



INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of **INDO FARM EQUIPMENT LIMITED** ("the Holding Company") and its subsidiary company (**BAROTA FINANCE LIMITED**) (collectively referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as 'the consolidated financial statements').

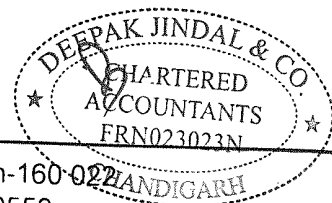
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and Profit and Loss and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Management's Responsibility for the Consolidated Financial Statements

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



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In the preparation of consolidated financial statements, management of the Holding Company is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

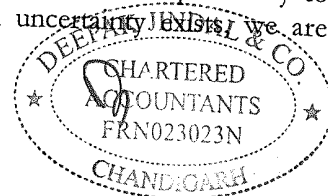
Those Board of Directors of the Holding Company are also responsible for overseeing the Group's financial reporting process.

4. Auditors' Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

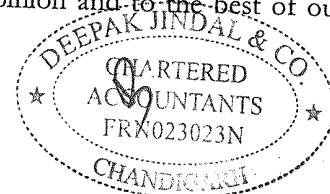
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

5. Report on Other Legal and Regulatory Requirements

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

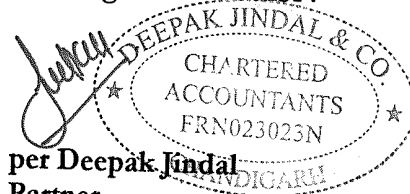
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Group so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement comply with the Accounting Standards Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st, March 2020 taken on record by the Board of Directors of the Holding Company and the declaration of the management in the case of Subsidiary Companies, none of the directors of the Group is disqualified as on 31st March, 2020 from being appointed as a Director of that Company in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Group has disclosed the impact, if any, of pending litigations on its financial position in its consolidated financial statements – Refer Note 30(a) to these financial statements.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the financial year ended 31st March, 2020.
- (h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiary company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule 7 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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



per Deepak Jindal
Partner

M. No. 514745

UDIN : 20514745AAAADW3553

PLACE : CHANDIGARH

DATE : 08-12-2020

Annexure "A" to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the accompanying consolidated financial statements of **INDOFARM EQUIPMENT LIMITED** ("the Company") and its subsidiary company (**BAROTA FINANCE LIMITED**) (collectively referred to as "the Group"), for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group'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 Act.

Auditors' Responsibility

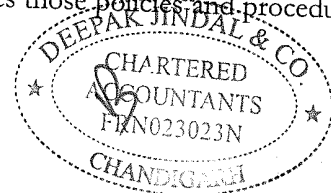
Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:



- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) 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 authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


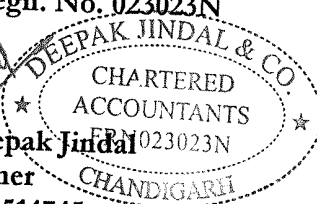
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



per Deepak Jindal
Partner

M. No. 514745
UDIN : 20514745AAAADW3553

PLACE : CHANDIGARH
DATE : 08-12-2020

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

	Notes	As at 31st March 2020	As at 31 March 2019
Equity and liabilities			
Shareholders' funds			
Share capital	3	938.79	938.79
Reserves and surplus	4	18,259.61	17,745.32
		19,198.40	18,684.11
Non-current liabilities			
Long-term borrowings	5	6,940.56	2,388.54
Deferred tax liabilities (net)	6	521.02	524.72
Other Non Current Liabilities	7	455.50	479.87
Long Term provisions	8	107.03	40.24
		8,024.11	3,433.36
Current liabilities			
Short-term borrowings	9	11,811.36	13,964.22
Trade payables	10	1,787.59	2,726.80
Other current liabilities	11	1,978.01	1,652.46
Short-term provisions	12	107.41	157.00
		15,684.37	18,500.48
Total		42,906.87	40,617.95
Assets			
Non-current assets			
Property, Plant & Equipment			
Tangible assets	13 (a)	7,209.28	7,935.83
Intangible assets	13 (b)	228.88	190.42
Capital work-in-progress		1,798.86	383.46
Non-current investments	14	4.55	19.90
Long-term loans and advances	15	5,735.69	4,174.54
Other Non Current Assets	16	249.18	334.85
		15,226.45	13,038.99
Current assets			
Inventories	17	12,850.44	12,914.67
Trade receivables	18	10,461.94	9,723.13
Cash and bank balances	19	260.47	294.66
Short-term loans and advances	20	4,033.69	4,588.77
Other current assets	21	73.88	57.72
		27,680.42	27,578.96
Total		42,906.87	40,617.95

Notes 1 to 28 form integral part of these Financial Statements

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

per Deepak Jindal
Partner
M.No:- 514745
UDIN:- 20514745AAAADW3553

Gurvinder Singh Chadha
(Deputy General Manager)

S.P. Mittal
(Director)

Harash Arora
(Chief Financial Officer)

For Indo Farm Equipment Limited

R.S. Khadwalia
(Chairman Cum
Managing Director)

Navpreet Kaur
(Company Secretary)

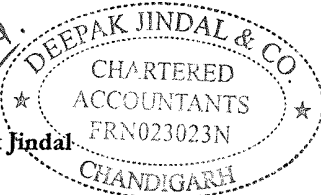
Place : Chandigarh
Date : 08-12-2020

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

	Notes	Year ended 31st March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	22	24,509.43	31,461.88
Other income	23	88.10	207.49
Total revenue		24,597.53	31,669.37
Cost of Material Consumed			
Changes in Inventories of Finished Goods And Work-In-Progress	24	13,532.82	18,388.15
Employee Benefit Expense	25	3,573.65	(268.61)
Finance Cost	26	1,846.29	4,197.20
Depreciation	27	978.42	1,710.92
Other Expenses	28	3,804.03	951.27
Prior Period Expenses		23.40	5,408.37
Total expenses		23,815.38	30,399.80
Profit before tax		782.14	1,269.57
Tax expense			
Current tax		162.98	294.90
Deferred tax		(3.70)	(202.20)
MAT credit entitlement		102.88	98.50
Tax related to previous years		5.70	-
Profit for the year		514.29	1,078.37
Earnings per equity share			
Basic		5.48	11.68
Diluted		5.48	11.68

