

53rd Annual Report

2020-21



AFC INDIA LIMITED

Formerly Agricultural Finance Corporation Ltd.

A Premier National Developmental Consultancy Organisation

ISO:9001:2015 Certified Company



Company Information

Authorized Capital

Rs 100 Crores

Paid-Up Capital

Rs 15 Crores

Directors



Dr. C. D. Mayee
Chairman of Board



Shri Vijay V. Murar
General Manager,
Central Bank of India



Shri. David Sinate
Chief General Manager,
EXIM Bank



Shri Goverdhan S. Rawat
General Manager,
NABARD



Shri. Nitin Deshpande
General Manager,
Bank of India



Shri M. V. Murali Krishna
General Manager,
Bank of Baroda



Dr. P. G. Patil
Director, ICAR - CIRCOT,
Mumbai



Mr. Bhagirath Choudhary
Board Member - APEDA



Dr. Atanu Purkayastha
IAS (Rtd.)



Shri. Ravindra Boratkar
President, MEDC



Shri B. Ganeshan
Managing Director

Statutory Auditor

M/s. Ashok Bairagra and Associates
(Chartered Accountants)

53rd Annual Report 2020-2021



AFC INDIA LIMITED

(Formerly Agricultural Finance Corporation Ltd.)

CIN No. U65990MH1968GOI013983

REGD. OFFICE:

Dhanraj Mahal, CSM Marg, Mumbai – 400 001

Website : www.afcindia.org.in

Member Banks & Institutions

- AMREX MARKETING PVT LTD
- BANK OF MAHARASHTRA
- BANK OF AMERICA NA
- BANK OF BARODA
- BANK OF INDIA
- BNP PARIBAS
- CANARA BANK-MUMBAI
- CENTRAL BANK OF INDIA
- CITIBANK N.A.
- CSB BANK LIMITED
- EXPORT- IMPORT BANK OF INDIA
- HDFC BANK LTD
- ICICI BANK LTD
- INDIAN BANK
- INDIAN OVERSEAS BANK
- KOTAK MAHINDRA BANK LTD
- PUNJAB AND SIND BANK
- PUNJAB NATIONAL BANK
- STANDARD CHARTERED BANK
- STATE BANK OF INDIA
- THE GUJARAT STATE CO OPERATIVE BANK LTD
- THE HONGKONG AND SHANGHAI BANKING CORP.LTD
- THE J AND K BANK LTD.
- THE KARNATAKA BANK LTD
- THE KARUR VYSYA BANK LTD
- THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
- THE SOUTH INDIAN BANK LIMITED
- UCO BANK
- UNION BANK OF INDIA



AFC INDIA LIMITED
Dhanraj Mahal, First Floor, CSM Marg, Mumbai – 400001
CIN: U65990MH1968GOI013983

DIRECTORS' REPORT 2020-21

To Members,
AFC INDIA LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty-third Annual Report and Audited Statement of Accounts on the business and operations of your Company for the year ended 31st March, 2021.

1. FINANCIAL RESULTS:

The Financial Results of the Company for the Financial Year under review are summarized below:

Sr. No	Particulars	2020-21	2019-20
		Rs.	Rs.
1.	Income for the year	258,427,109	227,188,626
2.	Less: Expenditure	(255,870,705)	(222,991,536)
3.	Profit Before Depreciation, Extraordinary Items & Tax	2,556,404	4,197,091
4.	Less: Depreciation	(967,663)	(883,408)
5.	Less: Extraordinary Items / Prior Period Expense	(172,544)	(903,122)
6.	Profit / (Loss) before tax (PBT)	1,416,196	2,410,561
7.	Less: Provision for current tax	(666,565)	(483,048)
8.	Add : Provision for deferred tax	580,538	115,867
9.	Less : Tax expense for earlier years	(1,86,253)	-
10	Profit / (Loss) after tax (PAT)	1,143,916	2,043,380
11	Less : Preference Dividend provision	-	-
12	Balance brought forward from previous year	110,615,041	108,571,661
13	Less: Retained earnings	-	-
14	Balance carried to Balance Sheet	111,758,957	110,615,041

2. STATEMENT OF AFFAIRS OF THE COMPANY IN THE FINANCIAL YEAR 2020-21

During the Financial Year ending 31st March 2021, 46 assignments were bagged by the Company with consultancy fee of the order of Rs. 63.88 Crores. The volume of business that was carried forward from the previous year (2019-20) was Rs.52.24 Crores. Your company reported a PCM income of Rs. 24.21 Crores during the year (2020-21). As on 31st March 2021, the ongoing business that was carried forward to 2021-22 was Rs.55.38 Crores. The summary details of projects bagged are presented in Annexure 1.

3. DIVIDEND

The Company has not declared any dividend for the Financial Year 2020-21.

4. Business Outlook for the year 2021-22

Due to the onset of Covid Pandemic in the last quarter of FY 2019-20 and its spread across the country, the year 2020-21 has been challenging for us. The on-going Covid-19 pandemic has had a significant impact on lives, livelihoods and the businesses in the country. Operational challenges mounted due to restricted movement and almost disrupted supply lines on account of prolonged pandemic conditions during the FY 2020-21. As the second wave of the pandemic unfolded with predictions of a third wave in the offing, our focus continues to be on our people's health & safety, caring for the communities in which we operate, and at the same time, protecting our business models.

Covid-19 pandemic has affected AFC in the following ways:

- *Limited opportunities in Monitoring & Evaluation segment*
- *Disrupting our drive to engage with different Institutions and donors*
- *Adversely affecting the field operations and thus restricting completion/extending the timelines of the ongoing projects*
- *Significant disruption in flow of funds/realization of fee due to restricted/delayed completion of projects*

Notwithstanding the Covid constraints, towards the closure of FY 2020-21, AFC took every possible effort to maintain continuity in operations. In order to meet the challenges ahead, AFC is making sustained and concerted efforts to scout for business opportunities in newer areas and also for involvement of AFC in areas such as Agri & Rural based livelihoods, entrepreneurship development, training/skill development for migrants, etc. under CSR initiatives of Corporates.

