DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
INDO FARM EQUIPMENT LIMITED
(CIN: U29219CH1994PLC015132)

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 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of financial statements 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

3. Responsibility of Management for 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, changes in

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

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 the Financial Statements

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

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

(i) 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.

(ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

(iv) 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 standalone 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.

(v) 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

5. Report on Other Legal and Regulatory Requirements

1. 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 report in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 of the accompanying financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The financial statements dealt with by this Report are in agreement with the books of account.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the company as on 31 March 2021 in conjunction with our audit of the financial statement of the company for the year ended on that date and our report of even date as per Annexure II expressed unmodified opinion.

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:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 33 (a) to the financial statements;

ii. The Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. No amount was required to be transferred to the Investor Education and Protection Fund by the company during the year ended 31st March, 2021.

h) With respect to the managerial remuneration, the provisions of section 197 read with schedule V to the act are not applicable to the company.

For DEEPAK JINDAL & CO.
Chartered Accountants
FRN: 023023N

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

(CA Deepak Jindal)
Partner
M. No. 514745
UDIN: 21514745AAAAFA3149

Place: Chandigarh
Date: 27.10.2021

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 2021;

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, 2021 was Rs.499.76 Lakhs (Previous Year Rs. 811.26 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 payment 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 for its wholly owned subsidiary Barota Finance Limited amounting to Rs. 8000 lakhs (Previous Year Rs. 8000 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.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

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, 2021 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:

Name of the Statute	Nature of Dues	Amount (Rs.in Lacs)	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act,1961	Income Tax	31.15	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)

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.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

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 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

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

(CA) Deepak Jindal)
Partner
M. No.514745
UDIN: 21514745AAAAFA3149

Place: Chandigarh
Date: 27.10.2021

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 2021 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.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN 023023N
CHANDIGARH

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 in adequate 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 2021, 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

(CA Deepak Jindal)
Partner
M. No.514745
UDIN: 21514745AAAA...

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Place: Chandigarh
Date: 27.10.2021

Indo Farm Equipment Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. CORPORATE INFORMATION

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

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ('financial statements').

2.1 BASIS FOR PREPARATION

i) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in millions of Indian Rs. and are rounded off to two decimals, except per share data.

ii) Functional and Presentation Currency

These financial statements are presented in Indian Rs. Lacs, which is also the Company's functional currency.

iii) Historical Cost Convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iv) Current and Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when:

a) It is expected to be realized or intended to be sold or consumed in normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is expected to be realized within twelve months after the reporting period; or

d) It is cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle:

b) It is held primarily for the purpose of trading;

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

c) It is due to be settled within twelve months after reporting period; or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

2.2 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit and Loss.

2.3 MEASUREMENT OF FAIR VALUES

A number of the accounting policies and disclosures require measurement of fair values, for both financial and nonfinancial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 BORROWING COSTS

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Borrowing cost which are not relatable to the qualifying asset are recognized as an expense in the period in which they are incurred. Borrowing cost on specific loans, used on acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.5 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.

2.6 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

i) <u>Property, Plant and Equipment</u>

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its PPE recognized as of April 1, 2019 (transition date) measured as per the previous GAAP except for Land & Building and Plant & Machinery, which have been measured at fair value and had used that carrying value as its deemed cost as of the transition date.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

ii) <u>Intangible Assets</u>

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Internally generated goodwill is not recognized as an asset. With regard to other internally generated intangible asset:

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

a) Expenditure on research undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.

b) Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

- Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Useful lives of assets are as below:

Category of Assets	Management estimate of useful life	Useful life as per Schedule II
Plant and machinery	15 years	15 years
Building	60 years	60 years
Computers	3 years	3 years
Furniture and fittings	10 years	10 years
Office equipment	15 years	15 years
Vehicles	8 years	8 years

Estimated useful lives of the Intangible assets are as follow:

Category of assets	Management estimate of Useful life
Product Development	5 years

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Depreciation and amortisation on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.
Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

- Derecognition
  Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their use and disposal. Gains or Losses arising from disposal of a tangible and intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.7 GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated

DEEPAK ... & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 FINANCIAL INSTRUMENTS

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) FINANCIAL ASSETS

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt Instruments at amortized cost

b) Debt Instrument at fair value through Other Comprehensive Income (FVOCI)

c) Debt Instruments, derivatives and equity Instruments at fair value through profit or loss (FVTPL)

d) Equity Instruments measured at fair value through Other comprehensive income (FVOCI)

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses

DEEPAK JINDAL & CO
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

b) Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c) Debt instrument, Derivatives and Equity instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

d) Equity instrument at FVOCI

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

iii) Impairment of Financial Assets

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

iv) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

a) The rights to receive cash flow from the asset have expired, or

b) The company has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to the third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risk and rewards of the assets, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but transferred control of the assets.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Write off of financial assets The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

B) FINANCIAL LIABILITIES

i) Initial Recognition and Measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit or Loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through Profit or Loss, transactions costs directly attributable to the acquisition of financial liabilities are recognized immediately in the statement of Profit or Loss.

The company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

ii) Subsequent Measurement

a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

b) Financial Liabilities at Amortised Cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative income recognised in accordance with principles of Ind AS 115.

iii) **Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.10 INVENTORIES

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses FIFO method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.12 CONTINGENT LIABILITIES AND ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.13 PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

2.14 FOREIGN EXCHANGE TRANSACTIONS

i) Initial Recognition

Investments in foreign entities if any, 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.

ii) 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.

iii) 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.

2.15 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.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

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.

2.16 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.

2.17 INCOME TAX

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961.