Notes 1 to 28 form integral part of these Financial Statements

This is the Statement of Profit and Loss as referred to in our report of even date
For Deepak Jindal & Co.
Chartered Accountants
Firm Regn No: 023023N

Deepak Jindal

per Deepak Jindal
Partner
M.No:- 514745
UDIN:- 20514745AAAADW3553

Gurinder Singh Chadha
Gurinder Singh Chadha
(Deputy General Manager)

For Indo Farm Equipment Limited

S.P. Mittal
S.P. Mittal
(Director)

R.S. Khadwalia
R.S. Khadwalia
(Chairman Cum
Managing Director)

Harash Arora
Harash Arora
(Chief Financial Officer)

Navpreet Kaur
Navpreet Kaur
(Company Secretary)

Place : Chandigarh
Date : 08-12-2020

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

	Year ended 31st March 2020	Year ended 31st March 2019
A. Cash flow from operating activities:		
Profit for the year before tax and prior period items	782.14	1,269.57
Adjustments for:		
Depreciation & Amortization Expenses	978.42	951.27
Dividend Income	(0.32)	-
Provision for standard assets	67.04	9.40
Provision for employee benefits	6.94	-
Provision for doubtful advances	5.67	21.31
Loss on Sale of Fixed Assets	13.37	18.03
Profit on Sale of Fixed Assets	-	(2.14)
Profit on Sale of Mutual Funds	(2.85)	-
Interest expense	1,240.52	1,198.48
Miscellaneous Income	(30.42)	(19.90)
Interest Income	(18.76)	(171.87)
Operating profit before working capital changes	3,041.76	3,274.15
Adjustments for:		
Trade and other receivables	(738.81)	(2,609.76)
Inventories	64.23	87.57
Loans and advances	135.45	(1,130.11)
Trade and other payables	(613.67)	(303.40)
Provision movement	(20.92)	21.66
Other Non Current Assets	-	(81.53)
Operating Profit After Working Capital Changes	1,868.04	(741.42)
Cash Flow From Operating Activities: (Related to Subsidiary Company)		
Increase Short Term Loans and Advance	351.63	(2,591.73)
Increase in Long Term Loans & Advances	(1,587.24)	(1,474.49)
Cash generated from operations	632.44	(4,807.64)
Income taxes paid (Including tax deducted at source)	(235.16)	(265.91)
Net cash from operating activities	397.28	(5,073.55)
B. Cash flow from investing activities:		
Purchase of fixed assets/ capital work-in-progress	(1,678.88)	(698.75)
Proceeds from disposal of fixed assets	45.45	23.24
Purchase of Investments	-	(600.00)
Sale of Investments	18.20	-
Interest received	18.76	171.87
Dividend received	0.32	-
Miscellaneous income	30.42	19.90
Net cash (used)/Generated in investing activities	(1,565.75)	(1,083.74)
C. Cash flow from financing activities:		
Proceeds from Issuance of Equity Shares	-	1,200.00
Proceeds/(repayment) of long term borrowings	-	3,013.38
Proceeds/(repayment) of long term borrowings	4,552.02	-
Proceeds/(repayment) of short term borrowings	(2,152.86)	2,991.50
Proceeds/(repayment) of Security Deposits	(24.36)	74.30
Interest paid	(1,240.52)	(1,198.48)
Net cash (used)/generated in financing activities	1,134.28	6,080.70
Net Decrease in cash and cash equivalents (A)+(B)+(C)	(34.19)	(76.59)
Cash and cash equivalents at the beginning of the year	294.66	371.25
Cash and cash equivalents at the end of the year	260.47	294.66
Components of cash and cash equivalents		
Cash in hand	17.87	3.91
Balances with scheduled banks		
In current accounts	44.93	118.90
In Fixed Deposits	197.67	144.26
In Imprest	-	27.60
Cash & cash equivalents in cash flow statement:	260.47	294.66

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

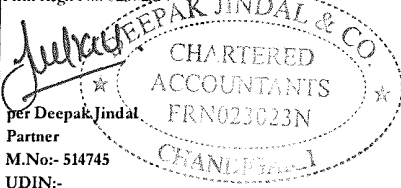
Notes 1 to 44 form integral part of these Consolidated Financial Statements

This is the Consolidated cash flow statement referred to in our report of even date

For Deepak Jindal & Co.

Chartered Accountants

Firm Regn No: 023023N



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

Gurvinder Singh Chadha
(Deputy General Manager)

For Indo Farm Equipment Limited

S.P. Mittal
(Director)

R.S. Khadwalia
(Chairman Cum Managing Director)

Harash Arora
(C.F.O.)

Navpreet Kaur
(Company Secretary)

Place : Chandigarh
Date:

INDO FARM EQUIPMENT LIMITED

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

1. **INDO FARM EQUIPMENT LIMITED** (the Holding 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.

SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis for preparation of financial statements

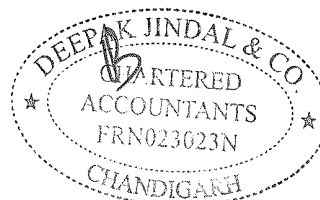
- i. The consolidated financial statements of **INDOFARM EQUIPMENT LIMITED** (“the company”) and its subsidiary company (**BAROTA FINANCE LIMITED**) (collectively referred to as “the Group”) have been prepared and presented to comply with the Indian Generally Accepted Accounting Principles (GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013; and the guidelines issued by the Reserve Bank of India as applicable to NBFC; and as per the provisions of the Companies Act, 2013; and on the basis of going concern.
- ii. The consolidated financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts. The consolidated financial statements are presented in Indian rupees rounded off to the nearest rupees in Lacs.
- iii. All the Income & Expenditure are recognized on accrual basis under the historical cost convention
- iv. Further, the Subsidiary Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-Performing assets as well as contingency provision for Standard assets as prescribed by The Reserve bank of India (RBI) for Non-Banking Financial Companies.