Towards this end, some of the key initiatives taken are as under:

(A) Empanelment of AFC as CBBOs for Formation & Promotion of FPOs

AFC has been empanelled by almost all the Implementing Agencies nominated by the Ministry of Agriculture & Farmers' Welfare, Government of India viz. NABARD and National Cooperative Development Corporation (NCDC) in ten (10) States viz. Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana and Uttarakhand, under the new Flagship Programme of the Ministry of Agriculture and Farmers' Welfare, Govt. of India for promotion of 10K FPOs across the country. NABARD has awarded the work of formation and promotion of 13 FPOs (Haryana-5; Rajasthan-4; 2 each in

Gujarat and Uttarakhand) while NCDC has awarded the work of 7 FPOs in Punjab. AFC was also empanelled by National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) as Cluster Based Business Organization (CBBO) for the formation and promotion of 13 FPOs in the States of Gujarat (9 nos.) and Chhattisgarh (4 nos.). SFAC Haryana too has empanelled AFC as CBBO and awarded the work of 6 FPOs in Haryana State. North Eastern Regional Agricultural Marketing Corporation Ltd. (NERAMAC), too has empanelled AFC as CBBO for all N.E. States and Sikkim.

Considering that this assignment **provides a unique opportunity to AFC to reposition itself as a serious player in the development project implementation space** and project its knowledge leadership, it is proposed to build AFC's strength on the following areas of FPO excellence through the project:

I. FPO Institution Building, Capacity Development and Governance

- a. Development of curriculum, content and delivery systems for FPO institution building, capacity development and effective governance. It is important to ensure FIG members' awareness about the objective of the institution; roles, rights and responsibilities for a general member, director, or individuals holding key governance and management responsibilities at the level of both producer groups and the larger FPO. Systematic and effective institution-building shall empower each member-producer to engage actively in the regular affairs of these institutions and help manage conflicts, if any. These efforts shall be complemented by capacity development of office bearers and FPO directors to build their understanding of governance systems, business operations, production enhancement, value addition, supply chain management, marketing, financial management, organizational systems and policy development etc.
- b. Design ICT and multimedia-based training modules for institution building and capacity development involving FPO directors, other office bearers, member-producers, FPO staff and project staff. This is likely to ensure uniformity in delivery of key messages and knowledge, reinforcement of learning through repetition, greater convenience and cost effectiveness in delivery and assessment of learning. Such awareness and knowledge building exercises can be supplemented through training by individual experts for higher level understanding related to tacit / practical knowledge and cross-cutting perspectives.

II. Development of 'Model FPOs' with demonstrable strength in at least one member service or business area:

Each individual FPO assigned to AFC shall be supported such that it is able to excel in at least one of the following indicative areas:

- a. Agri-Input Aggregation & Supply / Local Production of Eco-Friendly Agri-Inputs
- b. Agri-Mechanization / Technology Services
- c. Financial Inclusion / Services / Management
- d. Agri-Produce Aggregation & Warehousing (Storage) [under prior contract with buyer]
- e. Value Addition / Processing

- f. Veterinary & Livestock Support Services
- g. Market Information / Intelligence Services for Improved Price Realization
- h. Climate Smart / Sustainable Agricultural Production
- i. Market Access & Buyer-Linkage Development
- j. Women Leadership in Board and Management
- k. Inclusiveness through due representation of disadvantaged segments
- l. Marketing of Branded / Packaged Agri-Food Products

It is envisaged that there will be some '**Model FPOs**' in each State which will serve as '**immersion sites**' for promoting cross-learning and demonstration among other FPOs including the ones set up by other CBBOs and FPO-promoting agencies. These FPOs shall provide opportunity to host and deliver '**training**' & '**accreditation**' programmes for practitioners and job-seekers exploring opportunities to enhance their credentials and skills for opportunities in the agricultural development and agribusiness domains.

III. Centralized Services for FPOs:

There are a number of activities and tasks under the CBBO role which can be best delivered through a centralized service system set up by AFC. Besides providing economies of scale, these centralized services shall also free up the business associates to focus on the field-level activities and direct implementation support to the FPOs. Some of the services for centralized support include company secretary and chartered accountant services (for registration, regulatory compliances, accounting / book-keeping, internal audit, preparation of fundraising proposals etc.), documentation support (annual report preparation, proposals for financing etc.), branding / packaging design support etc.

IV. Centralized IT-enabled / Digital Platform for FPO Monitoring and Business Management:

AFC envisions that in due course of time, it will be in a position to pool and converge a wide range of Government schemes and sources of development funding (CSR / international development agencies / donors etc.) to support its FPOs in the focal States. In order to offer customized proposals and opportunities to potential funders and benefactors of FPOs, it would be useful to have a centralized IT-enabled / digital platform for FPOs promoted and supported by AFC. Besides providing real-time dashboard on progress of key activities and tasks under the CBBO mandate, this platform will ensure that the field personnel are able to collect digital data related to various FPOs through their mobile apps. This will also minimize information gaps, reduce errors in converting data from physical records to digital form and enable better coordination and planning for strengthening FPOs. The rich data on FPOs can come in handy to design better programs and offer better organizational development and business management support to the member-farmers of the FPOs.

V. Anchor Uber-level Partnerships for Market Access, Financing and other key areas related to FPO Business Performance:

To progress FPOs into sustainable business organizations, it is critical that they have access to important market partners on inputs / outputs, financial institutions, development institutions and other resource institutions. At local level, forging such

relationships is often difficult and time taking considering the scale issues (few FPOs are not a value proposition to large players) as well as network access available locally.

AFC shall play this **role of network catalyst** by bringing in key partnerships for FPOs across its priority States on a common platform and steering the relationship support for FPOs.

(B) Development of Export-oriented Production Clusters and Agri-Horti Enterprises in Odisha, Tamil Nadu, Jharkhand, J&K and Ladakh

AFC had submitted proposals to the State Governments of Odisha, Tamil Nadu, Jharkhand, Jammu & Kashmir and Ladakh for developing export oriented Agri-Enterprises for enhancing farmers' income in consonance with the Agri Export Policy of the Govt. of India. In pursuance to the meeting with Govt. of Odisha, AFC has since opened a State Office and positioned a Regional Manager along with two domain experts to undertake this onerous assignment. AFC has also facilitated the Govt. of Odisha in formulating a robust **Agri-Export Policy** and an **implementable Action Plan** for promoting agri-exports from the State.

During the year 2021-22, AFC shall assist the State Government in the development of export-oriented production clusters for production and promotion of about 18 agricultural, horticultural and animal-based products; and ground level implementation of the Action Plan in Odisha in consonance with the Agri Export Policy of the State. On the similar lines, AFC has extended support to the State Governments of Jharkhand, Tamil Nadu and UT of J&K in formulating Agri-Export Implementation Plan in the respective States.

The Ministry of Commerce & Industry, Government of India has recently addressed communication to the Chief Secretaries of Odisha and Jharkhand States for expediting the finalization of Agri-Export Policies and Implementable Action Plans.