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023923N CHANDIGARH

entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

2.18 STATEMENT OF CASH FLOW

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

2.19 SEGMENT REPORTING

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

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

<u>a) Business Segments</u>
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 tonnes to 20 tonnes. Other operations include Foundry Division, Genset manufacturing, Combine Harvester, Rotavator & Hydraulic parts manufacturing activities.

<u>b) Geographical Segments</u>
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.

<u>c) Segment Revenues and Expenses</u>
All segment revenues and expenses are directly attributable to the segments.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

30. EARNINGS PER SHARE (EPS)

(Rs. in Lacs)

Particulars	As on March 31, 2021	As on March 31, 2020
Profit/(Loss) as per statement of profit and loss	567.93	355.07
Weighted average number of equity shares outstanding	93.88	93.88
Basic EPS (In Rs)	**6.05**	**3.78**

The calculation of diluted earnings per share is based on profit attributes to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follow:

(Rs. in Lacs)

Particulars	As on March 31, 2021	As on March 31, 2020
Profit attributable to equity shareholders (diluted)	567.93	355.07
Weighted average number of equity shares (diluted)	93.88	93.88
Weighted average number of equity shares (basic)	93.88	93.88
Effect of exercise of share option	-	-
Weighted average number of equity shares (diluted) for the year	93.88	93.88
Diluted earnings per share	**6.05**	**3.78**

31. BORROWINGS

A. SECURED LOANS

(Rs. In Lacs)

Particulars	March 31, 2021		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Working Capital Loan from Bank	-	9,993.12	-	10,811.36
Term Loan from bank	2876.55	1,156.42	-	-
Total	**2876.55**	**11,149.54**	-	**10,811.36**

B. UNSECURED LOANS

(Rs. In Lacs)

Particulars	March 31, 2021		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Vehicle Loans From Banks	123.60	79.81	111.07	74.93
Other Unsecured Loans from Banks	1,031.81	200.52	707.03	72.45
Inter Corporate Deposits	24.44	28.41	691.15	271.75
Total	**1,179.85**	**308.74**	**1,509.25**	**419.13**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

I. **Security disclosure for the outstanding long-term borrowings as on 31st March 2021:**

Working Capital Term Loan under GECL 2.0 Scheme from Canara Bank & Punjab National Bank is secured by way of charge on assets created out of facility so extended and additional WCTL under GECL shall rank pari passu second charge with existing credit facilities in terms of cash flows and security.

Working capital Term Loan under GECL by Federal Bank is secured by way of interest/charge on all movable and immovable assets created out of WCTL and collaterally secured by way of 2nd Charge on Residential Property, opp. Cantt. Area, Chandigarh in the name of Mr. R.S. Khadwalia and Ms. Sunita Saini.

Term Loan of Rs 5.20 Crores and Rs.1.6640 Crores sanctioned by Federal Bank (Takeover form Tata Capital Financial Services Limited) collaterally secured by way of 1st charge on land situated at Bhopal. Further term loan of Rs. 1.6640 Crores is primarily secured by way of hypothecation of equipment procured out of term loan.

Working Capital Limits and COVID Demand Loans from Canara Bank & Punjab National Bank are secured by way of 1st Pari-Passu Charge on all the current assets (present & future) of the Company and further secured by way of 1st Pari-Passu Charge on all the fixed assets of the Company excluding vehicles, specific land building situated at Mumbai mortgaged to Canara Bank, specific land situated at Bhopal mortgaged to Federal Bank and specific machinery which is hypothecated to Siemens Ltd. and personal guarantee of Ranbir Singh Khadwalia, Sunita Saini, S.P. Mittal and Anshul Khadwalia.

II. **Maturity Profile:**

A. Secured Loans (Rs. In Lacs)

Particulars	1 – 2 years	2 - 5 years	Beyond 5 years
From Banks:			
- Term Loans	904.29	1,972.27	-

B. Unsecured Loans (Rs. In Lacs)

Particulars	1 – 2 years	2 - 5 years	Beyond 5 years
From Banks:			
- Other Loans	217.37	666.72	147.72
- Vehicle Loans	53.35	70.25	-
- Inter Corporate Deposit	24.44	-	-

32. COMMITMENTS (Rs. In Lacs)

S.No.	Particulars	31.03.2021	31.03.2020
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

CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

i) <u>Exceptions</u>

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively.

ii) <u>Optional Exceptions</u>

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2019 (transition date) measured as per the previous GAAP except for Land & Building and Plant & Machinery, which have been measured at fair value and use that carrying value as its deemed cost as of the transition date.

3. RECENT PRONOUNCEMENTS BUT NOT YET EFFECTIVE

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

<u>Balance Sheet:</u>

- Lease Liabilities should be separately disclosed under the head 'finacial liabilities', duly distinguished as current or non-current
- Certain additions disclosures in the statement of change in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the reporting period
- Specified format for disclosures of shareholding of promoters
- Specified format for ageing schedule of trade receivable, trade payables, capital work-in-progress and intangible asstes under development
- If company has not issued funds for specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved scheme of arrangement, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

<u>Statement of Profit and Loss:</u>

- Additional disclosure relating to CSR, undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

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

2.20 EARNING PER SHARE

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

$$\frac{\text{Profit/(Loss) attributable to owners of the company}}{\text{Weighted average number of equity shares outstanding during the financial year*}}$$

* adjusted for bonus elements in equity shares issued during the year

ii) **Diluted earnings per share**

Diluted earnings per share is calculated by dividing :

$$\frac{\text{Profit/(loss) attributable to owners of the company + After Tax cost of Interest on Dilutive Potential Equity Shares}}{\text{Weighted average number of equity shares outstanding during the year after adjustment for the effects of dilutive potential equity shares}}$$

