

**Yanmar Coromandel Agrisolutions Private Limited**
**Balance Sheet as at 31 March 2020**

(₹ in Lakhs, unless otherwise stated)

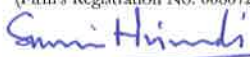
Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	1	125	77
(b) Right-of-use assets	2	403	-
(c) Deferred tax assets (net)	3.1	34	19
(d) Non-current tax assets (net)	3.3	218	10
(e) Other non-current assets	4	124	104
		<b>904</b>	<b>210</b>
<b>2 Current assets</b>			
(a) Inventories	5	1,238	1,987
(b) Financial assets			
(i) Trade receivables	6	458	927
(ii) Cash and cash equivalents	7	2,153	580
(iii) Other financial assets	8	23	4
(c) Current tax assets (net)	3.3	-	9
(d) Other current assets	4	125	118
		<b>3,997</b>	<b>3,625</b>
<b>Total assets</b>		<b>4,901</b>	<b>3,835</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	9	4,000	3,251
(b) Other equity	10	(1,946)	(2,082)
<b>Total equity</b>		<b>2,054</b>	<b>1,169</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	2	319	-
(b) Provisions	11	89	30
		<b>408</b>	<b>30</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	-	135
(ii) Lease liabilities	2	119	-
(iii) Trade payables	13		
- Total outstanding dues of micro enterprises and small enterprises		1	23
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,221	2,351
(iv) Other financial liabilities	14	69	54
(b) Provisions	11	6	5
(c) Other current liabilities	15	23	68
		<b>2,439</b>	<b>2,636</b>
<b>Total liabilities</b>		<b>2,847</b>	<b>2,666</b>
<b>Total equity and liabilities</b>		<b>4,901</b>	<b>3,835</b>

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)


**Sumit Trivedi**  
Partner  
(Membership No. 209354)

 Place : Hyderabad  
Date : 30 December 2020

  
**Norio Iwano**  
Managing Director  
and Chief Executive Officer

  
**Sameer Goel**  
Director

  
**P. Ambarish**  
Company Secretary

 Place : Chennai/Hyderabad  
Date : 30 December 2020

**Yanmar Coromandel Agrisolutions Private Limited**  
**Statement of Profit and Loss for the year ended 31 March, 2020**  
(₹ in Lakhs, unless otherwise stated)

	Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I</b>	<b>Income</b>			
	Revenue from operations	16	8,126	5,623
	Other income	17	121	172
	<b>Total income</b>		<b>8,247</b>	<b>5,795</b>
<b>II</b>	<b>Expenses</b>			
	Purchases of stock-in-trade		5,883	5,562
	Changes in inventories of stock-in-trade	18	749	(810)
	Employee benefits expense	19	461	438
	Finance costs	20	96	2
	Depreciation and amortisation	21	158	28
	Other expenses	22	774	557
	<b>Total expenses</b>		<b>8,121</b>	<b>5,777</b>
<b>III</b>	<b>Profit before tax (I - II)</b>		<b>126</b>	<b>18</b>
<b>IV</b>	<b>Tax expense/(benefit)</b>			
	(1) Current tax		-	-
	(2) Deferred tax	3.1	(14)	(14)
			<b>(14)</b>	<b>(14)</b>
<b>V</b>	<b>Profit for the year (III-IV)</b>		<b>140</b>	<b>32</b>
<b>VI</b>	<b>Other comprehensive Income</b>			
	(a) Items that will not be reclassified to profit or loss:			
	- Remeasurement of defined benefit plans		(5)	7
	(b) Income tax relating to items that will not be reclassified to profit or loss		1	(2)
	<b>Total other comprehensive income</b>		<b>(4)</b>	<b>5</b>
<b>VII</b>	<b>Total Comprehensive Income for the year (V+VI)</b>		<b>136</b>	<b>37</b>
<b>VIII</b>	<b>Earnings per equity share (face value of ₹ 10 each)</b>			
	-Basic and Diluted - ₹	29	0.39	0.10

\* Less than a Lakh

**See accompanying notes forming part of financial statements**

**In terms of our report attached**

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

*Sumit Trivedi*  
**Sumit Trivedi**  
Partner  
(Membership No. 209354)



Place : Hyderabad  
Date : 30 December 2020

**For and on behalf of the Board of Directors**

*Norio Iwano*  
**Norio Iwano**  
Managing Director  
and Chief Executive Officer