(C) Collaboration/Partnerships with Spices Board

Spices Board under the Ministry of Commerce and Industry, Government of India is the flagship organization for the development and worldwide promotion of Indian spices. Keeping in view the significant contribution of Spices in the agri-export volume of the country, AFC has initiated the process of engaging with the Spices Board of India under the Ministry of Commerce and Industry, Government of India, on the lines of similar synergistic collaboration with APEDA, to promote Export Oriented Production of safe/Organic Spice cultivation; Farm Enterprise Development through promotion of SFPOs (Spice Farmer Producer Organizations) and FSFPOs (Federation of Spice Farmer Producer Organization) including Backward and Forward Linkages, establishment of Common Processing Centers for Value Chain Management from State and Central Government Departments, National & International Agencies and other donor institutions, and implementation thereof.

A Memorandum of Understanding between the Spices Board and AFC India Limited has also been signed on 12th April, 2021.

(D) Collaboration/Partnerships with Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED)

Pursuant to AFC's recognition by Ministry of Tribal Affairs, Govt. of India as "Centre of Excellence (CoE)" for carrying out action research, policy advocacy and integrated tribal

development, across the country, vehement efforts are being made for entering into collaborative partnerships with National & International Agencies.

As part of this endeavor, AFC had initiated discussion for forging collaborative alliance with the Tribal Co-Operative Marketing Development Federation of India Limited (TRIFED), a National level Cooperative body under the Ministry of Tribal Affairs, Govt. of India, which is mandated towards socio-economic development of tribals,

TRIFED has, in principle, agreed to partner with AFC and a Memorandum of Understanding (MoU) is proposed to be executed soon. The broad contours of partnership are as under:

- (i) **Implementation of SFURTI:** AFC has been empaneled as Technical Agency under TRIFED for implementation of SFURTI scheme in the State of Maharashtra. AFC is persuading TRIFED to allocate additional geographies - Odisha; Jharkhand; Chhattisgarh; Tamil Nadu; Andhra Pradesh and North East Region, and the talks are ongoing. In Maharashtra, TRIFED has agreed to allocate the districts of Washim for Flax Seeds and Sesasum; Yavatmal for Turmeric; Thane for Giloy; Chandrapur for Rice based produces and Gadchiroli for Honey.
- (ii) **Impact Evaluation Studies:** AFC shall conduct impact assessment of existing Van Dhan Kendras established by TRIFED across the country with pilot initiation from Odisha and Maharashtra.
- (iii) **Tech For Tribals:** AFC shall conduct specific tailor made programmes for skill development of socially disadvantaged groups in Gajapati district of Odisha which is being transformed into a Model Aspirational Tribal District.
- (iv) **Revitalization of Van Dhan Kendras in Gajapati:** AFC shall identify gaps in the operational functionalities of Van Dhan Kendras in Gajapati District, Odisha and make efforts towards their revitalization.
- (v) **Marketing Linkages for value added tribal products:** AFC shall conduct Scoping Study for exploring markets for specific tribal products in domestic and International markets based on which market linkage models for specific tribal products will be developed.

(E) AFC India Ltd & AFC Foundation – Complementing & Reinforcing each other

Keeping the fast-changing development landscape in view and driven by the ambition to reclaim its eminence in the domain, AFC India has promoted AFC Foundation as the key implementation arm to build on-ground presence and establish community connect. AFC Foundation can open up new streams of work in emerging themes which can complement the consulting expertise of AFC India Ltd. In addition, AFC Foundation can help establish proof of concepts and build data driven insights that can help AFC India play a serious advisory role with Government departments, CSR verticals and other development agencies.

AFC Foundation strives to emerge as a serious player in the nation development space by creating sustainable impact at scale across cross cutting development priority areas identified under the United Nations Sustainable Development Goals (UNSDGs). As the post COVID-19 world struggles to get back on track on critical issues of economic growth, inclusion, environment protection etc., AFC Foundation aims to join hands with key state, private sector

and civil society actors to accelerate the pace of development, especially for those that have been hit the hardest.

1) Develop India Aspiration:

As India embarks on its ambitious trajectory to becoming a 5 trillion \$ economy and global economic powerhouse it needs to ensure the growth is inclusive, equitable and sustainable. The post Covid-19 world will require intensive efforts and resource convergence to ensure economic growth across sectors with the mainstreaming of the needy and disadvantaged in the economic activities. AFC Foundation, setup by AFC India will support these aspirations and contribute its bit in creating a self-reliant (Aatma Nirbhar Bharat) and inclusive nation through interventions in cross cutting thematic areas.

2) Focal Themes and Impact Areas:

AFC Foundation will not only build upon AFC India’s experience but also open up new streams of work under the following emerging and interesting themes:

1 Inclusive Value Chains & Climate Resilience		
	Key Sectors / Themes	Key Impact Areas
1.1	Producer Collectives	1. Improvement in producer incomes 2. Improving bargaining power of communities in engaging with markets 3. Institutional mechanisms to sustain the development efforts
1.2	FPO Ratings	1. Promoting competitiveness among FPOs 2. Capacity building efforts and resource support for FPOs channelized as per FPO stage, performance and potential
1.3	Sustainable Agriculture, Agroforestry and Certifications	1. Sustainable value chains 2. Improved producer incomes 3. Food safety and nutrition
1.4	Alternate Livelihoods - Beekeeping & Livestock	1. Improved incomes for producers 2. Biodiversity 3. Agriculture growth
1.5	Climate Smart Agriculture adaptation / Carbon Sequestration & Credits	1. Adverse impact of climate mitigated 2. Community efforts on climate initiatives monetized
1.6	Water, Renewable Energy	1. Resource conservation 2. Sustainable ecosystems
1.7	Sustainable Tribal Development	1. Local economic development 2. Self-contained community ecosystem 3. Improvement in Human development indicators
2 Sustainable Enterprises & Impact Finance		
	Key Sectors / Themes	Key Impact Areas
2.1	Social Business / Start-ups – Incubators & Accelerators	1. Entrepreneurship ecosystem development 2. Job creation 3. Sustainable solutions for social problems
2.2	Blended Finance	1. Cost efficient and patient finance
2.3	Social Impact bonds	1. Performance based financing for social projects