2.21 FIRST TIME ADOPTION-MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS

Overall Principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2019 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Result of Valuation	
Present Valuation of Past Services benefits	1,20,54,862
Current Service Cost	9,94,104
Total Service Gratuity	5,05,27,507
Accrued Service Gratuity	2,07,15,795
LCSA	2,98,11,712
LC Premium	94,452
GST	17,001

Recommended Contribution Rate	
Fund Value as on Renewal Date	75,55,276
Additional Contribution for existing fund	44,99,586
Current Service Cost	9,94,104

TOTAL AMOUNT PAYABLE	56,05,143

*** as per Valuation by Life Insurance Corporation of India who manages the Fund.**

LEAVE ENCASHMENT

Membership Data	
No. of Members	252
Average Age	40
Average Monthly Salary	13663

Actuarial Assumptions	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount rate	7% p.a

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Result of Valuation	
Present Valuation of Past Services benefits	17,81,968
Current Service Cost	80,001
LCSA	63,00,000
LC Premium	25,885
GST	4,659

Recommended Contribution Rate	
Fund Value as on Renewal Date	14,45,943
Additional Contribution for existing fund	3,36,025
Current Service Cost	80,001

TOTAL AMOUNT PAYABLE	4,46,579

*** as per Valuation by Life Insurance Corporation of India who manages the Fund.**

35. TRADE PAYABLES

Amount due to entities covered under micro enterprises and small enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. The total amount due as on 31.03.2021 was 1057.35 Lacs (Previous year 472.85 Lacs) and interest on late payment was Nil (Previous year Nil)

36. TRADE RECEIVABLES

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade receivables are unsecured and are derived from revenue earned from sale of tractors and other Equipment. No interest is charged on the outstanding balance, regardless of the age of the balance.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further the Company, groups the trade receivables depending on type of customers and accordingly credit risk is determined.

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

The Company has recorded an allowance 684.35 Lacs (Previous year 3315.93 Lacs) towards trade receivables. The Management believes that there is no further provision required in excess of the allowance for doubtful debts.

The trade receivables are hypothecated as security towards borrowings taken by the Company.

37. RELATED PARTY DISCLOSURES

i) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
Subsidiary Company	Barota Finance Limited
Key management personnel (KMP)	Mr. R.S. Khadwalia, Managing Director
	Mrs. Sunita Saini, Director
	Mr. Charan Singh Saini, Director(upto 31-05-2021)
	Mr. S.P. Mittal
	Mr. Inder Singh Negi
	Mr. Prem Kumar Dhasmana
	Mr. Divender Dutt Gautam
	Mr. Anshul Khadwalia
	Mt. Surinder Mohan Singla (CFO w.e.f. 01-06-2021)
	Ms. Navpreet Kaur (Company Secretary)
Relatives of Key Management Personnel (KMP)	Mr. Shubham Khadwalia
	Ms. Ritu Saini
	Ms. Diksha Khadwalia

ii) Transactions with related parties

.i) Subsidiary Companies

(Rs. In Lacs)

Sr. No.	PARTICULARS	31.03.2021	31.03.2020
i.	Investment made in shares of Subsidiary	-	300.00
ii.	Rent Received	1.20	1.20
iii.	Unsecured Loan Provided (Closing Balance)	499.76	811.26
iv.	Interest Received	-	130.84
v.	Purchase of Repo Tractors	419.80	689.95
vi.	Subvention Charges paid	356.99	250.70

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

33. CONTINGENT LIABILITIES

(a) Contingent liabilities (not provided for) in respect of:

(Rs. in Lacs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	Counter guarantee to bank	20.71	14.50
ii)	Corporate Guarantee	8,000.00	8000.00
iii)	Bond Executed by the company in favour of DGFT	68.23	68.23
iv)	Claims against the company not acknowledged as debts	290.73	305.89
v)	Excise matters in dispute #	303.67	107.53
vi)	Consumer cases in dispute/Under appeal*	240.73	110.13
vii)	Bill Discounting	578.53	304.25

#Excise cases related to years November 2003-January 2005 was already decided in favour of Company by Commissioner (Appeals), Customs and Central Excise, Chandigarh and the demand was deleted.
However, the department has elected to file appeal against order with Customs Excise and Service Tax Appellate Tribunal (CESTAT).
The management is hopeful that, same will decided in favour of company and no material liability will devolve on the company in respect of these matters.

*Interest and claims by customers, suppliers, lenders and employees may be payable as and when the outcome of the related matters are finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Company in respect of these matters.

34. EMPLOYEE BENEFITS PLAN

The following table set out the status of the plan for gratuity as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

GRATUITY

Membership Data	
No. of Members	252
Average Age	39.61
Average Monthly Salary	13662.84
Average Past Service	11.12

Actuarial Assumptions	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount rate	7% p.a

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

ii) Key Managerial Personnel

(Rs. In Lacs)

Sr. No.	PARTICULARS	31.03.2021	31.03.2020
i.	Remuneration	311.57	349.24
ii.	Rent Paid	16.41	16.41
iii.	Sitting Fee Paid	1.20	1.20

iii) Relatives of the Key Managerial Personnel

(Rs. In Lacs)

Sr. No.	PARTICULARS	31.03.2021	31.03.2020
i.	Remuneration	126.00	115.50
ii.	Rent Paid	15.60	14.84

38 The Information required by paragraph 5 of general instructions for preparation of the Statement of Profit and Loss as per schedule III of Companies Act, 2013

i) <u>Imported and indigenous consumption</u>

(Rs. In Lacs)

Sr. No	Particulars	Amount	2020-21(%age)	Amount	2019-20 (%age)
1.	Imported	105.82	0.69%	136.23	1.01%
2.	Indigenous	14,712.89	99.31%	13453.37	98.99%