2.2 Principles of Consolidation

The consolidated financial statements include the financial statements of Indo Farm Equipments Limited., the Holding company, and its subsidiary company – Barota Finance Limited.

The proportion of ownership of the subsidiary company in the consolidation of financial statements is as follows-

Name of Company	Proportion of Ownership	
	March 31, 2020	March 31, 2019
Barota Finance Limited	100%	100%



The consolidated financial statements have been combined on a line-by-line basis by adding the book values of the items of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and resulting unrealized profit in full.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the holding company for its separate financial statements.

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS- 21) – “Consolidated Financial Statements” issued by The Institute of Chartered Accountants of India”.

The excess of the cost to the holding of its investment in the subsidiary over the holding’s share of equity in the subsidiary, at the date on which investment, is recognized as “Goodwill” and shown under the head “Intangible Assets” in the Consolidated Financial Statements

2.3 Use of Estimates

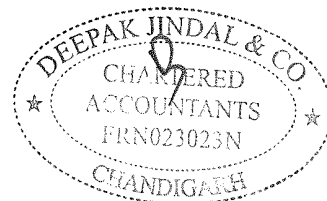
The preparation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.4 Property, Plant and Equipment

- i. Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii. Self fabricated fixed assets include material cost and appropriate share of attributable expenses.
- iii. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.
- iv. Depreciation is provided on SLM basis based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

2.4 Impairment of Fixed Assets

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



2.5 Accounting for Government Grants

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

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

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

2.6 Borrowing Costs

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

2.7 Inventories

Raw Material, Stores and Spares and Packaging Materials

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

Finished Goods

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

Work in Progress

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

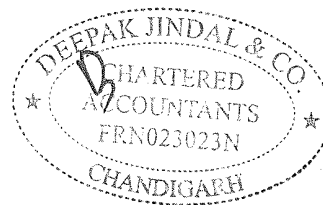
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.8 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 Group.

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.

Income From Loans:

- a. Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b. Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.
- c. Delayed payment charges, fee based income and Interest on trade advances are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.
- d. Income on business assets classified as Non performing Assets, is recognised strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.

Subvention Income:

Subvention Income received from manufacturers/dealers on vehicles financed is booked over the of the period of contract.

Dividends:

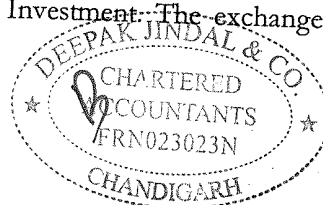
Dividend from investments is recognized in the Profit and Loss Account when the right to receive payment is established.

Export Benefits:

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

2.9 Foreign Exchange Transactions

- a. Initial Recognition
Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the average rate .
- b. 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. Fixed Assets are recorded at the exchange rate prevailing at the date of making the transaction.
- c. Exchange Differences
Exchange differences arising on the settlement of monetary items or on reporting Group'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 accumulated in foreign exchange translation reserve until the disposal of the Net Investment. 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 .

2.10 Investments

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

2.11 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.

2.12 Taxation

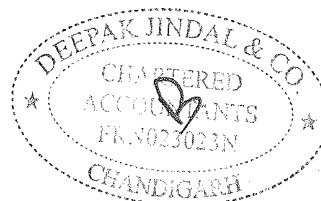
Tax expense comprises of current taxes, deferred taxes, net of MAT credits if any. Provision for current taxation is ascertained on the basis of the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets relating to timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. MAT credit has been recognised as an asset and created by way of a credit to the profit and loss account, in accordance with the provisions of the Guidance Note on accounting for credit available in respect of MAT under the Income Tax Act, 1961.

2.13 Provisions, Contingent Liabilities and Contingent Assets

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

2.14 Employee Benefits

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



The Subsidiary Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

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

The Subsidiary Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

- 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.

2.15 Earnings Per Share

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

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

2.16 Product Warranties

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

2.17 Provisioning/ Write-off on Assets

The Provisioning/ Write-off on Assets on overdue assets is as per the management estimates subject to their minimum provision required as per Master Direction – Non Banking Financial Company- Non Systematically Important Non Deposit taking Company (Reserve bank) Directions ,2016.

2.18

(a)Product Development

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

(b) Deferred Revenue Expenditure

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

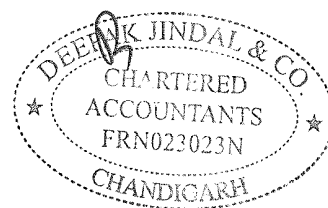
(c) Preliminary Expenses

Preliminary Expenses are written off over the period of 5 years.



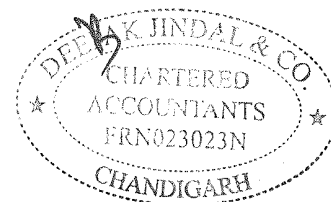
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020		As at 31 March 2019	
	Number	Amounts	Number	Amounts
3 Share capital				
Authorised share capital				
Equity shares of Rs. 10 each	1,50,00,000		1,50,00,000	
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	93,87,900	938.79	93,87,900	938.79
	93,87,900	938.79	93,87,900	938.79
4 Reserves and surplus				
Statutory Reserve				
Opening Balance		36.13		1.70
Add :Profit Transferred from Statement of Profit & Loss		34.61		34.43
Closing Balance		70.73		36.13
General Reserve				
Opening Balance		6,217.18		6,217.18
Add :Profit Transferred from Statement of Profit & Loss		-		-
Closing Balance		6,217.18		6,217.18
Securities Premium Reserve				
Opening Balance		568.00		-
Add : Additions during the year		-		-
Closing Balance		568.00		568.00
Profit & Loss Balance				
Opening Balance		10,924.01		9,880.07
Add :Profit Transferred from Statement of Profit & Loss		514.29		1,078.37
Less: Transferred to Statutory Reserve Fund		34.61		34.43
Closing Balance		11,403.69		10,924.01
		18,259.61		17,745.32