*Sameer Goel*  
**Sameer Goel**  
Director

*P. Ambarish*  
**P. Ambarish**  
Company Secretary



Place : Chennai/Hyderabad  
Date : 30 December 2020

**Yanmar Coromandel Agrisolutions Private Limited**  
**Statement of cash flows for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	126	18
Adjustments for:		
Finance costs recognised in profit or loss	96	2
Interest income recognised in profit or loss	(69)	(67)
(Profit)/loss on sale/write-off of property, plant and equipment	(2)	(5)
Provision for doubtful trade receivables	17	17
Provision for doubtful trade receivables, written back	-	(1)
Depreciation and amortisation	158	28
Net foreign exchange loss/(gain)	64	(61)
<b>Operating profit/(loss) before working capital changes</b>	<b>390</b>	<b>(69)</b>
<b>Movements in working capital</b>		
(Increase)/Decrease in trade and other receivables	452	(326)
(Increase)/Decrease in inventories	749	(810)
(Increase)/Decrease in other assets	(232)	(54)
Increase/(Decrease) in trade payables	(217)	1,415
Increase/(Decrease) in provisions	55	(53)
Increase/(Decrease) in other financial liabilities	15	1
Increase/(Decrease) in other liabilities	(45)	(55)
<b>Cash generated from operations</b>	<b>1,167</b>	<b>49</b>
Direct taxes (net of refund)	7	(7)
<b>Net cash flow from operating activities (A)</b>	<b>1,174</b>	<b>42</b>
<b>B. Cash from investing activities:</b>		
Payments for purchase of property, plant and equipment including capital advances	(91)	(5)
Proceeds from disposal of property, plant and equipment	16	20
Interest received	50	66
<b>Net cash flow (used in)/ from investing activities (B)</b>	<b>(25)</b>	<b>81</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of equity shares	749	-
Increase/(Decrease) in short term borrowings (net)	(135)	135
Interest paid	(96)	(2)
Repayment of Lease liability	(94)	-
<b>Net cash flow from financing activities (C)</b>	<b>424</b>	<b>133</b>
<b>D. Net increase in cash or cash equivalents (A+B+C)</b>	<b>1,573</b>	<b>256</b>
<b>E. Cash &amp; cash equivalents at the beginning of the year (Refer Note 7)</b>	<b>580</b>	<b>324</b>
<b>F. Cash &amp; cash equivalents at the end of the year (Refer Note 7)</b>	<b>2,153</b>	<b>580</b>

**Notes:**

**1.Reconciliation of Short-term borrowings:**

Opening balance	135	-
Proceeds/(repayments) of short-term borrowings (net)	(135)	135
<b>Closing balance</b>	<b>-</b>	<b>135</b>

**2. Reconciliation of lease liabilities:**

Opening balance	-	-
Impact of Ind AS 116	212	-
Addition during the year	320	-
Repayment	(94)	-
<b>Closing balance</b>	<b>438</b>	<b>-</b>

3. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

**See accompanying notes forming part of financial statements**

**In terms of our report attached**

**For and on behalf of the Board of Directors**

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)

*Sumit Trivedi*  
**Sumit Trivedi**  
Partner  
(Membership No. 209354)

Place : Hyderabad  
Date : 30 December 2020



*Norio Iwano*  
**Norio Iwano**

Managing Director  
and Chief Executive Officer



*Sameer Goel*  
**Sameer Goel**

Director

*P. Ambarish*  
**P. Ambarish**  
Company Secretary

Place : Chennai/Hyderabad  
Date : 30 December 2020

**Yanmar Coromandel Agrisolutions Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2020**

(₹ in Lakhs, unless otherwise stated)

**a. Equity share capital**

	<b>Amount</b>
Balance at 1 April 2018	3,251
Add: Equity shares issued	-
Balance at 31 March 2019	3,251
Add: Equity shares issued	749
Balance at 31 March 2020	4,000

**b. Other equity**

	<b>Reserves and Surplus</b>	<b>Total</b>
	<b>Retained Earnings</b>	
Balance at 1 April 2018	(2,119)	(2,119)
Profit for the year	32	32
Other comprehensive income for the year, net of income tax	5	5
<b>Total Comprehensive Income for the year</b>	<b>37</b>	<b>37</b>
Balance at 31 March 2019	(2,082)	(2,082)
Profit for the year	140	140
Other comprehensive income for the year, net of income tax	(4)	(4)
<b>Total Comprehensive Income for the year</b>	<b>136</b>	<b>136</b>
Balance at 31 March 2020	(1,946)	(1,946)

**See accompanying notes forming part of financial statements**

**In terms of our report attached**

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

*Sumit Trivedi*  
**Sumit Trivedi**  
Partner  
(Membership No. 209354)

Place : Hyderabad  
Date : 30 December 2020



**For and on behalf of the Board of Directors**

*Norio Iwano*  
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Managing Director  
and Chief Executive Officer

*Sameer Goel*  
**Sameer Goel**  
Director

*P. Ambarish*  
**P. Ambarish**  
Company Secretary

Place : Chennai/Hyderabad  
Date : 30 December 2020

**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

**1. Property, Plant and Equipment**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Carrying amounts of:</b>		
Plant and equipment	95	51
Office equipment	14	15
Furniture and fixtures	10	4
Vehicles	6	7
	<b>125</b>	<b>77</b>

Particulars	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
<b>Cost</b>					
Balance at 1 April 2018	112	60	6	10	188
Additions	3	*	2	-	5
Disposals/adjustments	18	1	-	-	19
<b>Balance at 31 March 2019</b>	<b>97</b>	<b>59</b>	<b>8</b>	<b>10</b>	<b>174</b>
Additions	74	9	8	-	91
Disposals/adjustments	21	1	-	-	22
<b>Balance at 31 March 2020</b>	<b>150</b>	<b>67</b>	<b>16</b>	<b>10</b>	<b>243</b>
<b>Accumulated depreciation</b>					
Balance at 1 April 2018	33	36	3	2	74
Eliminated on disposals of assets	4	1	-	-	5
Depreciation expense	17	9	1	1	28
<b>Balance at 31 March 2019</b>	<b>46</b>	<b>44</b>	<b>4</b>	<b>3</b>	<b>97</b>
Eliminated on disposals of assets	7	1	-	-	8
Depreciation expense	16	10	2	1	29
<b>Balance at 31 March 2020</b>	<b>55</b>	<b>53</b>	<b>6</b>	<b>4</b>	<b>118</b>