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

40. AUDITOR'S REMUNERATION*

(Rs. in Lacs)

Particulars	2020-21	2019-20
Statutory Audit	10.00	10.00

41. SHARE CAPITAL

i) The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Reconciliation of share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amount (in Lacs)	Number of Shares	Amount (in Lacs)
Balance at the beginning of the year	93,87,900	938.79	93,87,900	938.79
Add : Issued during the year	-	-	-	-
Balance at the end of the year	**93,87,900**	**938.79**	**93,87,900**	**938.79**

ii) Shareholders holding more than 5% of the shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
R.S. Khadwalia	50,77,600	54.08	50,77,600	54.08
Sunita Saini	26,62,587	28.36	26,62,587	29.36
M/s Futurisitic Mining Constructions Solutions LLP	10,92,990	11.64	10,92,990	11.64

42. OTHER EQUITY

i) **Reconciliation of other equity as per Ind AS and IGAAP**

(Rs in Lacs)

Particulars	As at March 31, 2021	As at April 1, 2020
Balance as per IGAAP	18,915.34	18,539.48
Financial Instruments	(3,632.22)	(3,467.21)
Change in fair valuation of Property Plant and Equipment	9,841.65	9,697.43
Tax effect of Availament of Deferred Tax Asset on Brought Forward Loses	-	-
Adjustment of difference in Loss brought forward as per Income Tax Act	-	-
Balance as per Ind AS	**25,124.77**	**24,769.70**

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

ii) Reconciliation of total comprehensive income as per Ind AS and IGAAP

(Rs in Lacs)

Particulars	Year Ended 31 March, 2020
Balance as per IGAAP	375.87
Financial Instruments	(165.01)
Change in fair valuation of Property Plant and Equipment	165.04
Deferred Tax on opening Tax adjustment	(20.83)
Balance as per Ind AS	355.07

Note:

i) The Company has chosen to value certain property at its fair value on the transition date. This amount has been recognised in retained earnings. Consequently the Company has recognised additional depreciation on aforesaid based on the fair value in subsequent year.

ii) Under previous GAAP, the Company has created allowance for doubtful debts based on its estimation. Under Ind AS, the allowance for credit loss has been made based on Expected Credit Loss (ECL).

iii) Under Ind AS, actuarial gain/loss on defined benefits plan are recognised in the statement of Other Comprehensive Income.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Indo Farm Equipment Limited

R.S. Khadwalia
Chairman Cum Managing Director
(DIN:0062154)

Anshul Khadwalia
Director
(DIN:05243344)

Gurwinder Singh Chadha
General Manager
(PAN:AHEPC6779P)

Surinder Mohan Singla
Chief Financial Officer
(PAN:ACOPS9998K)

Navpreet Kaur
Company Secretary
(PAN:ANMPK5801G)

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

DEEPAK JINDAL & CHARTERED ACCOUNTANT FRN023023N CHANDIGARH

(CA Deepak Jindal)
Partner
M.No. 514745
UDIN: 21514745AAAAPA3149

Place: Chandigarh
Date: 27.10.2021

Indo Farm Equipment Limited (Rs. In Lacs)

Balance Sheet As At 31st March 2021

Particulars	NOTE	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
ASSETS				
Non-current assets				
Property, plant and equipment	4	18,001.67	16,888.51	17,529.20
Capital work-in-progress		1,440.61	1,798.86	383.46
Intangible assets	5	282.12	228.88	190.42
Financial assets				
Investments	6	1,704.55	1,704.55	1,419.90
Other financial assets	7	-	-	-
Deferred tax Assets (net)	8	436.48	542.87	680.23
Other non-current assets	9	642.45	928.50	2,613.33
Total Non Current Assets		**22,507.88**	**22,092.18**	**22,816.54**
Current assets				
Inventory	10	14,091.84	12,850.44	12,914.67
Financial assets				
Trade receivables	11	7,335.53	6,800.02	6,226.22
Cash and cash equivalents	12	253.24	235.21	248.89
Loans & Advances	13	52.57	37.15	63.50
Other financial assets	7	674.41	189.89	349.55
Income Tax Assets	14	21.68	24.95	11.60
Other current assets	15	385.68	328.07	266.00
Total Current Assets		**22,814.95**	**20,465.73**	**20,080.42**
Total Assets		**45,322.83**	**42,557.92**	**42,896.96**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	938.79	938.79	938.79
Other equity	17	24,753.91	24,185.98	23,830.91
Total Equity		**25,692.70**	**25,124.77**	**24,769.70**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	4,056.40	1,509.25	1,925.40
Other financial liabilities	19	384.05	449.04	473.40
Total Non-current liabilities		**4,440.44**	**1,958.29**	**2,398.80**
Current liabilities				
Financial liabilities				
Borrowings	18	10,493.12	11,811.36	11,918.92
Trade payables				
Due to MSME	21	1,057.35	472.85	597.42
Due to Others	21	1,437.77	2,295.50	2,129.38
Other financial liabilities	19	1,553.96	465.25	563.81
Other current liabilities	1	528.04	360.61	428.74
Provisions	20	75.44	69.29	90.20
Current tax liabilities	14	44.00	-	-
Total Current liabilities		**15,189.69**	**15,474.85**	**15,728.47**
Total equity and liabilities		**45,322.84**	**42,557.92**	**42,896.97**

Significant Accounting Policies 1 to 3
Notes to Financial Statements 4 to 29

For Indofarm Equipment Limited

R.S. Khadwalia
Chairman cum Managing Director
(DIN:00062154)

Surinder Mohan Singla
Chief Financial Officer
PAN:ACOPS9998K

Gurwinder Singh Chadha
General Manager
(PAN:AHEPC6779P)