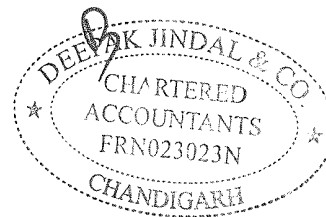
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020	As at 31 March 2019
5 Long-term borrowings		
Secured		
Term Loans From Banks/Financial Institutions	5,996.86	1,153.85
Vehicle Loans		
-From Banks	127.04	206.80
Other Loans		
-Inter Corporate Deposits	691.15	962.39
-From Directors/firm/Companies in which Directors are interested	125.50	65.50
	6,940.56	2,388.54
6 Deferred tax liabilities (net)		
A Deferred tax liabilities		
Timing difference on depreciation and amortisation of tangible and intangible ass	2,232.39	2,133.65
	2,232.39	2,133.65
B Deferred Tax Assets Arising On Account Of :		
Provision for Doubtful Debts	247.29	247.29
Provision for Bonus	10.72	48.18
Provision for Gratuity	23.31	17.37
Provision for Non-Performing Assets	87.13	19.89
	368.46	332.72
Net Deffered Tax Liability (A-B)	1,863.94	1,800.93
Deferred tax liabilities(TAX IMPACT)	521.02	524.72
7 Other Non Current Liabilities		
Security Deposit From Customers	455.50	479.87
	455.50	479.87



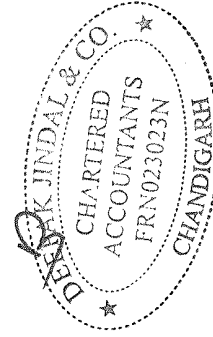
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020	As at 31 March 2019
8 Long Term Provisions		
Contingent Provision on Standard Assets	64.53	9.54
Provision for Non Performing Assets	26.98	21.31
Provision for Gratuity and Leave Encashment	15.52	9.39
	107.03	40.24
9 Short term borrowings		
Working capital borrowings from banks (secured)	10,811.36	12,964.22
Working Capital Demand Loan	1,000.00	1,000.00
	11,811.36	13,964.22
10 Trade payables		
Dues to micro small and medium enterprises (refer note 28.5(i))	472.85	597.42
Dues to others	1,314.74	2,129.38
	1,787.59	2,726.80
11 Other current liabilities		
Current maturities of long term debts		
Secured Loans From Banks/Financial Institutions	729.04	332.58
Secured Vehicle Loans from Banks	80.21	78.24
Inter Corporate Deposits	271.75	288.42
Cheques issued but not presented	32.06	-
Statutory Remittances	51.02	115.30
Other payables	813.93	837.93
	1,978.01	1,652.46
12 Short-term provisions		
Provision for Warranties & Servicing costs	69.29	90.20
Provision for income tax (net of advance tax and tax deducted at source)	17.71	59.24
Contingent Provision on Standard Assets	19.54	7.48
Provision for Gratuity and Leave Encashment	0.88	0.07
	107.41	157.00



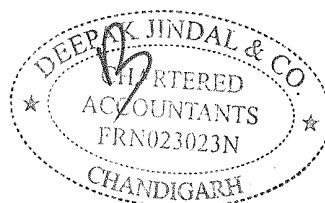
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in Rs. unless stated otherwise)
Note - 13

Particulars	Gross block			Accumulated depreciation and amortisation			Net block		
	As at 1 April 2019	Additions during the year	Sales / adjustment during the year	As at 31 Mar 2020	As at 1 April 2019	For the year	Sales / Adjustment during the year	As at 31 Mar 2020	As at 31 March 2019
Tangible assets (a)									
Land	410.29	-	-	410.29	-	-	-	410.29	410.29
Lease hold Land	33.75	-	-	33.75	1.57	-	1.57	32.18	32.18
Buildings	2,513.86	-	-	2,513.86	882.34	78.83	961.17	1,552.68	1,631.52
Furniture & Fixture	267.41	1.11	-	268.52	186.08	16.76	202.84	65.68	81.33
Office Building	286.09	-	-	286.09	36.50	4.51	41.02	245.07	249.59
Computer Equipments	348.74	18.02	-	366.75	303.80	13.20	317.00	49.76	44.93
Vehicles	1,470.64	8.42	97.55	1,381.51	712.78	144.73	818.77	562.74	757.87
Office Equipments	176.30	5.23	-	181.52	132.09	6.21	138.30	43.22	44.21
Plant & Machinery	8,130.80	91.67	-	8,222.47	3,601.92	517.43	4,119.35	4,103.12	4,528.87
Electrical Installations	282.39	2.00	-	284.40	234.56	10.44	245.00	39.40	47.83
Residential Building	127.16	-	-	127.16	19.95	2.06	22.01	105.15	107.21
Total (a)	14,047.42	126.45	97.55	14,076.32	6,111.60	794.18	38.74	7,209.28	7,935.83
Intangible assets (b)									
Product Development	355.82	137.04	-	492.85	165.40	98.57	-	228.88	190.42
Total (b)	355.82	137.04	-	492.85	165.40	98.57	-	228.88	190.42
Grand Total (a+b)	14,403.24	263.48	97.55	14,569.17	6,277.00	892.75	38.74	7,438.16	8,126.25



