenses :		
Audit Fees	15.00	15.00
Charity & Donation	5.56	0.62
Misc. Expenses	22.23	3.85
Insurance	44.37	72.98
Legal & Professional Charges	59.54	51.27
Loss on sale of Fixed Assets	13.37	18.03
Printing & Stationery	3.75	4.66
Rate, Fee & Tax	46.18	33.44
Rent	98.60	71.49
Repairs	18.21	27.18
R&D Expenses	50.37	99.89
Vehicle Running & Maintenance	66.82	88.09
Telephone & Communications	37.74	59.06
Travelling & Conveyance Expenses		
-Director	54.57	10.34
-Others	531.02	548.59
CSR Expenses	18.05	14.85
Fine & Penalty	15.99	0.16
	1,101.39	1,119.49
Selling Expenses :		
Advertisement Expenses	25.00	18.09
Business promotion	332.54	569.25
Commission	76.43	26.84
Rebate Discount & Incentives	1,236.94	2,066.31
Freight & Cartage on Sale	597.78	690.22
After sale service expenses	38.56	43.26
Vat Expenses	-	25.92
Bad Debts written off	-	196.20
	2,307.25	3,636.09
	3,821.25	5,227.83



28.1 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES

Particulars	As at 31 st March,2020		As at 31 st March,2019	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
R. S. Khadwalia	50,77,600	54.08%	50,77,600	54.08%
Sunita Saini	26,62,587	28.36%	26,62,587	28.36%
M/s Futuristic Mining and Constructions Solutions LLP	10,92,990	11.64%	10,92,990	11.64%

Reconciliation of the number of shares outstanding:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Equity shares at the beginning of the year	93,87,900	90,67,900
Add: Shares issued during the year	-	3,20,000
Equity shares at the end of the year	93,87,900	93,87,900

28.2 SECURED LOANS

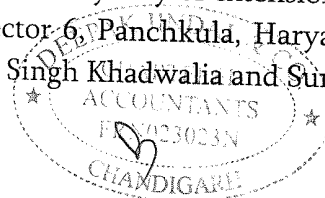
- I. Term Loan from Federal Bank is secured by way of extension of charge on residential property, having Address H.No.103-104, Sector 6, Panchkula, Haryana owned by Directors. Further secured by way of personal guarantee of Ranbir Singh Khadwalia and Sunita Saini.

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

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

- II. Working Capital Limits from Canara Bank & Punjab National Bank are secured by way of Exclusive Pari-Passu Charge on all the current assets of the Company and further secured by way of Exclusive Pari-Passu Charge on all the fixed assets excluding vehicles & specific machinery which is hypothecated to Siemens Ltd. of the Company and personal guarantee of Ranbir Singh Khadwalia, Sunita Saini, S.P. Mittal and Anshul Khadwalia.

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 personal guarantee of Ranbir Singh Khadwalia and Sunita Saini.



Maturity Profile

Particulars	(Rs. in Lacs)		
	1 – 2 years	2 - 5 years	Beyond 5 years
From Banks:			
- Term Loans	132.74	474.72	99.57
- Vehicle Loans	56.71	54.36	-
- Inter Corporate Deposit	288.42	402.73	-

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 2020 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” are Rs. 472.85 lacs (previous year Rs. 597.42 lacs). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs.Nil (previous year Rs.5.06 Lacs) is remaining unpaid as of 31st March 2020. 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.

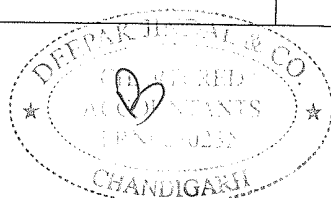
II Investor Education and Protection Fund

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)	
		31.03.2020	31.03.2019
i)	Counter guarantee to bank	14.50	13.92
ii)	Corporate Guarantee	8000.00	6000.00



iii)	Bond Executed by the company in favour of DGFT	68.23	68.23
iv)	Claims against the company not acknowledged as debts	312.92	311.92
v)	Excise matters in dispute	110.69	401.14
vi)	Consumer cases in dispute/Under appeal	110.13	110.13
vii)	Bill Discounting	304.25	404.64
viii)	Differential accounts of custom duty in respect of machinery imported under EPCG Scheme	Nil	Nil

b) Commitments

(Rs. in lacs)

S.No.	Particulars	31.03.2020	31.03.2019
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
ii)	Uncalled liability on shares and other investments partly paid	Nil	Nil
iii)	Other commitments	Nil	Nil

28.7 PAYMENT TO AUDITORS (INCLUDING PAYMENT TO TAX AUDITOR)

(Rs. In Lacs)

Particulars	2019-20	2018-19
Statutory Audit	10.00	10.00
Tax Audit Fee	5.00	5.00
Others(Audit Expenses)	0.19	0.19
GST	2.70	2.70

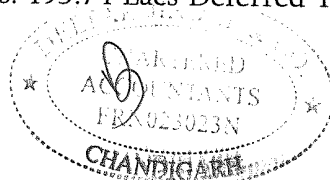
28.8 INCOME TAX

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 up to date, the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs. 13.66 Lacs (Previous Year Rs. 195.74 Lacs Deferred Tax Asset) 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	287
Average Age	39.69
Average Monthly Salary	7749.72
Average Past Service	10.15

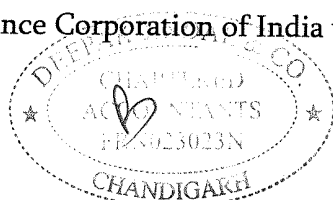
Actuarial Assumptions	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount rate	7.25% p.a

Result of Valuation	
Present Valuation of Past Services benefits	78,45,024
Current Service Cost	7,22,054
Total Service Gratuity	3,42,71,112
Accrued Service Gratuity	1,22,92,543
LCSA	2,14,32,416
LC Premium	65,042
GST	11,708

Recommended Contribution Rate	
Fund Value as on Renewal Date	79,52,329
Additional Contribution for existing fund	-
Current Service Cost	7,22,054

TOTAL AMOUNT PAYABLE	6,91,499
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* as per Valuation by Life Insurance Corporation of India who manages the Fund.