Anshul Khadwalia
Director
(DIN:05243344)

Navpreet Kaur
Company Secretary
PAN:ANMPK5801G

As per our report of even date
For DEEPAK JINDAL & CO.
Chartered Accountants
Firm Regn. No.: 023023N

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

Per Deepak Jindal
(Partner)
M. No.: 514745
UDIN: 21514745AAAAEP4314

Place : Chandigarh
Dated : 27.10.2021

Indo Farm Equipment Limited

(Rs. In Lacs)

Statement of Profit and Loss For the Year Ended 31st March 2021

Particulars	NOTE	Year Ended March 31, 2021	Year Ended March 31, 2020
Continuiung Operations			
Revenue from Operations	2	25,175.90	23,178.46
Other Income (Net)	3	52.52	185.44
Total A		**25,228.42**	**23,363.89**
Expenses			
Raw Material Consumed	4	15,351.80	13,532.82
Changes in Inventories of Finished Goods & Work-In-Progress	5	(533.09)	56.78
Employees Benefits Expense	6	2,571.55	3,007.22
Finance Cost	7	1,408.88	1,374.03
Depreciation & Amortization	4 & 5	788.89	792.35
Other Expenses	8	4,824.67	3,986.26
Total B		**24,412.70**	**22,749.44**
Profit/(Loss) before tax (A-B)		**815.73**	**614.45**
Tax Expenses	8	247.79	259.38
Profit for the period		**567.93**	**355.07**
Other Comprehensive Income		-	-
Total Comprehensive income/(loss) for the period		**567.93**	**355.07**
Earnings per equity share (Equity Shares of Rs.10/- each fully paid up))			
Basic (Rs.)		6.05	3.78
Diluted (Rs.)		6.05	3.78
Significant Accounting Policies	**1 to 3**		
Notes to Financial Statements	**4 to 29**		

As per our report of even date

For Indofarm Equipment Limited

R.S. Khadwalia
(Chairman cum Managing Director)
(DIN:00062154)

Surinder Mohan Singla
Chief Financial Officer
(PAN:ACOPS9998K)

Gurwinder Singh Chadha
General Manager
(PAN:AHEPC6779P)

Anshul Khadwalia
Director
(DIN:05243344)

Navpreet Kaur
Company Secretary
(PAN: ANMPK5801G)

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

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

Per Deepak Jindal
Partner
M. No.: 514745

UDIN:21514745AAAAFA3149

Place : Chandigarh
Dated : 27.10.21

Indo Farm Equipment Limited (Rs. in Lacs)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2021

PARTICULARS	As At March 31, 2021	As At March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	815.73	614.45
Adjustments For :		
Depreciation	788.89	792.35
Provision for Employees Retirement Benefits	60.52	-
Provision for Warranties & Servicing costs	6.16	(20.92)
Loss/ (Profit) on Sale of Fixed Assets	(3.07)	13.37
Interest Income	(14.93)	(149.60)
Interest on Borrowings	1,408.88	1,374.03
Dividend Received	(0.28)	(0.32)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**3,061.89**	**2,623.36**
Adjustments For :		
(Increase)/Decrease in Inventory	(1,241.40)	64.23
(Increase)/Decrease in Tade Receivables	(535.51)	(573.80)
Increase/(Decrease) in Loans and Advances	(15.42)	26.34
Increase/ (Decrease) in Other Current Assets	(542.13)	97.59
Increase/(Decrease) in Trade payables	(273.22)	41.55
Increase/ (Decrease) in Other current liabilities	81.06	(131.29)
(Increase)/ Decrease in Non Current Assets	286.06	1,684.83
CASH GENERATED FROM OPERATIONS	**821.34**	**3,832.81**
Direct Taxes Paid	(94.14)	(135.36)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**727.20**	**3,697.45**
Extra-Ordinary Items	-	
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**727.20**	**3,697.45**
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of Fixed Assets	(1,606.34)	(1,664.35)
Interest Received	14.93	149.60
Dividend Received	0.28	0.32
Sale of Fixed Assets	12.38	45.45
Sale/(Purchase) of Investments	-	(284.65)
NET CASH USED IN INVESTING ACTIVITIES (B)	**(1,578.76)**	**(1,753.64)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	3,596.71	(475.91)
Proceeds/(Repayment) from Working Capital Limits from Banks	(1,318.24)	(107.56)
Interest Paid	(1,408.88)	(1,374.03)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**869.60**	**(1,957.49)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**18.03**	**(13.68)**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	235.21	248.89
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	**253.24**	**235.21**

Significant Accounting Policies	**1 to 3**
Notes to Financial Statements	**4 to 29**

For Indofarm Equipment Limited

R.S. Khadwalia
Chairman cum Managing Director
(DIN: 00062154)

Anshul Khadwalia
Director
(DIN: 05243344)

Surinder Mohan Singla
Chief Financial Officer
(PAN: ACOPS9998K)

Navpreet Kaur
Company Secretary
(PAN:ANMPK5801G)

Gurwinder Singh Chadha
General Manager
(PAN:AHEPC6779P)

For DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

CA Deepak Jindal
(Partner)
M. No. 514745
UDIN: 21514745AAAAPA3149

DEEPAK JINDAL & CO. CHARTERED ACCOUNTANTS FRN023023N CHANDIGARH

Place: Chandigarh
Date: 21.10.21

Indo Farm Equipment Limited

Note - 4 "Property, Plant And Equipment"