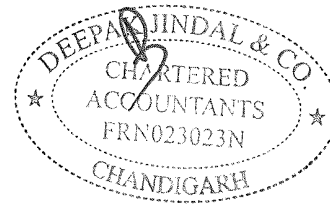
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020	As at 31 March 2019
14 Non-current investments		
Non Trade		
Quoted		
(Value at lower of cost or market value)		
1000 equity shares of Rs 10 each in Canara Bank (Market Value as on 31st March,2020 Rs. 0.91 lacs) (Previous Year Rs. 2.92 lacs)	0.35	0.35
1000 equity shares of Rs 10 each in Max Ventures & Industries Limited (Market Value as on 31st March,2020 Rs. 0.33 lacs) (Previous Year Rs. 0.45 lacs)	0.81	0.81
100 equity shares of Rs 10 each in MCX India Limited (Market Value as on 31st March,2020 Rs. 1.12 lacs) (Previous Year Rs. 0.80 lacs)	1.21	1.21
200 equity shares of Rs 10 each in Jindal Steels & Power Limited (Market Value as on 31st March,2020 Rs. 0.16 lacs) (Previous Year Rs. 0.35 lacs)	0.39	0.39
Canara Robeco Medium Term Opportunities Fund- Regular Growth Plan (No of units 154349) (NAV as on 31st March, 2019 Rs 17.83 lacs) (Previous Year Rs. 17.83 lacs)	-	15.35
	2.75	18.10
Unquoted		
18,000 equity shares (Previous Year 18,000 equity shares) of Rs 10 each in Shivalik Solid Waste Management Limited	1.80	1.80
	1.80	1.80
	4.55	19.90



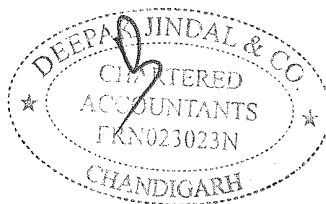
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31st March 2019
(All amounts in Rs. Lacs unless stated otherwise)

	As at 31st March 2020	As at 31 March 2019
15 Long-term loans and advances (unsecured considered good, unless otherwise stated)		
Security Deposit	117.60	143.69
Hypothecation Loans - Secured against Tangible Assets	5,348.30	3,817.76
Hypothecation Loans - Secured and Considered Doubtful	269.78	213.09
	<u>5,735.69</u>	<u>4,174.54</u>
16 Other Non Current Assets		
Opening Balance	326.06	310.63
Deferred Revenue Expenditure incurred during the year	-	81.53
Less : Written off during the year (refer note no 26)	82.40	66.09
Preliminary Expenses	<u>243.66</u>	<u>326.06</u>
Opening Balance	8.79	12.05
Preliminary Expenses incurred during the year	-	-
Less : Written off during the year (refer note no 26)	3.27	3.27
	<u>5.52</u>	<u>8.79</u>



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

	As at 31st March 2020	As at 31 March 2019
17 Inventories		
Raw Material	5,532.17	5,539.62
Finished Goods	3,043.18	2,779.16
Work In Progress	4,275.10	4,595.90
	<u>12,850.44</u>	<u>12,914.67</u>
18 Trade receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from due date	3,068.64	2,498.84
Others	7,393.30	7,224.29
	<u>10,461.94</u>	<u>9,723.13</u>
Unsecured considered doubtful		
Outstanding for a period exceeding six months from due date	247.29	247.29
Less: Provision	247.29	247.29
	<u>-</u>	<u>-</u>
	<u>10,461.94</u>	<u>9,723.13</u>
19 Cash and bank balances		
Cash in Hand	17.87	3.91
Balances with Banks	44.93	118.90
FDRs with Banks	197.67	144.26
Imprest	-	27.60
	<u>260.47</u>	<u>294.66</u>
20 Short-term loans and advances		
Advances to Employees	66.89	93.23
Balances with Revenue Authorities	189.89	349.55
Hypothecation Loans - Secured against Tangible Assets	2,148.13	2,992.67
Income Tax Refund Due	24.95	29.33
MAT Credit Entitlement	722.70	825.58
Others	881.13	298.41
	<u>4,033.69</u>	<u>4,588.77</u>
21 Other current assets		
Prepaid Expenses	69.09	41.42
Other Receivables	4.79	16.30
	<u>73.88</u>	<u>57.72</u>

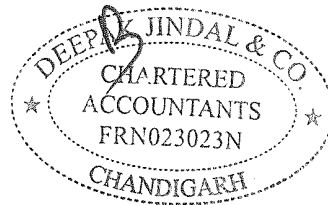


Indo Farm Equipment Limited

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

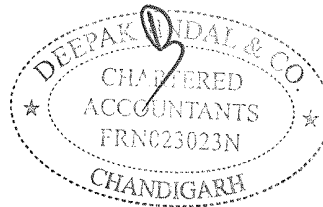
(All amounts in Rs. Lacs unless stated otherwise)

	Year ended 31st March 2020	Year ended 31 March 2019
22 Revenue		
Revenue from Operations		
Sale of Products	23,178.46	30,279.17
Sale of Services	1,330.98	1,182.71
	<u>24,509.43</u>	<u>31,461.88</u>
	<u>24,509.43</u>	<u>31,461.88</u>
23 Other income		
Interest Received	18.76	171.87
Dividend Received	0.32	-
Profit on Sale of Fixed Assets	-	2.14
Insurance Income	34.70	12.26
Gain from Foreign exchange transaction	12.51	7.69
Miscellaneous income	17.90	12.56
Profit on Sale of Mutual Funds	2.85	-
Rent Received	1.06	0.97
	<u>88.10</u>	<u>207.49</u>
	<u>88.10</u>	<u>207.49</u>



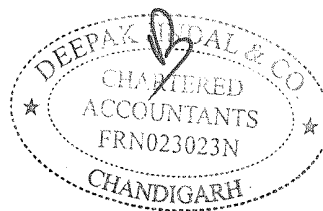
Indo Farm Equipment Limited
Notes to the consolidated financial statements for the year ended 31st March 2020
(All amounts in Rs. Lacs unless stated otherwise)