		2. Improving accountability in the development projects ecosystem
2.4	Securitization of commodities	1. Increasing uptake of commodity portfolios as an asset class 2. Improving investment flows into commodity sector
2.5	Livelihood bonds	1. Access to lower cost enterprise capital for women entrepreneurs
2.6	Climate finance	1. Climate adaptation and climate risk mitigation
3	Technology for Development	
	Key Sectors / Themes	Key Impact Areas
3.1	Agri Tech – IOT, AI, Remote sensing, Farm mechanization, Precision agriculture, Hydroponics, Quality Assurance, Traceability and Blockchain	1. Bridging information, economic and social gaps 2. Building transparency and accountability for various ecosystem stakeholders 3. Bringing efficiency, scalability, productivity and quality benefits 4. Improving service delivery and enhancing local development
3.2	Finance - Digital finance & FinTechs	
3.3	Edu Tech – Technology enables learning, MOOCs etc.	
3.4	Health – Telemedicine, Biosensors,	
3.5	Big data - Agristack / Indiastack / E-Shakti	
4	Sustainability Lab for Policy influence	
	Key Sectors / Themes	Key Impact Areas
4.1	Action research	1. Policies backed by hard data 2. Filtering of high impact interventions 3. Program innovation
4.2	Prototyping & Testing	
4.3	Impact monitoring	
4.4	Policy influence	
4.5	Publications	

3) Focus on getting Strategic Projects:

The cross cutting thematic areas identified as focal areas by AFC Foundation are strategic in nature and will require expansion to new geographies and new partnerships (commercial and knowledge) whereby AFC Foundation is able to introduce innovations, experiment new methods and create impactful outcomes for communities and their institutions. To gain and build on experience, the focus in the initial years will be to get such strategic projects in partnership with institutions such as the IDH, GIZ, Gates Foundation, ADB, IFAD etc. without much attachment to the project value.

4) Building a High Performing – Professional Team:

AFC Foundation is in active conversations with potential donors such as SBI Foundation, Axis Bank Foundation, Azim Premji Philanthropic Initiatives, HDFC Bank, CSR Institutions etc. for securing implementation projects in AFC Foundation's priority geographies. To execute such high visibility CSR / sustainability projects, efforts are being made to build a strong team of professionals with both social sciences and rural management backgrounds across different management and implementation levels. AFC Foundation will have a

structured approach to attract and retain such talent through partnerships with reputed academic institutions and a business linked - human resources plan.

5) Ministry of Tribal Affairs appoints AFC Foundation as Centre of Excellence for Tribal Development

The Ministry of Tribal Affairs, Govt. of India, appointed AFC Foundation as a “Centre of Excellence(CoE)” for carrying out action research, policy advocacy and integrated tribal development across the country. Towards this, the Ministry of Tribal Affairs has identified “Gajapati” district in Odisha for transformation into a “Model Aspirational Tribal District” and this formidable nevertheless prestigious & challenging assignment has been assigned to AFC Foundation, which is first of its kind in the country.

The project interventions revolve around the two key pillars of the Government of India – “Transformation of Aspirational Districts” and “AtmaNirbhar Bharat” to empower tribal communities with an enabling ecosystem for holistic growth and accelerated development. AFC Foundation aims at bringing about sustainable interventions for integrated Tribal Development for showcasing it as a replicable model for other districts to follow. The District Administration has also provided space for AFC’s Project Office, which is noteworthy.

6) AFC Foundation commissioned to work as Technical Support Service Agency to the Ministry of Tribal Affairs for Livelihood Projects

AFC Foundation has been bestowed with the responsibility to provide Technical Support Services and Monitoring of the livelihood projects sanctioned by the Ministry of Tribal Affairs, Govt. of India. AFC Foundation has chalked out a work plan and aims to undertake regular monitoring and appraisal of approximately 200 livelihood projects funded by the Ministry across the country which would also include grading of livelihood projects on the basis of various Key Performance Indicators (KPIs).

AFC Foundation shall also provide need-based technical support to implementing agencies in the areas of microcredit & Insurance, the formation of Self-Help Groups, registering Farmer Producer Companies, e-Commerce listing of products, Technical Know-how of Soil Health Card, Awareness about Government Subsidy Schemes in Farm/Non-Farm Livelihood projects like Goatery, Piggery, Fisheries, horticulture, sericulture, handlooms etc.

7) Action Research Project for reducing drop outs in schools and developing tracking mechanism for ambulances funded by Ministry of Tribal Affairs

Ministry of Tribal Affairs, Govt. of India provides financial assistance to Schools run by NGOs in tribal areas. In order to enhance the educational outcomes for Tribal communities and ensure effective end-use of funds provided to NGOs. AFC Foundation has been chosen for conducting an Action Research towards reducing dropouts in **150 schools** funded by Ministry of Tribal Affairs (MoTA), Govt. of India.

The terms of reference are, inter alia, checking attendance of students in tribal schools funded by the Ministry, assessing the drop-out rates in schools, examining the availability of basic school infrastructure including teacher-student ratio, quality of teaching etc. The scope of work also includes developing **tracking mechanism for ambulances funded by the Ministry for the benefit of tribal populace across the country.**

8) Ministry of Tribal Affairs assigns AFC Foundation 6 villages of Chhattisgarh to develop as Aadarsh Aadi Gram

The Ministry of Tribal Affairs has assigned **another prestigious nevertheless challenging assignment for developing 6 villages of Chhattisgarh as Aadarsh Aadi Gram** (Model Tribal Village), on a pilot basis.

AFC Foundation shall work steadfastly towards unleashing a transformative change in the identified villages through demonstration of replicable pathways for holistic & accelerated development of tribal communities that leverage community institutions, phygital (physical + digital) connectivity, integrated technology platforms, social business models, public safety nets and multi-stakeholder convergence. The major interventions will include an array of demand-side and supply-side interventions focused on livelihoods, financial inclusion, health and education.

5. INTERNAL CONTROLS AND SYSTEMS

The Company has a well established procedure for internal control systems. The Company has Internal Control and Audit System commensurate with its size and nature of its business. The Company has entrusted the internal & operational audit to M/s. Shailendra S Singh & Associates, reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices.

The Audit Committee of the Board of Directors, Statutory Auditors and Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors.

6. CAUTIONARY STATEMENT:

Statements made in this report in describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements". Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external and internal factors, which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

7. **BOARD OF DIRECTORS**

The composition of the Board of Directors as on 31st March, 2021 is as follows:

Sl. No.	Name	Particulars
1.	Dr. C. D. Mayee	Former Commissioner (Agriculture), Govt. of India and Chairman, Agricultural Scientists Recruitment Board and an Eminent Agriculture Scientist
2.	Shri David Sinate	Chief General Manager , Export Import Bank of India
3.	Shri Goverdhan S. Rawat	Chief General Manager, NABARD
4.	Shri Vijay V Murar	General Manager-Treasury & ID, Central Bank of India
5.	Shri Nitin Deshpande	General Manager, Bank of India
6.	Shri Ramesh Kadam	Former General Manager, Bank of India
7.	Shri Bhagirath Choudhary	Board Member - APEDA
8.	Dr. P G Patil	Vice Chancellor, Mahatma Phule Krishi Vidyapeeth (MPKV), Rahuri and Ex-Director, ICAR – CIRCOT, Mumbai
9.	Dr. Atanu Purkayastha	IAS (Rtd.)
10.	Shri M V Murali Krishna	General Manager, Bank of India
11.	Shri B. Ganeshan	Managing Director, AFC India Limited