(Rs. In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-Apr-20	Additions	Sale/ Deletion	As At 31-Mar-21	Up To 31-Mar-20	During the Year	Deletion/ Adjustments	Up To 31-Mar-21	As At 31-Mar-21	As At 31-Mar-20
Land	8,560.10	-	-	8,560.10	-	-	-	-	8,560.10	8,560.10
Lease hold Land	-	-	-	-	-	-	-	-	-	-
Buildings	3,745.67	383.46	-	4,129.13	1,233.62	65.99	-	1,299.61	2,829.51	2,512.05
Plant & Machinery	8,506.87	1,419.50	-	9,926.37	3,324.65	477.21	-	3,801.87	6,124.50	5,182.21
Furniture & Fixture	253.74	-	-	253.74	201.29	15.04	-	216.33	37.42	52.45
Computer Equipments	330.11	1.08	0.70	330.49	303.26	2.31	0.31	305.26	25.23	26.85
Vehicles	1,332.29	4.96	40.38	1,296.87	811.85	126.85	32.09	906.61	390.26	520.44
Office Equipments	170.66	3.79	0.88	173.57	136.26	2.92	0.25	138.93	34.64	34.40
Grand Total	**22,899.44**	**1,812.80**	**41.96**	**24,670.28**	**6,010.93**	**690.32**	**32.65**	**6,668.61**	**18,001.67**	**16,888.51**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-Apr-19	Additions	Sale/ Deletion	As At 31-Mar-20	Up To 31-Mar-19	During the Year	Deletion/ Adjustments	Up To 31-Mar-20	As At 31-Mar-20	As At 31-Mar-19
Land	8,560.10	-	-	8,560.10	-	-	-	-	8,560.10	8,560.10
Lease hold Land		-	-	-		-	-	-	-	-
Buildings	3,745.67	-	-	3,745.67	1,168.34	65.28	-	1,233.62	2,512.05	2,577.32
Plant & Machinery	8,413.19	93.68	-	8,506.87	2,859.75	464.91	-	3,324.65	5,182.21	5,553.44
Furniture & Fixture	253.49	0.25	-	253.74	185.96	15.33	-	201.29	52.45	67.53
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	38.74	811.85	520.44	710.62
Office Equipments	167.82	2.84	-	170.66	131.95	4.31	-	136.26	34.40	35.88
Grand Total	**22,885.09**	**111.91**	**97.55**	**22,899.44**	**5,355.89**	**693.77**	**38.74**	**6,010.93**	**16,888.51**	**17,529.20**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

Note - 5 "Intangible Assets"

(Rs. In Lacs)

Particulars	**As At March 31, 2021**	**As At March 31, 2020**	**As At April 1, 2019**
Opening Gross Block	**492.85**	**355.82**	**235.59**
Additions during the year	151.80	137.04	120.23
Deletions during the year	-	-	-
Closing Gross Block	**644.66**	**492.85**	**355.82**
Opening Accumlated amortization	**263.97**	**165.40**	**94.24**
Amortization during the year	98.57	98.57	71.16
Closing Accumlated amortization	**362.54**	**263.97**	**165.40**
Carrying value as of March 31, 2021	**282.12**	**228.88**	**190.42**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN 023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 6 "Investments"

Particulars	As At March 31, 2021	As At March 31, 2020	(Rs. In Lacs) As At April 1, 2019
Non Current Investments			
Investment in Equity Instruments			
UNQUOTED			
In Subsidiary Companies			
1,40,00,000 (Previous Year 1,40,00,000) Equity Shares of Rs. 10/- Each Fully Paid In Barota Finance Limited	1,400.00	1,400.00	1,400.00
30,00,000 (Previous Year 30,00,000) optionally convertible preference shares of Rs 10/- each In Barota Finance Limited	300.00	300.00	-
In Others			
18,000 equity shares of Rs 10/- each in Shivalik Solid Waste Management Limited(Previous Year Rs. 1.80 lacs)	1.80	1.80	1.80
QUOTED			
(Value at lower of cost or market value)			
In Others			
1000 equity shares of Rs 10/- each in Canara Bank (Market Value as on 31st March,2021 Rs. 1.52 lacs) (Previous Year Rs. 0.91 lacs)	0.35	0.35	0.35
1000 equity shares of Rs 10/- each in Max Ventures & Industries Limited (Market Value as on 31st March,2021 Rs. 0.56 lacs) (Previous Year Rs. 0.33 lacs)	0.81	0.81	0.81
100 equity shares of Rs 10/- each in MCX India Limited (Market Value as on 31st March,2021 Rs. 1.51 lacs) (Previous Year Rs. 1.12 lacs)	1.21	1.21	1.21
200 equity shares of Rs 10/- each in Jindal Steels & Power Limited (Market Value as on 31st March,2021 Rs. 0.69 lacs) (Previous Year Rs. 0.16 lacs)	0.39	0.39	0.39
Canara Robeco Capital Protection Oriented Fund- Regular Growth Plan (No of units 154349)	-	-	15.35
Total	**1,704.55**	**1,704.55**	**1,419.90**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 7 "Other Financial Assets"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Current			
Balances with Revenue Authorities	674.41	189.89	349.55
	674.41	**189.89**	**349.55**

NOTE - 9 "Other Non-Current Assets"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Security Deposits	142.69	117.24	143.33
Advances to related Parties	499.76	811.26	2,470.00
	642.45	**928.50**	**2,613.33**

NOTE - 10 "Inventory"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
(As Certified by The Management)			
Raw Material	6,240.48	5,532.17	5,539.62
Work In Progress	5,077.28	4,275.10	4,595.90
Finished Goods	2,774.08	3,043.18	2,779.16
	14,091.84	**12,850.44**	**12,914.67**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 8 "Income Taxes"