\* Less than a Lakh



**Yanmar Coromandel Agrisolutions Private Limited****Notes forming part of the financial statements**

(₹ in Lakhs, unless otherwise stated)

**2. Right-of-use asset**

	As at 31 March 2020
<b>Carrying amounts of:</b>	
Buildings	403
	<u>403</u>

**Details of Right-of-use asset:**

	Buildings	Total
<b>Gross carrying value</b>		
On initial adoption (refer note 32)	212	212
Additions	320	320
Disposals/adjustments		
<b>Balance at 31 March 2020</b>	<u>532</u>	<u>532</u>

	Buildings	Total
<b>Accumulated amortisation</b>		
Amortisation	129	129
Disposals/adjustments		
<b>Balance at 31 March 2020</b>	<u>129</u>	<u>129</u>

**Lease liabilities:**

	As at 31 March 2020
Current	119
Non-current	319
	<u>438</u>



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

**3. Income tax**

**3.1 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	34	19
Deferred tax (liabilities)	-	-
	<b>34</b>	<b>19</b>

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets / (liabilities) in relation to :		
Property, plant and equipment	3	3
Provisions	7	7
Ind AS 116	9	-
Defined benefit obligation	15	9
	<b>34</b>	<b>19</b>

2019-20	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets / (liabilities) in relation to :</b>				
Property, plant and equipment	3	*	-	3
Provisions	7	*	-	7
Ind AS 116	-	9	-	9
Defined benefit obligation	9	5	1	15
	<b>19</b>	<b>14</b>	<b>1</b>	<b>34</b>

2018-19	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets / (liabilities) in relation to :</b>				
Property, plant and equipment	3	*	-	3
Provisions	(1)	8	-	7
Defined benefit obligation	3	8	(2)	9
Others (pre-incorporation expenses)	2	(2)	-	-
<b>Total</b>	<b>7</b>	<b>14</b>	<b>(2)</b>	<b>19</b>

\* Less than a Lakh

The Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for Income tax for year ended 31 March 2020 and re-measured its Deferred tax Assets (net) based on the rate prescribed in the said Act. The full impact of this change relating to Deferred Tax Assets (net) as at 31 March 2019 has been recognised in the statement of profit and loss and other comprehensive income, during the year ended 31 March 2020

**3.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

	As at 31 March 2020	As at 31 March 2019
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- unused tax losses	2,033	2,035
	<b>2,033</b>	<b>2,035</b>





**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>3.3 Tax assets</b>		
<b>Non-current</b>		
Tax refund receivable	13	10
Tax paid under protest	205	-
	<b>218</b>	<b>10</b>
<b>Current</b>		
Tax refund receivable	-	9
	<b>-</b>	<b>9</b>
<b>4. Other assets</b>		
<b>Non-current assets</b>		
Deposits	124	104
	<b>124</b>	<b>104</b>
<b>Current assets</b>		
Employee advances	3	1
Prepaid expenses	7	6
Others (including Goods and Services Tax balances)	115	96
Deposits	-	15
	<b>125</b>	<b>118</b>

<b>5. Inventories</b>		
Stock in trade (including spare parts)	1,238	1,987
	<b>1,238</b>	<b>1,987</b>

The mode of valuation of inventories has been stated in note 26.13

<b>6. Trade receivables</b>		
(a) Considered good-Secured	34	7
(b) Considered good-Unsecured,	424	920
(c) Have significant increase in Credit Risk	-	-
(d) Credit impaired	36	19
	<b>494</b>	<b>946</b>
Allowance for doubtful debts	(36)	(19)
	<b>458</b>	<b>927</b>

The credit period on sales of goods ranges from 30 to 90 days. No interest is recovered on trade receivable for payments received after the due date except for few dealers.

Before accepting any new customer, the Company uses an Customer evaluation system to assess the potential customer's credit quality. Credit facility provided to customers' are reviewed at periodic intervals to adjust for change in conditions. The Company maintains 100% allowance for impairment of doubtful accounts for all trade receivables that are 180 days past due date for payment. The allowance is based on financial condition of the customer, aging of the customer account receivable and available collateral. This is the 6th year of operations and based on the historical trend for these six years, for receivables less than 180 days the Company does not expect any impairment loss.

<b>Movement in the allowance for doubtful debts</b>		
Balance at beginning of the year	19	3
Impairment losses recognised on receivables	17	17
Amounts recovered during the year	-	(1)
<b>Balance at end of the year</b>	<b>36</b>	<b>19</b>

At 31 March 2020, the Company had 7 customers (31 March 2019: 11 customers) that owed the Company more than ₹ 35 Lakhs each (31 March 2019: ₹ 35 Lakhs each) and accounted for approximately 82% (31 March 2019: 87%) of all the receivables outstanding.





**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>7. Cash and cash equivalents</b>		
Cash on hand	-	-
Balance with Banks:		
- On current accounts	112	52
- On deposit accounts (Refer Note (i) below)	2,041	528
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,153</b>	<b>580</b>

(i) Balance with banks on deposit accounts include deposits of ₹ 1,280 Lakhs as at 31 March 2020 (31 March 2019: ₹ 455 Lakhs) with original maturity more than 3 months.