8. **AUDIT COMMITTEE**

Pursuant to the requirements of Section 177 of the Companies Act, 2013, an independent Audit Committee deals with accounting matters, financial reporting and internal controls. The composition of the Audit Committee during the year under review has been as under:

Sl. No.	Name	Committee Designation
1.	Dr.C.D.Mayee	Chairman
2.	Shri Ramesh Kadam	Member
3.	Dr. P. G. Patil	Member

9. DETAILS OF DIRECTORS and KMP APPOINTED/RESIGNED DURING THE YEAR

A) APPOINTMENT OF DIRECTORS

Sl. No.	Directors	Date of Appointment
1	Shri David Sinate	31.08.2020
2	Shri Goverdhan S. Rawat	31.08.2020
3	Dr. Atanu Purkayastha	8.10.2020
4	Shri Nitin Deshpande	23.12.2020
5	Shri M V Murali Krishna	23.12.2020

B) CESSATION OF DIRECTORS

The Cessation of Directors from the Board during the year under review has been as under:

S. No.	Director	Date of Cessation
1.	Smt. Sarita Arora	31.08.2020
2.	Smt. Harsha Bangari	31.08.2020
3.	Shri J S Ravikumar	23.12.2020

C) COMPANY SECRETARY & COMPLIANCE OFFICER

CS Nidhi Shah was appointed as Company Secretary of the Company pursuant to Section 203 of the Companies Act, 2013 for complying with the requirements Companies Act 2013.

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (5) of the Companies Act, 2013;

- i. In the preparation of the Annual Accounts of the Company, the applicable Accounting Standards had been followed.

- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year as at 31st March, 2021 and Profit or Loss for the year ended as on that date.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the Annual Accounts on a going concern basis.
- v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. PUBLIC DEPOSIT:

Your Company has neither invited nor accepted/renewed any "Deposit" from public within the meaning of the term "Deposits" under the Companies (Acceptance of Deposits) Rules 2014, as amended from time to time.

12. CORPORATE GOVERNANCE:

Corporate Governance is the set of process, customs, policies, rules, regulations, and laws by which the companies are directed, controlled and administered by the management in the best interest of stakeholders. It ensures fairness, transparency, accountability and independent monitoring. Your Company, since its inception, recognized the importance of Corporate Governance and is proactive in following the principles and practices of good corporate governance. Your company believes in transparency in all facets of its operations and in its interaction with shareholders, stakeholders, clients, employees & Government agencies. It places emphasis on integrity, accountability and regular & prompt compliance with all statutory and regulatory requirements. Your Company's Articles and Memorandum of Association fully reflect, in letter and spirit, the key elements of good Corporate Governance. The Board of Directors of your Company consists of fifty percent of Co-opted Directors and balances are Shareholder Directors, besides the Managing Director. The Board meets regularly and the senior executives of your Company are invited to attend the Board Meetings.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with regard to Conservation of Energy & Technology absorption is not required to be given, as the same is not applicable to the Company.

Foreign Exchange Earning	:	NIL
Foreign Exchange Outgo	:	NIL

14. MATERIAL CHANGES AND COMMITMENT IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relates and the date of this report.

15. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not anticipate any immediate business risk. However, the Board is taking steps to implement a Risk Management policy in the Company.

16. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 is furnished in Profit And Loss Statement for the year ended 2021.

19. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

20. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure A" and is attached to this Report.

21. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 5 (five) Board meetings held on 15th May 2020, 31st August 2020, 8th October 2020, 23rd December 2020 and 19th March 2021 during the financial year under review.

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As there were no operations, AFCL Finance Service Pvt. Ltd – A wholly owned Subsidiary of AFC India Limited was wound up.

23. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

24. APPOINTMENT OF STATUTORY AUDITORS

The Comptroller and Auditor General, Government of India, had appointed M/s. Ashok Bairagra & Associates, Chartered Accountants, Mumbai as Statutory Auditors of your Company for the financial year 2020-21 to hold office until the conclusion of the ensuing Annual General Meeting.

25. DEMATERIALISATION OF SHARES

100% of the Company's paid up share capital has been dematerialized.

26. PARTICULARS OF EMPLOYEES

During the year under review, there were no employees drawing remuneration of Rs.1.02 Crore p.a. or Rs. 8.50 Lakhs /- p.m. or more. Hence there is no information to be provided in accordance to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.


ACKNOWLEDGEMENTS

The Directors would like to place on record their appreciation of the cooperation and support provided by the clientele and takes this opportunity to gratefully thank them. The Directors extend their grateful thanks to the Ministries of the Government of India, in particular, Ministries of Agriculture, Rural Development, Tribal Affairs, Environment and Forests and to the Ministries of Panchayati Raj, Health and Family Welfare etc., as also to the various State Government departments, other institutions for their continued patronage to your Company. The Directors would also like to place on record their appreciation of

Member Banks and NABARD for their continued support and guidance. The Directors also thank the Statutory Auditors as well as the Audit Board (Commercial Audit), Government of India for their guidance and support.

The Directors further express their thanks to the Business Associates and experts engaged in various assignments for completing the same in time and for submitting quality reports. Needless to mention, thanks are also due to the officers and staff of the Company for their very cordial relations and excellent cooperation in increasing productivity and achieving higher volume of business and income for the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to be 'S. H. C.', written in a cursive style.

CHAIRMAN

Place: Nagpur

Date: 17.08.2021

BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2021

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I Registration and other Details	
CIN	U65990MH1968GOI013983
Registration Date	10/04/1968
Name of the Company	AFC INDIA LIMITED
Category / Sub-Category of the Company	Public Company having Share Capital
Address of the Registered Office and contact details	Dhanraj Mahal, 1st Floor, Chhatrapati Shivaji Maharaj Marg, Mumbai 400001 Contact: +91-22-22029517 / +91-22-22028924 Email: afc@afcindia.org.in Website: https://www.afcindia.org.in/
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd

II Principal Business Activity of the Company

S.No	Principal Business Activity of the Company
1	Agricultural Consultancy

III Holding / Subsidiary and Associate Companies

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
NA				

IV Shareholding Pattern (Equity Share Capital Break up as a percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	5782	02	5784	38.56	6409	00	6409	42.73	4.17
f) Any Other	0	0	0	0	0	0	0	0	0
Directors	0	0	0	0	0	0	0	0	0
Directors Relatives	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	5782	02	5784	38.56	6409	00	6409	42.73	4.17
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0

c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	5782	02	5784	38.56	6409	00	6409	42.73	4.17
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	9216	00	9216	61.44	8451	0	8451	56.34	(5.1)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Private Company)	0	0	0	0	140	0	140	0.93	0.93
Sub-Total (B)(1):	9216	00	9216	61.44	8591	00	8591	57.27	4.17
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0	0	00
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	0	0	0	0	0	0	0	0	00

c) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI (Non-Repat)	0	0	0	0	0	0	0	0	0
NRI (Repat)	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Partnership Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	9216	00	9216	61.44	8591	00	8591	57.27	4.17
C. Shares held by Custodian for GDRs & ADRs									
Grand Total	14998	2	15000	100	15000	0	15000	100	0

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
BANK OF BARODA	2250	15.00	-	2250	15.00	-	-
CENTRAL BANK OF INDIA	1608	10.72	-	1608	10.72	-	-
STANDARD CHARTERED BANK	970	6.47	-	970	6.47	-	-
UNION BANK OF INDIA	706	4.707	-	831	5.54	-	-
CANARA BANK (Formerly Syndicate Bank)	250	1.667	-	750	5.00	-	-

*Changes in shareholding is due to merger of banks.

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	5784	38.56	5784	38.56
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	625 Merger of Banks	4.17	625 Merger of Banks	4.17
At the end of the year	6409	42.73	6409	42.73

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
PUNJAB NATIONAL BANK	1089	7.26	1769	11.79
BANK OF INDIA	1261	8.41	1261	8.41
THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	1000	6.66	1000	6.66
STATE BANK OF INDIA	950	6.33	950	6.33
INDIAN BANK	251	1.67	946	6.31
UCO BANK	803	5.35	803	5.35
EXIM BANK	750	5.00	750	5.00
BANK OF MAHARASHTRA	303	2.02	303	2.02
INDIAN OVERSEAS BANK	183	1.22	183	1.22
AMREX MARKETING PVT LTD	140	0.93	140	0.93

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
None of the Directors or KMP hold shares in company	NIL			

V Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits
Indebtedness at the beginning of the financial year	
i) Principal Amount	-
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Change in Indebtedness during the financial year	
Addition	-
Reduction	-
Net Change	
Indebtedness at the end of the financial year	-
i) Principal Amount	-
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total	-

VI Remuneration of Directors and Key Managerial Person

A Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No	Particulars of Remuneration	Shri B. Ganeshan (Managing Director)
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Rs.23,30,575/-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Rs.11,48,975/-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	as % of profit	-
	others, specify	-
5	Others, please specify	-
	Total (A)	Rs.34,79,550/-

B. Remuneration to other Directors:

1. Independent Directors

S. No	Remuneration	Name of Directors					Total (Rs)
		Dr. C D Mayee	Shri Ramesh Kadam	Shri. Bhagirath Choudhary	Dr. P G Patil	Dr. Atanu Purkayastha	
	Fee for attending Board/Committee Meetings	1,20,000	70,000	50,000	70,000	20,000	3,30,000/-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total	1,20,000	70,000	50,000	70,000	20,000	3,30,000/-

2. Non Executive Directors

S. No	Remuneration	Name of Directors				
		1. Shri David Sinate	2. Shri G.S. Rawat	3. Shri Vijay V. Murar	4. Shri Nitin Deshpande	5. Shri M.V. Murali Krishna
	Fee for attending Board/Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (B)(2)	-	-	-	-	-
	Total (B)= (B)(1)+ (B)(2)	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs)
		CA. MAMTA SAHAL (CFO)	CS. Nidhi Shah	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Rs.15,24,829/-	Rs.7,09,374/-	Rs.22,34,203/-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	Rs.15,24,829/-	Rs.7,09,374/-	Rs.22,34,203/-

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



CHAIRMAN

Place: Nagpur

Date: 17.08.2021

Details of Assignments Canvassed during 2020-21:

Sl. No	Project Name	Client	Total Fees (Rs. In lakh)
1	Watershed Development Fund: Integration of Watershed Development Strategies with Climate Change Adaptation for Rehabilitation of Degraded soils - Sanctioned of Financial Assistant to Maa Manikeswari Watershed Projects, Bhawanipatna Block, Kalahandi District Odisha	NABARD, Bhubaneswar	49.34
2	Watershed Development Fund: Integration of Watershed Development Strategies with Climate Change Adaptation for Rehabilitation of Degraded soils - Sanctioned of Financial Assistant to Maa Laxmi Watershed Projects, Bhawanipatna Block, Kalahandi District Odisha	NABARD, Bhubaneswar	49.31
3	Skill Development Training Programme (6 days) Under Vishwa Karma Shram Samman Yojna at 12 District of Uttar Pradesh	Directorate of Industries, Grand Trunk Road, Kanpur, Uttar Pradesh	454.34
4	Impact Assessment Study of Hans Jal Dhara Program in Almora, Bageshwar, Chamoli & Pauri districts of Uttarakhand	Director (Program and Evaluation) The Hans Foundation Uttarakhand	17.52
5	TEV Study of M/s. Akshaya Cold Storage, at Kornepadu (v), Vatticherukuru (M), and M/s. Sri Ganapathi Modern Cold Storage, Sy. No.612, Garlapadu (v), Kakumanu (M), Guntur Dist	Commissioner Horticulture, Govt of Andhra Pradesh	2.36
6	One Day Training of departmental officers /employees and village level convergence committee for capacity development and preparation of village development plan (VDP) under Prime Minister Adarsh Gram Yojana at 50 out of 55 district in UP	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited, Department of Social Welfare Uttar Pradesh	260.31
7	Business Skills Training Service Provider (BTSP) for delivering Business Skills Training (BST) services focused on self-employment activities in Group I: Agriculture and Allied Sector to Adolescent Girls and Young Women (AGYW) in Dumka, Ramgarh, Koderma, Bokaro, Jamtara, Deoghar and Pakur districts of Jharkhand under Tejaswini Project, India	Jharkhand Women Development Society(JWDS) Department of Women, Child Development & Social Security Government of Jharkhand	2384.25
8	Farm Sector Promotion Fund (FSPF): Project on promotion of Silage Making for the members of Bamunikhola FPO in Bhawanipatna block of Kalahandi district	NABARD, Odisha Region Bhubaneswar	7.26
9	Socio-economic end-line survey of the Project Interventions of WBFBCP	Government of West Bengal, Chief Project Director, West Bengal Forest & Biodiversity Conservation Project, Kolkata.	20.69