	Year ended 31st March 2020	Year ended 31 March 2019
24 Cost of Raw Material Consumed		
Opening stock	5,539.62	5,895.79
Add : Purchases during the year	13,525.37	18,031.98
	<u>19,064.98</u>	<u>23,927.77</u>
Less : Closing stock	5,532.17	5,539.62
	<u>13,532.82</u>	<u>18,388.15</u>
Changes in Inventories of Finished Goods And Work-In-Progress		
Stock at commencement- Work in Process	4,595.90	4,026.56
Stock at commencement-Finished	2,779.16	3,079.88
	<u>7,375.05</u>	<u>7,106.45</u>
Stock at Close- Work in Process	4,275.10	4,595.90
Stock at Close-Finished	3,043.18	2,779.16
	<u>7,318.27</u>	<u>7,375.05</u>
(Increase)/Decrease in stock	56.78	(268.61)
25 Employee benefits expense		
Directors' Salary	289.69	411.03
Salaries and Wages	2,962.72	3,471.76
Staff welfare	119.96	93.28
Gratuity & Leave Encashment	23.27	23.71
Contribution to provident and other funds	178.01	197.42
	<u>3,573.65</u>	<u>4,197.20</u>
26 Finance costs		
Interest expenses	1,697.47	1,558.00
Other Borrowing Cost	148.82	152.92
	<u>1,846.29</u>	<u>1,710.92</u>
27 Depreciation and amortisation		
Depreciation of tangible assets (refer note 13)	794.18	881.91
Amortisation Expenses (refer note 12 & 16)	184.24	69.36
	<u>978.42</u>	<u>951.27</u>



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

	Year ended 31st March 2020	Year ended 31 March 2019
28 Other expenses		
Manufacturing Expenses :		
Fuel, Electricity & Power	378.40	441.85
Job Work Charges	34.26	31.36
	<u>412.66</u>	<u>473.21</u>
Administrative Expenses :		
Audit Fees	17.18	17.18
Charity & Donation	5.56	0.62
Recordkeeping Charges	0.95	1.34
Misc. Expenses	28.11	7.75
Insurance	44.62	77.76
Inspection Charges	-	0.75
Legal & Professional Charges	74.03	56.34
Loss on sale of Fixed Assets	34.10	19.80
Printing & Stationery	7.51	13.34
Rate, Fee & Tax	51.43	42.47
Rent	102.23	75.78
Repairs	24.16	32.71
-Building	10.36	8.84
-Others	13.80	23.87
R&D Expenses	50.37	99.89
Vehicle Running & Maintenance	67.60	100.33
Telephone & Communications	43.58	67.27
Travelling & Conveyance Expenses		
-Director	54.57	10.34
-Others	596.96	625.53
CSR Expenses	18.05	14.85
Repossession Charges	20.83	1.73
Provision for Standad Assets	67.04	9.40
Provision for Non Performing Assets	5.67	21.31
Fine & Penalty	15.99	0.16
	<u>1,330.55</u>	<u>1,296.65</u>
Selling Expenses :		
Advertisement Expenses	25.09	18.09
Business promotion	86.01	571.35
Commission	76.43	27.16
Rebate Discount & Incentives	1,236.94	2,066.31
Freight & Cartage on Sale	597.78	690.22
After sale service expenses	38.56	43.26
Vat Expenses	-	25.92
Bad Debts written off	-	196.20
	<u>2,060.82</u>	<u>3,638.51</u>
	<u>3,804.03</u>	<u>5,408.37</u>



NOTES ON ACCOUNTS:

29. The Detail of Shareholder Holding More Than 5% Equity Shares

Particulars	AS AT 31.03.2020		AS AT 31.03.2019	
	No. Of Shares Held	Percentage Of Shareholding	No. Of Shares Held	Percentage Of Shareholding
R. S. Khadwalia	50,77,600	54.09%	50,77,600	54.08%
Sunita Saini	26,62,587	28.36%	26,62,587	28.36%
M/s Futuristic Mining and Constructions LLP	10,92,990	11.64%	10,92,990	11.64%

Reconciliation of no. of shares outstanding is given below:

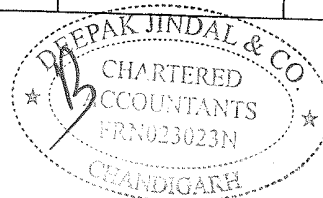
Particulars	31.03.2020	31.03.2019
Equity shares at the beginning of the year	93,87,900	90,67,900
Issued during the year	-	3,20,000
Equity shares at the close of the year	93,87,900	93,87,900

30. a) Contingent Liabilities

S.No.	Particulars	(Rs. In Lacs)	
		31.03.2020	31.03.2019
i)	Counter guarantee to bank	14.50	13.92
ii)	Corporate Guarantee	8000.00	6000.00
iii)	Bond Executed by the company in favour of DGFT	68.23	68.23
iv)	Claims against the company not acknowledged as debts	312.92	311.92
v)	Excise matters in dispute	110.69	401.14
vi)	Consumer cases in dispute/Under appeal	110.13	110.13
vii)	Bill Discounting	304.25	404.64

b) Commitments

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



31. **Current Liabilities**

(a) The principal amount remaining unpaid as at 31st March 2020 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs. 472.85 lacs (previous year Rs. 597.42 lacs). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs.Nil (previous year Rs.5.06 Lacs) is remaining unpaid as of 31st March 2020. The list of undertakings covered under MSMED Act was determined by the Holding company on the basis of information available with the Holding company and the same has been relied upon by the auditors.