**8. Other financial assets**

**Current**

Interest accrued but not due on deposits	23	4
	<b>23</b>	<b>4</b>

**9. Equity share capital**

**Authorised Share capital :**

4,00,00,000 fully paid equity shares of ₹ 10 each (31 March 2019: 4,00,00,000 fully paid equity shares of ₹ 10 each)	4,000	4,000
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**Issued and subscribed capital comprises:**

4,00,00,000 fully paid equity shares of ₹ 10 each (31 March 2019 : 3,25,10,000 fully paid equity shares of ₹ 10 each)	4,000	3,251
	<b>4,000</b>	<b>3,251</b>

**9.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:**

	Numbers of Shares	Amount in ₹
<b>Balance as at 1 April 2018</b>	32,510,000	3,251
Add : Equity shares allotted	-	-
<b>Balance as at 31 March 2019</b>	<b>32,510,000</b>	<b>3,251</b>
Add : Equity shares allotted	7,490,000	749
<b>Balance as at 31 March 2020</b>	<b>40,000,000</b>	<b>4,000</b>

**9.2 Details of shares held by each shareholder holding more than 5% shares:**

	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Yanmar Asia (Singapore) Corporation Pte Ltd	16,000,000	40%	13,004,000	40%
Coromandel International Limited	16,000,000	40%	13,004,000	40%
Mitsui & Co, Japan	8,000,000	20%	6,502,000	20%
	<b>40,000,000</b>	<b>100%</b>	<b>32,510,000</b>	<b>100%</b>

**9.3 Rights, preferences and restriction relating to each class of share capital:**

**Equity shares:** The Company has one class of equity shares having a face value of ₹ 10/- each . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>10. Other equity</b>		
Retained earnings (Refer note (i) below)	(1,946)	(2,082)
	<u>(1,946)</u>	<u>(2,082)</u>
<b>Note:</b>		
i) Retained earnings represents the cumulative undistributed loss of the company.		
<b>11. Provisions</b>		
<b>Non-current</b>		
Employee benefits	48	30
Provision for warranty (refer below)	41	-
	<u>89</u>	<u>30</u>
<b>Current</b>		
Employee benefits	6	5
	<u>6</u>	<u>5</u>
<b>Warranties (Refer Note (ii) below)</b>		
Balance at the beginning of the year	-	52
Provision recognised	41	-
Release of provisions	-	52
Balance at the end of the year	<u>41</u>	<u>-</u>
<b>Notes:</b>		
(i) The provision for employee benefits represents leave entitlements and gratuity. Refer Note 27 for details of gratuity plan as per Ind AS 19.		
(ii) The Company has accounted for the provision for warranty on the basis of information available with management duly taking into account the current technical estimates.		
<b>12. Borrowings</b>		
<b>Unsecured - at amortised costs</b>		
Loans repayable on demand from banks	-	135
	<u>-</u>	<u>135</u>
Unsecured loan repayable on demand comprises of overdraft balance.		
In respect of loans repayable on demand from banks, Yanmar Co Ltd has issued a letter of awareness favouring the bank.		
<b>13. Trade payables</b>		
Outstanding dues of micro enterprises and small enterprises	1	23
Outstanding dues of creditors other than micro enterprises and small enterprises	2,221	2,351
	<u>2,222</u>	<u>2,374</u>
The average credit period on purchase of goods range from 120 days to 180 days. No interest is charged on the outstanding trade payables.		
Refer note 34 for total outstanding dues of micro enterprises and small enterprises.		
<b>14. Other financial liabilities</b>		
<b>Financial liabilities mandatorily measured at fair value through profit or loss (FVTPL)</b>		
<b>Derivative not designated in hedge accounting relationships</b>		
Foreign currency forward contracts	-	34
<b>Financial liabilities carried at amortised cost</b>		
Payable on purchase of fixed assets	-	*
Interest accrued	-	*
Dealer deposits	69	20
	<u>69</u>	<u>54</u>
* Less than a Lakh		
<b>15. Other current liabilities</b>		
Advances from customers	13	60
Other liabilities (including statutory remittances)	10	8
	<u>23</u>	<u>68</u>



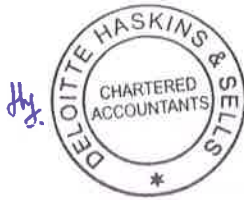
**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
(₹ in Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>16. Revenue from operations</b>		
The following is an analysis of the Company's revenue:		
Sales	7,669	5,593
Other operating revenue	457	30
<b>Total Revenue from operations</b>	<b>8,126</b>	<b>5,623</b>
<b>Other operating revenues comprise:</b>		
Service income	17	9
Development of spare part charges	10	10
Warranty claims recovered	15	8
Provision for doubtful trade receivables, written back	-	1
Marketing Promotion fee	414	-
Others	1	2
	<b>457</b>	<b>30</b>
<b>17. Other income</b>		
a) Interest income		
Interest income earned on financial assets that are not designated at fair value through profit or loss		
- Bank deposits	69	67
	<b>69</b>	<b>67</b>
b) Other non-operating income (net of expenses directly attributable to such income)		
- Rental income	2	2
- Royalties	15	2
- Others	33	15
- Provisions no longer required, written back	-	52
- Profit on sale/scrap of fixed assets (net)	2	5
	<b>52</b>	<b>76</b>
c) Other gains		
- Net foreign exchange gain	-	29
	<b>-</b>	<b>29</b>
	<b>121</b>	<b>172</b>
<b>18. Changes in inventories of stock-in-trade</b>		
Opening stock	1,987	1,177
Less: Closing stock	1,238	1,987
	<b>749</b>	<b>(810)</b>
<b>19. Employee benefits expense</b>		
Salaries and wages	418	405
Contribution to provident and other funds	15	15
Staff welfare expenses	22	14
Gratuity expenses (Refer Note 27)	6	4
	<b>461</b>	<b>438</b>
<b>20. Finance costs</b>		
a) Interest costs:		
- Interest on bank overdrafts and loans	48	1
- Other borrowing costs and charges	1	1
- Lease interest cost (Refer Note 32)	47	-
	<b>96</b>	<b>2</b>
<b>21. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	29	28
Amortisation on Right-of-use assets (Refer Note 32)	129	-
	<b>158</b>	<b>28</b>