Deferred Tax (Assets)/Liabilities

(Rs. in Lacs

Particulars	As At April 1, 2020	Charge/(Credit) to Profit or Loss	Charge/(Credit) to OCI	As At March 31, 2021
Tax Effect of items resulting in taxable temporary differences				
Allowances on Property, Plant and Equipment and Intangible Assets	1,107.24	4.69		1,111.92
Others	-			
Tax effect of items resulting in deductible temporary differences				
Provision for Employee Benefits	(1.92)	(14.91)		(16.84)
Carry Forward of Losses		(473.40)		(473.40)
Others Expenses and Provisions	(925.48)	726.17		(199.30)
Deferred Tax (Assets)/Liabilities (Net)	**179.84**	**242.55**	**-**	**422.38**
Minimum Alternate Tax Credit	(722.70)	(136.16)		(858.86)
Net Deferred Tax (Assets)/Liabilities	**(542.87)**	**106.38**	**-**	**(436.48)**

"Deferred Tax (Assets)/Liabilities (Net)"

(Rs. In Lacs)

Particulars	As At April 1, 2019	Charge/(Credit) to Profit or Loss	Charge/(Credit) to OCI	As At March 31, 2020
Tax Effect of items resulting in taxable temporary differences				
Allowances on Property, Plant and Equipment and Intangible Assets	1,079.23	28.01		1,107.24
Others				
Tax effect of items resulting in deductible temporary differences				
Provision for Employee Benefits	(2.30)	0.38		(1.92)
Carry Forward of Losses				
Others Expenses and Provisions	(931.58)	6.10		(925.48)
Total Deferred Tax (Assets)/Liabilities (Net)	**145.35**	**34.49**	**-**	**179.84**
Minimum Alternate Tax Credit	(825.58)	102.88		(722.70)
Net Deferred Tax (Assets)/ Liabilities	**(680.23)**	**137.37**	**-**	**(542.87)**

Tax Expenses:

(Rs. In Lacs)

Particulars		As At March 31, 2021	As At March 31, 2020
Current Tax:			
In Respect of Current Year		136.16	98.66
In Respect of Prior Years		5.25	23.35
	Total (A)	**141.41**	**122.01**
Minimum Alternate Tax Credit:			
Utilisation/(recognition) of Minimum Alternate Tax Credit		(136.16)	102.88
	Total (B)	**(136.16)**	**102.88**
Deferred Tax :			
In respect of current year origination and reversal of Temporary Differences		242.55	34.49
In Respect of Prior Year			
	Total (C)	**242.55**	**34.49**
Total Income Tax recognised in Profit or Loss	**Total (A+B+C)**	**247.79**	**259.38**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 11 "Trade Receivables"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Unsecured , considered good	7,335.53	6,800.02	6,226.22
Considered Doubtful	684.35	3,315.93	3,150.92
	8,019.89	10,115.95	9,377.15
Less: Allowance for Expected Credit Loss	684.35	3,315.93	3,150.92
	7,335.53	**6,800.02**	**6,226.22**

NOTE - 12 "Cash & Cash Equivalents"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Balance with Banks	36.52	19.91	100.93
Fixed Deposits	208.88	197.67	144.26
Cash In Hand (Incl Staff Imprest)	7.84	17.62	3.70
	253.24	**235.21**	**248.89**

NOTE - 13 "Loans & advances "

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Loans & Advances to Staff	82.31	66.89	93.23
Less: Provision For Doubtful Advances	29.74	29.74	29.74
	52.57	**37.15**	**63.50**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 14 "Income Tax Assets/Liabilities"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Current Tax Liability			
Opening Balance	-	-	-
Add: Current Tax Payable for the year	136.16	-	-
Less: Taxes paid	92.16	-	-
Closing Balance	**44.00**	**-**	**-**

(The closing balance of current tax liablity is net of advance tax and tax deduected at source)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Income Tax Asset			
Opening Balance	24.95	11.60	116.42
Less: Current Tax Payable for the year	-	98.66	235.10
Add: Taxes paid	-	118.00	242.99
Less:Taxes Relating to Prior Years/Refund Adjusted/Rec	3.27	5.99	112.72
Closing Balance	**21.68**	**24.95**	**11.60**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 15 "Other Current Assets"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Prepaid Expenses	34.65	31.40	41.42
Others	351.03	296.67	224.57
	385.68	**328.07**	**266.00**

NOTE - 16 "Equity Share Capital"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Authorised Share Capital			
1,50,00,000 Equity Shares Of Rs. 10/- Each. (Previous Year 1,50,00,000 Equity Shares)	1,500.00	1,500.00	1,500.00
Issued, Subscribed & Paid up Capital			
93,87,900 Equity Shares Of Rs. 10/- Each Fully Paid up (Previous Year 93,87,900 Equity Shares)	938.79	938.79	938.79
	938.79	**938.79**	**938.79**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 17 "OTHER EQUITY"

(Rs. In Lacs)

Statement of Change in Equity (FY 2020-21)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as at April 1, 2020	938.79	568.00	6,217.18	17,400.80	25,124.77
Changes in equity for the year ended March 31, 2021					-
Dividends (including corporate dividend tax)	-	-	-	-	-
Profit for the period	-	-	-	567.93	567.93
Balance as at March 31, 2021	938.79	568.00	6,217.18	17,968.73	25,692.70

Statement of Change in Equity (FY 2019-20)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as at April 1, 2019	938.79	568.00	6,217.18	17,045.73	24,769.70
Changes in equity for the year ended March 31, 2020					-
Dividends (including corporate dividend tax)	-	-	-	-	-
Profit for the period	-	-	-	355.07	355.07
Balance as at March 31, 2020	938.79	568.00	6,217.18	17,400.80	25,124.77

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 18 "Borrowings"