(b) **Investor Education and Protection Fund**

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

32. **Current Assets, Loans & Advances**

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

33. **Employee Retirement Benefits***

a). **In case of a Holding Company:**

GRATUITY

Membership Data	
No. of Members	287
Average Age	39.69
Average Monthly Salary	7749.72
Average Past Service	10.15

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



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

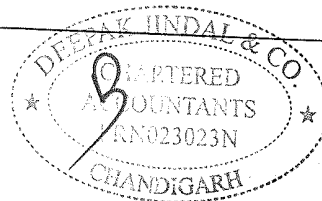
Recommended Contribution Rate	
Fund Value as on Renewal Date	79,52,329
Additional Contribution for existing fund	-
Current Service Cost	7,22,054
TOTAL AMOUNT PAYABLE	6,91,499

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

b). In case of Subsidiary Company :

Membership data at the date of valuation and statistics based thereon:

Membership Data		(Rs. In Lakhs)
Number of employees		127
Total monthly salary		19.74
Total Monthly CTC for Availment		51.33
Average Age(Years)		33
Average Past Service(Years)		1.07
Average Future Service (year)		8.09
Average Accumulated leave per employee (in days)		11



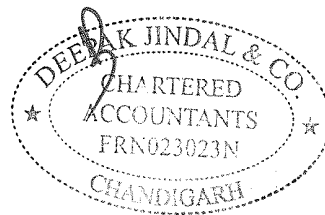
Actuarial Assumptions	
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.
Attrition	10%
Disability	No Explicit allowance
Leave Availment factor	50%
Discount rate	6.25% p.a
Estimated rate of increase in Compensation Levels	4%

Classification of Liabilities as on 31st March, 2020

Classification	(Rs. In Lakhs)	
	Gratuity	Leave Encashment
Current	0.02	0.85
Non-Current	12.05	3.47
Total	12.08	4.32

Changes in Present Value of Obligations

Particulars	(Rs. In Lakhs)	
	Gratuity	Leave
Present Value of Obligations as on 01/04/2019	6.04	3.42
Interest Cost	0.38	0.21
Past Service Cost	-	-
Current Service Cost	8.06	3.63
Actuarial (gain)/loss on obligations	(2.40)	(2.94)
Present Value of Obligations as on 31/03/2020	12.08	4.32



a). In case of a Holding Company:

LEAVE ENCASHMENT

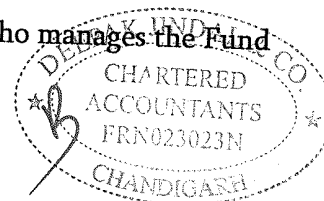
Membership Data	
No. of Members	287
Average Age	39
Average Monthly Salary	12916

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

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

Recommended Contribution Rate	
Fund Value as on Renewal Date	12,25,810
Additional Contribution for existing fund	1,56,213
Current Service Cost	84,097
TOTAL AMOUNT PAYABLE	2,72,498

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



34. **Income Tax**

Current Tax

Provision for Income tax has been made as per the relevant rates and provisions of the Income-tax Act, 1961.

Deferred Tax

In compliance with Accounting Standard (AS-22) relating to “Accounting on Taxes on Income” issued by the Institute of Chartered Accountants of India, the Group has provided Deferred Tax Asset during the year aggregating to Rs. 3.70 Lacs (Previous Year Deferred Tax Asset Rs. 202.20 Lacs) and it has been recognized in the Profit & Loss Account. In accordance with clause 29 of Accounting Standard (AS 22) Deferred tax Assets and Deferred tax liabilities have been set off. Deferred tax assets in respect of unabsorbed depreciation and losses under tax laws have been recognized in view of the continued and consistent profitability of the company.

35. **Expenditure in Foreign Currency**

RAW MATERIAL CONSUMED

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

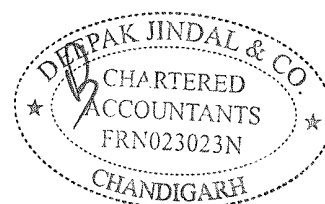
Particulars		(Rs. In Lacs)	
		2019-20	2018-19
(a)	CIF Value of Imports		
1.	Raw Material (Rs in lacs)	134.14	141.12
(b)	Expenditure in Foreign Currency – Others	16.98	24.95
(c)	Remittances in Foreign Currency	Nil	Nil
(d)	Earnings in Foreign Currency	1274.55	1118.60

36. **Related Party Disclosures**

Related party disclosures as required under Accounting Standard (AS-18) on “Related Party Disclosures” issued under the Companies (Accounting Standard) Rule 2006, as amended up to date, are given below: -

a) **Relationship**

- i) **Joint Ventures and Associates**
None



ii) **Key Management Personnel (Managing Director/Whole-time directors)**

Ranbir Singh Khadwalia
Sunita Saini
Anshul Khadwalia
Shubham Khadwalia (Barota Finance Limited)
Sat Parkash Mittal (Indo Farm Equipment Limited)
Ram Kanwar Saini (Indo Farm Equipment Limited) (upto 20-09-18)
Charan Singh Saini (Indo Farm Equipment Limited)
Inder Singh Negi (Indo Farm Equipment Limited)
Prem Kumar Dhasmana (Indo Farm Equipment Limited)
Divinder Dutt Gautam (Indo Farm Equipment Limited)
Dhian Lal Rana (Indo Farm Equipment Limited) (upto 07-11-19)
Shaveta Sharma (Indo Farm Equipment Limited) (upto 30-10-2018)
Navpreet Kaur (Indo Farm Equipment Limited)

iii) **Relatives of the Key Management Personnel***

Shubham Khadwalia
Ritu Saini
Diksha Khadwalia

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

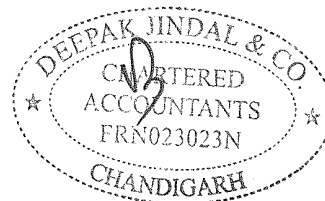
None

* With whom the company had transactions during the year.