**Yanmar Coromandel Agrisolutions Private Limited**  
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	Year ended 31 March 2020	Year ended 31 March 2019
<b>22. Other expenses</b>		
Power and fuel	6	5
Rent	63	147
Repairs to: .		
Buildings	-	-
Machinery	1	1
Others	29	13
Insurance	6	5
Rates and taxes	10	8
Business promotion	218	85
Printing and stationery	6	4
Legal and professional charges	61	62
Auditors remuneration (Refer Note 23)	8	8
Travelling and local conveyance	131	112
Recruitment expenses	5	4
Provision for doubtful trade receivables (Refer Note 6)	17	17
Net foreign exchange loss	37	-
Warranty expenses	6	10
Provision for warranty (Refer Note 11)	41	-
Miscellaneous expenses	129	76
	<b>774</b>	<b>557</b>
<b>23. Payment to auditors</b>		
a) For audit	7	7
b) For tax audit	1	1
	<b>8</b>	<b>8</b>



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**24. Financial instruments**

**24.1 Capital management**

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long term-term operating plans and strategic investments plans. The funding requirements are met through equity and short term borrowings. The Company monitors the capital structure on the basis of debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity shareholders of the Company. Debt includes all long and short-term borrowings.

The following table summarises the capital of the Company:

	As at 31 March 2020	As at 31 March 2019
<b>Equity</b>	2,054	1,169
Equity - % of total capital	100%	90%
<b>Debt</b>	-	135
Debt - % of total capital	-	10%
<b>Total capital (equity + debt)</b>	<b>2,054</b>	<b>1,304</b>

**24.2 Categories of financial instruments**

	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	2,153	580
(b) Other financial assets at amortised cost	481	931
<b>Financial liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Derivative instruments not designated in hedge accounting relationship	-	34
<b>Measured at amortised cost</b>	2729	2529

**24.3 Financial risk management objectives**

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

**24.4 Market risk**

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

**24.4.1 Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposed to exchange rate fluctuations.

(a) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	2019-20	2018-19	2019-20	2018-19
USD (millions)	0.07	3.10	-	-
INR (in lakhs)	51	2,154	-	-
JPY (millions)	4.68	5.39	-	-
INR (in lakhs)	32	34	-	-



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**(b) Foreign currency forward contracts outstanding as at the Balance Sheet date:**

	As at 31 March 2020		As at 31 March 2019	
	Buy	Sell	Buy	Sell
USD (millions)	-	-	2.27	-
INR	-	-	1,582	-
Number of contracts	-	-	14	-

**(c) Unhedged foreign currency exposure outstanding as at the Balance Sheet date:**

	As at 31 March 2020		As at 31 March 2019	
	Amount in Foreign currency (millions)	Amount in ₹ in Lakhs	Amount in Foreign currency (millions)	Amount in ₹ in Lakhs
Trade Payables	USD 0.07	51	USD 0.83	572
	JPY 4.68	32	JPY 5.39	34

**Foreign currency sensitivity analysis**

The Company is mainly exposed to US Dollar. The following table details the Company's sensitivity to a ₹ 1 increase and decrease against the US Dollar. ₹ 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹ 1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens by ₹ 1 against the US Dollar. For a ₹ 1 weakening of the ₹ against the US Dollar, there would be a comparable impact on the profit or equity.

Currency USD impact on:	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Profit or loss	1	8
Equity	1	8

**24.4.2 Interest rate risk management**

The Company borrowings are only towards working capital requirements and the Company resorts to working capital demand loan and overdraft facility with the banks both of which are exposed to change in the benchmark rates.

Company's exposure to variable interest rate borrowing is as under:

	As at 31 March 2020	As at 31 March 2019
Loans repayable on demand from banks	-	135

**Interest rate sensitivity analysis**

The sensitivity analysis below has been determined for floating rate liabilities assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended 31 March 2020 would increase/decrease by ₹ Nil (31 March 2019: ₹ 1 Lakhs).

**24.5 Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to the customer credit risk management. Credit quality of a customer is assessed based on their past performance. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the creditworthiness of its customers are continuously monitored.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.