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
			(Rs. In Lacs)
Non Current			
Secured			
Term Loans			
From Banks	2,876.55	-	-
Unsecured			
Vehicle Loans			
From Banks	123.60	111.07	185.54
Other Loans			
Inter Corporate Deposits	24.44	691.15	962.39
	4,056.40	**1,509.25**	**1,925.40**
Current			
Secured			
Working Capital Limits			
From Banks	9,993.12	10,811.36	10,918.92
Unsecured			
From Banks	500.00	1,000.00	1,000.00
	10,493.12	**11,811.36**	**11,918.92**
Total Borrowings	**14,549.52**	**13,320.61**	**13,844.32**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

NOTE - 19 "Other Financial Liabilities"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Non Current			
Security from Customers	384.05	449.04	473.40
	384.05	**449.04**	**473.40**
Current			
Current Maturities of Secured Long Term Debts	1,156.42	-	-
Current Maturities of Vehicle Loans	79.81	74.93	73.40
Current Maturities of Other Loans	228.93	344.20	405.49
Interest Accrued but not due on Borrowings	3.55	-	-
Statutory dues payable	85.26	46.12	84.91
	1,553.96	**465.25**	**563.81**
Total Other Financial Liabilities	**1,938.01**	**914.29**	**1,037.21**

NOTE - 20 "Provisions"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Non Current	-	-	-
	-	-	-
Current			
Provision for Warranties & Servicing costs	75.44	69.29	90.20
Total Provisions	**75.44**	**69.29**	**90.20**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 21 "Trade Payables"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Due to Micro ,Small & Medium Enterprises	1,057.35	472.85	597.42
Due to Others	1,437.77	2,295.50	2,129.38
	2,495.13	**2,768.35**	**2,726.80**

NOTE - 22 "Other Current Liabilities"

(Rs. In Lacs)

Particulars	As At March 31, 2021	As At March 31, 2020	As At April 1, 2019
Other payables	528.04	360.61	428.74
	528.04	**360.61**	**428.74**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 23 "Revenue from Operations"

(Rs. In Lacs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Manufatured Products		
Export	2,789.91	2,879.12
Domestic	22,385.99	20,299.34
	25,175.90	**23,178.46**

NOTE - 24 "Other Income"

(Rs. In Lacs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest On Fixed Deposits	12.04	12.11
Interest Others	2.89	137.48
Dividend From Investments	0.28	0.32
Profit on Sale / Restatement of Fixed Assets	3.07	-
Gain from Foreign exchange transaction	25.46	12.51
Miscellaneous income	6.83	20.75
Rent Received	1.96	2.26
	52.52	**185.44**

NOTE - 25 "Raw Material Consumed"

(Rs. In Lacs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Stock	5,532.17	5,539.62
Add:- Purchase of Raw Material	16,060.11	13,525.37
	21,592.28	19,064.98
Less :- Closing Stock	6,240.48	5,532.17
	15,351.80	**13,532.82**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

(Rs. In Lacs)

NOTE - 26 "Changes in Inventories of Finished Goods & Work in Progress"

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Inventory (At Close)		
Finished Goods	2,774.08	3,043.18
Work in Process	5,077.28	4,275.10
	7,851.36	**7,318.27**
Inventory (At Commencement)		
Finished Goods	3,043.18	2,779.16
Work in Process	4,275.10	4,595.90
	7,318.27	**7,375.05**
Change	**533.09**	**(56.78)**

NOTE - 27 "Employee Benefit Expenses"

(Rs. In Lacs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries & Wages	2,079.97	2,487.29
Remuneration To Directors	254.08	289.69
Contribution to Provident and Other Funds	100.91	149.67
Staff Welfare	73.96	64.42
Gratuity & Leave Encashment	62.63	16.15
	2,571.55	**3,007.22**

NOTE - 28 "Financial Expenses"

(Rs. In Lacs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Expenses	1,290.07	1,240.52
Other Borrowing Costs	118.80	133.50
	1,408.88	**1,374.03**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH

Indo Farm Equipment Limited

NOTE - 29 "Other Expenses"

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs. In Lacs)
Manufacturing Expenses		
Power, Fuel & Elecricity Expenses	398.20	378.35
Job Work Charges	127.40	34.26
Total - "A"	**525.59**	**412.61**
Administrative Expenses		
Audit Fees	10.00	10.00
Charity & Donation	-	5.56
Misc. Expenses	9.76	22.23
Insurance	66.06	44.37
Legal & Professional Charges	33.99	64.54
Loss on sale of Fixed Assets	-	13.37
Printing & Stationery	3.36	3.75
Rate,Fee & Tax	33.67	46.18
Rent	88.86	98.60
Repairs		
-Building	13.16	10.36
-Plant & Machinery	1.64	-
-Others	10.55	7.85
R&D Expenses	58.59	50.37
Vehicle Running & Maintenance	134.04	66.82
Telephone & Communications	21.93	37.74
Travelling & Conveyance Expenses		
-Director	19.28	54.57
-Others	253.82	531.02
CSR Expenses	19.15	18.05
Fine & Penalty	6.95	15.99
Total - "B"	**784.83**	**1,101.39**
Selling & Distribution Expenses		
Advertisement Expenses	29.85	25.00
Business promotion	412.35	332.54
Commission	42.50	76.43
Rebate Discount & Incentives	2,389.21	1,236.94
Freight & Cartage on Sale	514.71	597.78
After sale service expenses	96.83	38.56
Vat Expenses	28.79	-
Bad Debts written off	2,622.01	-
Provision for Doubtful Debts	(2,622.01)	165.01
Total - "C"	**3,514.25**	**2,472.26**
Grand Total ("A" + "B" + "C")	**4,824.67**	**3,986.26**

DEEPAK JINDAL & CO.
CHARTERED ACCOUNTANTS
FRN023023N
CHANDIGARH