10	Conducting Skill Development Training Programme for 240 identified MS/dependents in UP	National Safai Karmacharis Finance & Development Corporation, NTSC, New Delhi	19.20
11	Consulting Agreement Between the Better Cotton Initiative	GIZ Coordinator, New Delhi	17.35
12	Conducting Up-skilling/Recognition of Prior Learning (RPL) Programme for 555 Safai Karmachari in the Three State (New Delhi, Uttar Pradesh & Kerala)	National Safai Karmacharis Finance & Development Corporation, NTSC, New Delhi	61.44
13	Survey and Preparation of strategic Research & Extension Plan of different districts for Implementation of support to state extension programme for extension reform schemes in Odisha	IMAGE, Bhubaneshwar - Odisha	72.00
14	Witnessing CCEs in the 10 Districts of Tamil Nadu state for Kharif 2020 season	The Oriental Insurance Company Limited, Regional Office, Chennai 600 008	149.79
15	Providing Handholding Support to the target groups of NSKFDC in taking up Sanitation related Enterprises	National Safai Karmacharis Finance & Development Corporation, NTSC, New Delhi	23.60
16	Implementation of Organic Farming in Uttar Pradesh under Paramparagat Krishi Vikas Vikas Yojana (PKVY) in 138 Clusters (2760 Ha. area) in Chandauli district, one of the 25 Ganga Basin districts under Namami Gange Project. (AFC as Support Agency)	Department of Agriculture, Government of Uttar Pradesh	398.00
17	Implementation of Organic Farming in Uttar Pradesh: Certification Services in 70 Clusters (1400 Ha. area) in five districts viz. Gorakhpur; Deoria; Gonda; Balrampur; and Sidharthnagar. (AFC as Regional Council)	Department of Agriculture, Government of Uttar Pradesh	40.00
18	Third Party verification Consultants for Ex. Malgajari related works in the district of Gadchiroli in Maharashtra	Sir Dorabaji Tata Trust Mumbai	17.77
19	Conducting Survey & Geotagging for the Project "Geotagging of Agri. Storage Infrastructures (p-3452) for the cluster No.17 South Gujarat	Nabard Consultancy Services Pvt Ltd (NABCONS) New Delhi	4.08
20	Conducting Survey & Geotagging for the Project "Geotagging of Agri. Storage Infrastructures (p-3452) for the cluster No.15 Gujarat	Nabard Consultancy Services Pvt Ltd (NABCONS) New Delhi	38.72
21	Survey Agency to Conduct an Impact Assessment and Farmers Loyalty Survey for an IFC Project in India	International Finance Corporation New Delhi	47.02
22	Cluster Based Business Organization (CBBO) for Formation and Promotion of FPO's (09 Clusters for Oilseeds in Gujarat)	National Agricultural Cooperative Marketing Federation of India Limited (NAFED) New Delhi	224.37
23	Technical Support Agency for Engagement in 'Conducting CHIRAAG Village Development Plan, Institution Building and Capacity Building in the Northern and Central Blocks' in	Department of Agriculture, Government of Chhattisgarh	648.93

	Chhattisgarh Inclusive Rural and Accelerated Agriculture Growth Project (CHIRAAG)		
24	Conducting Survey & Geotagging for the Project "Geotagging of Agri. Storage Infrastructures (p-3452) for the cluster No.13 (Konkan, Pune, Nashik (Including Mumbai & Mumbai Suburban Areas) and Goa	Nabard Consultancy Services Pvt Ltd (NABCONS) New Delhi	28.49
25	Cluster Based Business Organization (CBBO) for Formation and Promotion of FPO's (04 Clusters for Oilseeds and Organic in Chhattisgarh)	National Agricultural Cooperative Marketing Federation of India Limited (NAFED) New Delhi	99.12
26	Impact Survey for Solar Lantern, Bio Gas Digester and Cook Stove. Behalf of Jharkhand Tribal Development Society	Jharkhand Tribal Development Society, Ranchi	3.70
27	Conducting Impact Assessment Studies of CSR Projects	Mazgaon Dockyard Shipbuilders Limited, Mumbai	12.93
28	3rd Party Monitoring & Evaluation of CAMPA Activities in the state of Sikkim	Forest and Environment Department, Government of Sikkim	91.21
29	Development of Miyawaki Forest in Cochin Naval Base Premises at Vanduruthy, Kochi under CSR Commitment of Indian Oil Corporation Limited	Commanding Officer and Station Commander (N) India Navy, Kochi	20.05
30	Implementing the National Cooperation Development Corporation Project in 4 Districts of Sikkim	National Cooperation Development Corporation, Governor of Sikkim	14.16
31	Implementation of Employment linked skill development training programme for 500 trainees for Senior SPA therapist- Beauty & Wellness under Seekho aur Kamao scheme.	Ministry of Minority Affairs Government of India	126.32
32	Conducting Impact Assessment Study of PMKVY 2.0 RPL (Agriculture) project implemented by Maharashtra State Skill Development Society (MSSDS) through SIMACES Learning LLP & PCIPL" Project	Maharashtra State Skill Development Society, Government of Maharashtra	50.16
33	Awareness Training Programme	SFAC, New Delhi	20.57
34	District Implementation Partners to support in Implementation of Atal Bhujal Yojana in 07 GP Clusters of Uttar Pradesh	Atal Bhujal Yojana, Ground Water Department, Government of Uttar Pradesh	27.26
35	Skill Development Training Programme (6 days) Under Vishwa Karma Shram Samman Yojna for 2020-21in 18 Districts of Uttar Pradesh - 2nd Phase	Directorate of Industries, Kanpur, Government of Uttar Pradesh	331.31
36	Conducting External Evaluation study of Plantations and Construction of Soil and Water Conservation Structures and Buildings Executed under CAMPA during 2014-15 to 2016-17	Chief Conservator of Forest, Jaipur, Rajasthan	39.06
37	Block level Convergence cum Credit Linkage programme for WSHG Members	NABARD, Kalahandi	0.15
38	Organizing Wash Programme	NABARD, Kalahandi	0.05