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

Key Management Personnel and their relatives

Sr. No.	PARTICULARS	(Rs in Lacs)	
		31.03.2020	31.03.2019
i.	Remuneration	521.81	594.26
ii.	Incentive Paid	-	-
iii.	Others (Gratuity & Ex - Gratia)	-	-
iv.	Rent Paid	31.25	18.06
v.	Unsecured Loans (Accepted)	60.00	359.00
vi.	Unsecured Loans (Paid)	-	677.00



38. Payment to Auditors

PARTICULARS	(Rs in Lacs)	
	2019-20	2018-19
Statutory Audit Fee	12.00	12.00
Tax Audit Fee	5.00	5.00
GST/ Service Tax	3.06	3.06
Others (Audit Expenses)	0.19	0.19

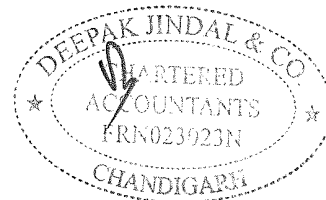
39. Earning Per Share (EPS)

PARTICULARS	UNIT	(Rs in Lacs)	
		YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
Profit After Tax	Rs.	514.29	1078.37
No of Shares Outstanding			
Basic	Nos.	93,87,900	93,87,900
Diluted	Nos.	93,87,900	93,87,900
No of Weighted Average equity shares			
Basic	Nos.	93,87,900	92,36,229
Diluted	Nos.	93,87,900	92,36,229
Nominal value of equity shares	Rs.	10/-	10/-
Earnings per Share			
-Basic	Rs.	5.48	11.68
-Diluted	Rs.	5.48	11.68

40. a) Secured Loans

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

Term Loans from Canara Bank are secured by way of first and Exclusive Charge by hypothecation on the receivables (Standard Assets) of the Company and Execution of power of attorney to enable bank to recover money directly from the borrower of the company in the event of default and Personal guarantee of directors & corporate guarantee of Indo Farm Equipment Limited.



Term loan from The Federal Bank Ltd. is secured by way of Equitable mortgage of residential property Owned by Sh. R.S. Khadwalia and Sunita Saini and Personal guarantee of directors & corporate guarantee of Indo Farm Equipment Limited.

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

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

Car loan from The Federal Bank Ltd. is secured against the hypothecation of respective vehicles.

Maturity Profile

Particulars	(Rs. in Lacs)		
	1 - 2 years	2 - 5 years	Beyond 5 years
From Banks:			
- Term Loans	1349.53	6070.94	1015.07
- Vehicle Loans	62.464	64.58	Nil
-Inter Corporate Deposit	288.42	402.73	Nil

In case of Holding Company :

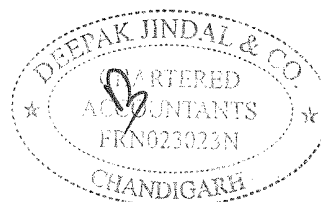
- I. Working Capital Limits from Canara Bank & Punjab National Bank are secured by way of Exclusive Pari-Passu Charge on all the current assets of the Company and further secured by way of Exclusive Pari-Passu Charge on all the fixed assets excluding vehicles & specific machinery which is hypothecated to Siemens Ltd. of the Company and personal guarantee of Ranbir Singh Khadwalia, Sunita Saini, S.P. Mittal and Anshul Khadwalia.
- II. Working Capital Demand Loan from Federal Bank is secured by way of extension of charge on residential property, having Address H.No.103-104, Sector 6, Panchkula, Haryana owned by Directors. Further secured personal guarantee of Ranbir Singh Khadwalia and Sunita Saini.

b) Unsecured Loans

The Subsidiary Company has received Unsecured Loans from Directors.

41. Loan Provisions

- a) The Subsidiary Company has made adequate provision for the Non - Performing Assets identified in accordance with the guidelines issued by The Reserve Bank of India. In accordance with the Master Direction , - Non Banking Financial Company- Non Systematically Important Non Deposit taking Company (Reserve bank) Directions ,2016 provision of Rs. 26.98 Lacs is made during the current year (As at 31st March, 2019 provision was Rs. 21.31 Lacs).



The Subsidiary Company has made adequate provision for the Standard Assets identified in accordance with the guidelines issued by The Reserve Bank of India. In accordance with the Master Direction , – Non Banking Financial Company- Non Systematically Important Non Deposit taking Company (Reserve bank) Directions ,2016 provision of Rs.84.07 Lacs is made during the current year (As at 31st March, 2019 provision was Rs17.02 Lacs).

b) Disclosure as required under RBI Notification No. RBI/2019-20/220 DOR No. BP.BC.63/21.04.048/2019-20 Dated 17 April 2020 on COVID-19 Regulatory Package – Asset Classification and Provisioning

S.No.	Particulars	Amount (in lakhs)
(i)	Respective amount where moratorium / deferment was extended	1344.54
(ii)	Provisions made during Q4 - FY2020*	67.22

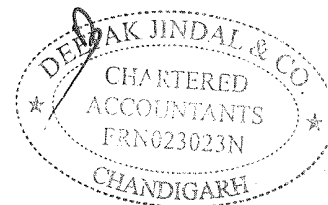
*In respect of accounts in default but standard where moratorium up to 3 months is granted, the company has made general provisions of not less than 5 percent of the total outstanding of such accounts as applicable for the quarter ended 31 March 2020 within the provision requirement of 10% of the total outstanding to be spread equally over two quarters. Balance general provision of not less than 5% of the total outstanding of such accounts is to be made for the quarter ending 30 June 2020.

42. Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof: Rs. 18.05 Lacs.
43. **Provision For Liabilities, Other Than for Taxes on Income And Retirement Benefits*:**

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

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

* The above details pertain to Holding Company only.

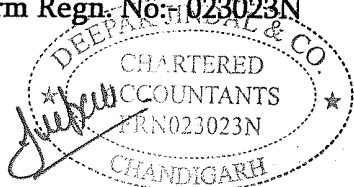


44. Previous year figures have been re-grouped and re-arranged wherever considered necessary. The figures in Consolidated Balance Sheet, Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statements have been reflected in the nearest rupee.

For Deepak Jindal & Co.

Chartered Accountants

Firm Regn. No: 023023N



per Deepak Jindal

Partner

M.No. 514745

UDIN : 20514745AAAADW3553

For Indo Farm Equipment Limited

S.P. Mittal
(Director)

Navpreet Kaur
(Company Secretary)

R.S. Khadwalia
(Chairman Cum Managing Director)

Harash Arora
(Chief Financial Officer)

Gurvinder Singh Chadha
(Deputy General Manager)

Place : Chandigarh

Date : 08-12-2020