LEAVE ENCASHMENT

Membership Data	
No. of Members	287
Average Age	39
Average Monthly Salary	12916

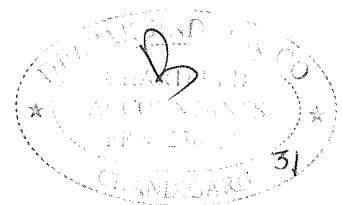
Actuarial Assumptions	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount rate	7.25% p.a

Result of Valuation	
Present Valuation of Past Services benefits	13,82,023
Current Service Cost	84,097
LCSA	71,75,000
LC Premium	27,278
GST	4,910

Recommended Contribution Rate	
Fund Value as on Renewal Date	12,25,810
Additional Contribution for existing fund	1,56,213
Current Service Cost	84,097

TOTAL AMOUNT PAYABLE	2,72,498
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* as per Valuation by Life Insurance Corporation of India who manages the Fund.



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

S.P. Mittal

R.K. Saini (upto 20-09-2018)

Shaveta Sharma (upto 30-10-2018)

Inder Singh Negi

Prem Kumar Dhasmana

Divender Dutt Gautum

Anshul Khadwalia

Navpreet Kaur (Company Secretary)

Dhian Lal Rana (upto 07-11-2019)

iv) Relatives of the Key Managerial Personnel

Shubham Khadwalia

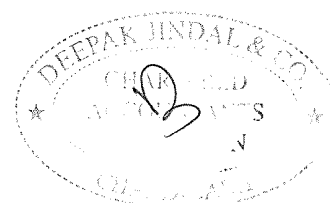
Ritu Saini

Diksha 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	31.03.2020	31.03.2019
i.	Investment made in shares of Subsidiary	300.00	600.00
ii.	Rent Received	1.20	19.05
iii.	Unsecured Loan Provided (Closing Balance)	811.26	2470.00
iv.	Interest Received	130.84	137.31
v.	Purchase of Repo Tractors	689.95	245.14
vi.	Loans and Advances Provided (Closing Balance)	-	35.63
vii.	Subvention Charges paid	250.70	-
viii.	Sundry Creditors (Closing Balance)	980.76	-

ii) Key Managerial Personnel

(Rs. In Lacs)

Sr. No.	PARTICULARS	31.03.2020	31.03.2019
i.	Remuneration	349.24	418.21
ii.	Rent Paid	16.41	16.09

iii) Relatives of the Key Managerial Personnel

Sr. No.	PARTICULARS	31.03.2020	31.03.2019
i.	Remuneration	115.50	176.05
ii.	Rent Paid	14.84	1.17

28.12 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
Profit After Tax	Rs in Lacs	375.87	940.66
No of Shares Outstanding	Nos.	93,87,900	93,87,900
Diluted	Nos.	93,87,900	92,36,229
Nominal value of equity shares	Rs.	10/-	10/-
Earnings per Share			
-Basic	Rs.	4	10.18
-Diluted	Rs.	4	10.18



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

a) RAW MATERIAL CONSUMED

(Rs. In Lacs)					
Sr. No	Particulars	Amount	2019-20 (%age)	Amount	2018-19 (%age)
1.	Imported	136.23	1.01%	141.12	0.78%
2.	Indigenous	13453.37	98.99%	17978.42	99.22%

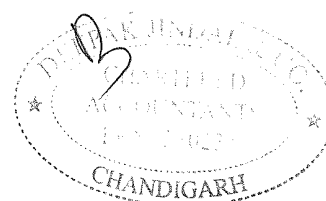
28.14 OTHER INFORMATION

(Rs. In Lacs)			
	Particulars	2019-20	2018-19
(a)	CIF Value of Imports		
1.	Material Purchased (Rs in lacs)	134.14	141.12
(b)	Expenditure in Foreign Currency – Others	16.98	24.95
(c)	Remittances in Foreign Currency	Nil	Nil
(d)	Earnings in Foreign Currency	1274.55	1118.60

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

(Rs. In Lacs)		
Provisions for product warranty and servicing costs #	2020	2019
Opening Balance	90.20	78.00
Additions During the year	69.29	90.20
Amount Used\Write Off during the year	90.20	78.00
Closing Balance	69.29	90.20


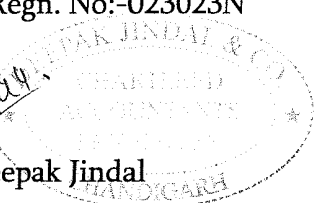
Warranty provisions are made for expected future cash outflows and computed on total sales made during the year, based on past experience.



28.16 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof: Rs. 18.05 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


per Deepak Jindal
Partner

M.No. 514745

UDIN: 20514745AAAACY9837



S.P Mittal
(Director)


Navpreet Kaur
(Company Secretary)

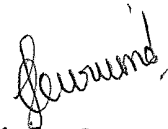
For Indo Farm Equipment Limited



R.S. Khadwalia
(Chairman Cum Managing Director)



Harash Arora
(Chief Financial Officer)



Gurwinder Singh Chadha
(Deputy General Manager)

Place : Chandigarh
Date : 27-11-2020