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**24.6 Liquidity risk management**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 24.7 sets out details of additional undrawn facilities that the Company has at its disposal to reduce liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

Particulars	Carrying amount	up to 1 year	1-3 year	More than 3 years	Total Contracted cash flows
Accounts payable and acceptances	2,222	2,222	-	-	2,222
Lease Liability	438	119	319	-	438
Other financial liabilities	69	69	-	-	69
<b>Total</b>	<b>2,729</b>	<b>2,410</b>	<b>319</b>	<b>-</b>	<b>2,729</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

Particulars	Carrying amount	up to 1 year	1-3 year	More than 3 years	Total Contracted cash flows
Accounts payable and acceptances	2,374	2,374	-	-	2,374
Borrowings and interest thereon*	135	135	-	-	135
Foreign currency forward contract	34	34	-	-	34
Other financial liabilities	20	20	-	-	20
<b>Total</b>	<b>2,563</b>	<b>2,563</b>	<b>-</b>	<b>-</b>	<b>2,563</b>

\*Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates. The actual interest rates may differ based on the changes in the benchmark interest rates.

**24.7 Financing facilities**

The Company has access to financing facilities of which ₹ 3,000 Lakhs (as at 31 March 2019: ₹ 1,865 Lakhs ) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.





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**24.8 Fair value measurements**

24.8.1 Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Particulars	Fair value hierarchy	As at 31 March 2020		As at 31 March 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets / liabilities</b>					
Foreign currency forward contracts	Level 2	-	-	34	34

Foreign Currency forward contracts are valued based on discounted cash flow method by considering forward exchange rates, contract forward and interest rates, observable yield curves.

**24.8.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):**

Particulars	Fair value hierarchy	As at 31 March 2020		As at 31 March 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Financial assets at amortised cost:					
- Trade receivables	Level 2	458	458	927	927
- Cash and cash equivalents	Level 2	2,153	2,153	580	580
- Other financial assets	Level 2	23	23	4	4
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
- Borrowings	Level 2	-	-	135	135
- Trade payables	Level 2	2,222	2,222	2,374	2,374
- Other financial liabilities	Level 2	69	69	20	20
- Lease liabilities	Level 2	438	438	-	-

1. In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

**25. General information**

Yanmar Coromandel Agrisolutions Private Limited ("the Company") is a private limited company incorporated in India under the Companies Act 2013.

The Company's registered office is situated at 1-2-10, Coromandel House, Sardar Patel Road, Secunderabad, Telangana - 500033 and principal place of business is situated at No. 19, Qaiser Tower, 1st Floor, Kadhar Nawaz Khan Road, Nungambakkam, Chennai-600006.

The principal activities of the Company are sales and after sales service of agriculture machinery in India.

**26. Significant accounting policies**

**26.1. Statement of compliance**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, relevant amendment rules issued thereafter and other relevant provisions of the Act. Except for the changes below, the Company has consistently applied accounting policies to all periods.

i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach. As a result, the comparative information has not been restated. Refer Note 32 for further details.

ii) **Amendment to Ind AS 19 – plan amendment, curtailment or settlement:** On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

**26.2 Basis for preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.



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In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

**26.3. Revenue recognition**

Revenue is recognised upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

**26.4. Other income**

- a) Dividend income from investments is recognised in the year in which the right to receive the payment is established.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time invent basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**26.5. Leases**

The Company's significant leasing arrangement are in respect of buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



## Yanmar Coromandel Agrisolutions Private Limited

### Notes forming part of financial statements for the year ended 31 March 2020

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

#### 26.6. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

#### 26.7. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. In case of advance consideration, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date when an entity has received or paid advance consideration in a foreign currency.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

#### 26.8. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 26.9. Employee benefits

##### 26.9.1. Defined contribution plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

##### 26.9.2. Defined benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement





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The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

**26.9.3. Short-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**26.9.4. Other long-term employee benefits**

Other Long term employee benefit comprise of Leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**26.10. Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**26.11. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

• **Current tax**

Current tax represents tax currently payable based on taxable profit for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

• **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

• Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**26.12. Property, plant and equipment**

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

Estimated useful lives of the assets are as follows:

Asset	Useful lives (in years)
Certain Plant and equipment	5

Assets costing ₹ 5000 or less, individually, are fully depreciated in the year of acquisition.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**26.13. Inventories**

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. The method of determination of cost of various categories of inventories is as follows:

1. Stores and spares and packing materials – Weighted average cost.
2. Raw material – First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
3. Finished goods and Work-in-process – Weighted average cost which comprises of direct material costs, direct wages and applicable overheads.
4. Stock-in-trade (including spare parts) – Weighted average cost



**26.14. Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

**26.15. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**26.15.1. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**26.15.2. Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

**26.15.3. Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

**26.15.4. Financial liabilities**

Financial liabilities are measured at amortized cost using the effective interest method.





**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

**26.15.5. Equity Instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the company are recognised at the proceeds received net off direct issue cost.

**26.16. Derivative financial instruments**

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**26.17. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 26, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**26.17.1. Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Company had transferred control to the buyer.



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

**26.17.2. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment	The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Revenue recognition	The Company provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.
Provision for doubtful receivables	The Company makes provision for doubtful receivables based on a day's outstanding from the date the invoices are due for payment which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Leases	Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use the underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

**27. Employee benefits plan**

**Defined benefit plans**

**Change in Defined Benefit Obligation (DBO) during the year**

Present value of DBO at the beginning of the year

Current service cost

Interest cost

Actuarial (Gain)/Losses due to Demographic Assumption changes

Actuarial loss/(gain) arising from changes in financial assumptions

Actuarial loss arising from changes in experience adjustments

Benefits paid

**Present value of DBO at the end of the year**

**Amounts recognised in the Balance Sheet**

Present value of the obligation

Fair value of plan assets

Amount determined under para 63 of Ind AS 19

**Net Defined Benefit Liability recognized in the balance sheet**

**Components of employer expense**

Current service cost

Interest cost/(income) on net defined benefit obligation

Past service cost

**Expense recognised in Statement of Profit and Loss**

**Amount recognised for the current period in the statement of other comprehensive income:**

Actuarial (gain)/losses due to demographic assumption changes

Actuarial loss/(gain) arising from changes in financial assumptions

Actuarial loss/(gain) arising from changes in experience adjustments

Difference between Actual Return and Interest Income on Plan Assets-(gain)/loss

**Amount recognised in OCI for the current year**

**Movements in the liability recognized in the Balance sheet**

Opening net liability adjusted for effect of balance sheet limit

Amount recognised in Profit and Loss

Amount recognised in OCI

Contribution paid

**Closing net liability**

\* Less than a Lakh

**Assumptions**

Discount rate

Estimated rate of return on plan assets

Expected rate of salary increase

Attrition rate

(Amount in ₹ lakhs)

**Gratuity plan**

2019-2020 2018-2019

10 13

5 3

1 1

- \*

5 \*

\* (7)

21 10

21 10

- -

21 10

21 10

5 3

1 1

- -

6 4

- \*

5 \*

\* (7)

- -

5 (7)

10 13

6 4

5 (7)

- -

21 10

31 March 2020

31 March 2019

6.87% 7.77%

- -

7% 6%

5% 5%



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

Sensitivity analysis – DBO at the end of the year	(Amount in ₹ lakhs)	
	31 Mar 2020	31 Mar 2019
Discount rate + 100 basis points	19	10
Discount rate - 100 basis points	24	11
Salary increase rate + 100 basis points	24	11
Salary increase rate - 100 basis points	19	10
Attrition rate +100 basis points	21	10
Attrition rate -100 basis points	22	10
<b>Average Duration of Defined Benefit Obligations (in years)</b>	<b>16.51</b>	<b>15.20</b>
<b>Expected cash flows:</b>		
1. Expected employer contribution in the next year	*	*
2. Expected benefit payments		
Year 1	*	*
Year 2	*	*
Year 3	*	*
Year 4	*	*
Year 5	*	*
Beyond 5 years	36	29
* Less than a Lakh		

**a) Defined contribution plans**

In respect of the defined contribution plans, an amount of ₹ 15 lakhs (31 March 2019: ₹ 15 lakhs) has been recognised as an expense in the Statement of Profit and Loss during the year.

**28. Segment reporting**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of products. The directors of the Company have chosen to organise the Company based on the differences in products. The Company is engaged in the business of sales and after sales service of agriculture machinery which in the context of Ind AS 108 is considered the only operating segment.

**29. Earnings per share**

	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Profit after tax ( ₹ Lakhs)	140	32
<b>Basic and Diluted</b>		
b) Weighted average number of equity shares of ₹ 10/- each outstanding during the year	3,63,57,322	3,25,10,000
<b>Earnings Per Share (face value of ₹ 10/- each)</b>		
c) Basic and Diluted – [a]/[b] – (₹)	0.39	0.10



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

**30. Contingent liabilities (to the extent not provided for)**

**Claims against the Company not acknowledged as debt:**

(Amount in ₹ Lakhs)

	As at 31 March 2020	As at 31 March 2019
In respect of matters under dispute:		
Income tax (Refer note below)	1,026	-

The Company has received a demand notice from the Income tax Authorities relating to Assessment year 2017-18 for an amount of ₹ 1,026 Lakhs. The Company protested against the order and the matter is pending with Commissioner of Income-tax (Appeals). Out of the above said demand, the company paid an amount of ₹ 205 Lakhs under protest.

The amounts disclosed above represent our best estimate and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

**31. Commitments**

**a) Capital commitments**

	As at 31 March 2020	As at 31 March 2019
Capital expenditure commitments	₹ Nil	₹ Nil

**b) Other commitments – ₹ Nil (As at 31 March 2019: ₹ Nil).**

**32. Leases**

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. On transition to Ind AS 116, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019, which is 9.50% for measuring the lease liability.

On transition to Ind AS 116, the Company recognised Right-of-use and a lease liability of ₹ 212 Lakhs each. During the year ended 31 March 2020, the Company has recognised interest expense on leases amounting to ₹ 47 Lakhs and depreciation on right-of-use assets amounting to ₹ 129 Lakhs in the financial statements.

**i) The following is the movement in lease liabilities during the year ended 31 March 2020**

**Amount in ₹ Lakhs  
For the year ended  
31 March 2020**

<b>Balance at the beginning</b>	<b>212</b>
Lease liabilities recognised during the year	320
Finance cost accrued during the year	47
Payment of lease liabilities (including interest)	(141)
<b>Balance at the end</b>	<b>438</b>



**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

ii) The impact of change in accounting policy on account of adoption of Ind AS 116 is as given below:

	(Amount in ₹ lakhs) For the year ended 31 March 2020
Interest on lease liability (Refer note 20)	47
Depreciation of right of use assets (Refer note 2)	129
Lease rental expenses	(141)
<b>Impact on Statement of profit and loss</b>	<b>35</b>

iii) Maturity analysis of lease liabilities as on 31 March 2020 on a discounted basis.

	As at 31 March 2020
Less than one year	119
One to three years	319
Total discounted lease liabilities as at 31 March 2020	438

**33. Related party disclosures**

(a) Name of the related parties and their relationship:

	Name of the related parties	Relationship
(i)	Yanmar Co. Ltd	Joint venture partner
(ii)	Coromandel International Limited	Joint venture partner & shareholder
(iii)	Yanmar Asia (Singapore) Corp. Pte. Ltd	Joint venture partner & shareholder
(iv)	Mitsui & Co. (Asia Pacific) Pte. Ltd.	Joint venture partner
(v)	Yanmar India Pvt. Ltd.	Subsidiary of joint venture partner
(vi)	Mitsui & Co. India Pvt. Ltd.	Associate of joint venture partner
(vii)	Yanmar S.P. Co. Ltd.	Fellow subsidiary of joint venture partner
(viii)	Mitsui & Co. Ltd.	Shareholder
(ix)	Yanmar Agribusiness Co., Ltd.	Fellow subsidiary of joint venture partner
(x)	Yanmar Engine Manufacturing India Pvt. Ltd.	Fellow subsidiary of joint venture partner
(xi)	Yanmar Agricultural Equipment (China) Co. Ltd.	Subsidiary of joint venture partner
(xii)	Norio Iwano	Key management personnel (Managing Director and Chief Executive Officer)

(b) Transactions during the year:

		Amount in ₹ lakhs	
		2019-20	2018-19
i)	Reimbursement of expenses (paid/payable)		
	- Norio Iwano	7	9
ii)	Purchase of stock-in-trade (excluding taxes)		
	- Yanmar India Pvt. Ltd.	16	1
	- Yanmar Co. Ltd.	80	166
	- Yanmar Agribusiness Co., Ltd.	5,078	4,907
	- Yanmar S.P. Co. Ltd.	146	30
	- Yanmar Agricultural Equipment (China) Co. Ltd.	135	-
iii)	Purchase of capital goods (excluding taxes)		
	- Yanmar Agribusiness Co. Ltd.	17	-
iv)	Sale of stock-in-trade (excluding taxes)		
	- Coromandel International Limited	31	22
	- Yanmar India Pvt. Ltd.	-	*





**Yanmar Coromandel Agrisolutions Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2020**

	2019-20	2018-19
v) Receipt of service fees (excluding tax)		
- Coromandel International Limited	1	2
- Yanmar India Pvt. Ltd.	8	-
- Yanmar Agribusiness Co., Ltd.	453	18
- Yanmar Engine Manufacturing India Pvt. Ltd.	1	*
vi) Purchase of services (paid/payable) (excl. tax)		
- Yanmar Co. Ltd	4	-
vii) Reimbursement of expenses (received/receivable) (excl. tax)		
- Yanmar Co. Ltd	1	1
- Yanmar India Pvt. Ltd..	-	*
- Yanmar Agribusiness Co., Ltd.	14	103
viii) Remuneration to Key management personnel		
- Norio Iwano	97	97

**(c) Outstanding balances:**

	As at 31 March 2020	As at 31 March 2019
i) Yanmar India Pvt. Ltd. (net) – Credit	-	*
ii) Yanmar Co. Ltd (net) – Credit	30	34
iii) Coromandel International Ltd. – Debit	20	13
iv) Yanmar Agribusiness Co., Ltd.– Credit	1,691	2,117
v) Yanmar Agricultural Equipment (China) Co. Ltd- Credit	51	-
vi) Yanmar Engine Manufacturing India Pvt Ltd - Debit	*	*
vii) Norio Iwano – Credit	4	-

\* Less than a Lakh

(d) In respect of the loans repayable on demand from banks (Refer note 12), Yanmar Co. Ltd has issued a letter of Awareness favoring the Bank.

34. Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

Sl.No.	Particulars	Amount in ₹ lakhs	
		As at 31 March 2020	As at 31 March 2019
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	1	23
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.





## Yanmar Coromandel Agrisolutions Private Limited

### Notes forming part of financial statements for the year ended 31 March 2020

35. As the world faces one of its biggest challenge caused by the COVID-19 related disruptions, the agriculture sector remains relatively good from demand point of view. Further non-availability of labour and supply increased demand for mechanisation of agricultural activities.

The country wide lock-down enforced from 25 March 2020 had temporarily impacted the Company's operations. Due to the pro-active steps taken by the Government in supporting the farming community, import and sales of agricultural related products largely remain un-affected. Our warehouses have resumed operation adhering to strict safety measures and Government guidelines. Though the COVID-19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian agriculture is expected to be minimal.

The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID-19 on the recoverability of carrying values of assets. The sudden changes brought about by COVID-19 has also not resulted in any significant modifications to the internal financial controls over financial reporting and thereby there is no impact on the financial statements of the Company for the financial year ended 31 March 2020.

36. The Management has assessed, the subsequent events to the year end and is of the view that there are no material events which require adjustment or disclosure in the financial statements.

### 37. Approval of financial statements

The financial statements were approved by the Board of Directors on 30 December 2020.

**For and on behalf of the Board of Directors**



**Norio Iwano**

Managing Director  
and Chief Executive Officer



**Sameer Goel**

Director





**P. Ambarish**

Company Secretary

Place: Chennai / Hyderabad

Date: 30 December 2020