39	Preparation of City Disaster Management Plans (CDMPs) for the Municipal Corporation of Darbhanga & Begusarai of Bihar State	Bihar State Disaster Management Authority, Government of Bihar	28.67
40	Third Party Monitoring & Evaluation of Jalyukt Shivar Abhiyan sanctioned year 2016-17 to 2018-19 for Jalana District of Maharashtra	JSA Samittee, Dist Superintendent, Agriculture Officer, Jalana	35.43
41	TEV-Study of MIDH Project in Andhra Pradesh.- 2020-21	Mission Director, Dept. of Horticulture, Govt of Andhra Pradesh.	2.36
42	Empanelled as a CBBO-Sanctioned Programme for the Year 2020-21 under Central Sector Scheme for Formation and Promotion of 10000 FPO's in the state of Rajasthan (01 FPO - Hanuman Nagar)	NABARD, Regional Office Rajasthan	25.00
43	Empanelled as a CBBO-Sanctioned Programme for the Year 2020-21 for Oilseed under Central Sector Scheme for Formation and Promotion of 10000 FPO's in the state of Rajasthan (03 FPO - Hanuman Nagar & Sriganganagar)	NABARD, Regional Office Rajasthan	75.00
44	Empanelled as a CBBO-Sanctioned Programme for the Year 2020-21 for Oilseed under Central Sector Scheme for Formation and Promotion of 10000 FPO's in the state of Gujarat (02 FPO- Junagarh and Rajkot)	NABARD, Regional Office Gujarat	50.00
45	Empanelled as a CBBO-Sanctioned Programme for the Year 2020-21 for Oilseed under Central Sector Scheme for Formation and Promotion of 10000 FPO's in the state of Haryana (05 FPO- Sirsa, Karnal, Indri, Sonipat & Gohana)	NABARD, Regional Office Haryana	125.00
46	Empanelled as a CBBO-Sanctioned Programme for the Year 2020-21 for Oilseed under Central Sector Scheme for Formation and Promotion of 10000 FPO's in the state of Punjab (07 FPO- 4 Ludhiyan,2 Mogra & 01 Amritsar)	National Cooperative Development Corporation, Under Ministry of Agriculture and Welfare, Government of India	175.00
TOTAL			6388.65

Key Assignments Undertaken by AFC

1. Development of Export-oriented Production Clusters and Agri-Horti Enterprises in Odisha

AFC had entered into a Memorandum of Understanding (MoU) with Agricultural and Processed Food Products Export Development Authority (APEDA) under the Ministry of Commerce and Industry, Govt. of India.

The main objective of the collaborative partnership is to supplement the efforts of APEDA in developing a robust agri-export value chain involving farming community, State Departments of Agriculture, Ministry of Food Processing Industries and other stakeholders in consonance with the Agri Export Policy, 2018 announced by the Govt. of India.

As part of this endeavour, AFC had submitted a proposal to the Govt. of Odisha for 'Developing Export Oriented Agri-Enterprises for enhancing farmers' income in Odisha.' The Govt. of Odisha convened a high-level virtual meeting through Video Conferencing on 26th November, 2020 under the chairmanship of Agricultural Production Commissioner cum Additional Chief Secretary (APC-cum-ACS), Department of Agriculture and Farmers' Empowerment, Govt. of Odisha for discussion on the project proposal submitted by AFC.

A series of meetings have taken place under the Chairmanship of the Principal Secretary (Agriculture), Government of Odisha wherein Principal Secretary (MSME), Commissioner-cum-Secretary (Fisheries), Commissioner-cum-Secretary (Odisha State Agricultural Marketing Board), MD (Agricultural Promotion and Investment Corporation of Odisha Limited) have also participated. Chairman along with senior officials from APEDA and MD along with other senior officials from AFC represented the APEDA-AFC joint team.

2. Appointment of AFC as Regional Council for Paramparagat Krishi Vikas Yojana in Uttar Pradesh

The Directorate of Agriculture, Govt. of Uttar Pradesh has appointed AFC as Regional Council for rendering Certification Services in 70 Clusters (1400 Ha. area) in five districts of the State viz. Gorakhpur; Deoria; Gonda; Balrampur; and Sidharthnagar under Paramparagat Krishi Vikas Yojana.

PKVY is being implemented in all 25 Ganga Basin districts under the Namami Gange Programme in Uttar Pradesh with the twin objectives of reducing farmers cost of production, arranging marketing linkages to farmers, ensuring chemical free organic products to consumers and improving soil health by adoption of traditional agricultural practices. The project aims at developing a sustainable socio-economic zone around the Ganga and its tributaries to give boost to the "AatmaNirbhar Bharat".

AFC was also allotted 60 clusters (1200 Ha area) in Balia (one of the Ganga Basin Districts under Namami Gange) by UP Diversified Agriculture Support Project (UPDASP), Govt. of Uttar Pradesh under PKVY earlier this year.



3. AFC selected as M&E Agency for World Bank funded CHIRAAAG project in Chhattisgarh

AFC has been selected as the agency to carry out monitoring and evaluation of the prestigious World Bank funded project titled “*Chhattisgarh Inclusive Rural and Accelerated Agricultural Growth (CHIRAAAG)*” implemented by the Department of Agriculture, Government of Chhattisgarh. The project interventions are being implemented in select 25 tribal dominated blocks covering 14 districts in Chhattisgarh. The duration of the project is five years. The scope of work includes development of M&E framework, undertaking project baseline to review project implementation and measuring alignment of outcomes & impacts aligned to the project development objectives.

CHIRAAAG project is a multi-sectoral initiative built on developing strategies to spur the growth of rural economy through the development of agriculture and rural-based enterprises, creating job opportunities and increasing rural consumption pattern. The project aims at improving income opportunities and the availability of nutritious foods in the targeted households of the tribal dominated areas in Chhattisgarh. It being a cross-cutting multi-faceted project, M&E is the most critical & challenging project management tools associated with tracking multiple activities and carrying out assessments for corrective courses of action across the project period.

AFC ensures utmost efficiency and provision of quality services to its clients by associating with niche domain experts with cutting-edge capabilities as implementing partners for

various projects across India and abroad. *Insight Development Consulting Group (IDCG)* is its Associate Partner for this project. The organization has worked in verticals such as agriculture and allied activities, community development, livelihoods, etc.



Official meetings with Deputy Directors of Agriculture and Horticulture and Rural Engineering officer, Kanker District



Meetings with the Gothan members (Shriguhan Village, Narharpur Block) and Sub Agriculture Development Officer (SADO), Narharpur Block, Kanker District



Site Visit of Gothan, Shriguhan Village, Narharpur Block, Kanker District

4. Engagement of AFC as Support Agency for Implementation of Organic Farming in Uttar Pradesh

Government of Uttar Pradesh, Directorate of Agriculture has appointed AFC as Support Agency for Implementation of Organic Farming under PKVY in 138 Clusters (2760 Ha. area) in Chandauli district, one of the 25 Ganga Basin districts under Namami Gange Programme. The activities involve mobilization, registration of farmers, uploading data on PGS Portal, documentation, training and capacity building of farmers, provide marketing assistance through arranging linkages with buyers and brand building etc.

AFC ventured into implementation of organic farming projects way back in 2008-09 and has implemented several organic adoption and certification projects under organic farming schemes of Ministry of Agriculture and Farmers' Welfare, Govt. of India viz. NHM, RKVY, PKVY/PGS INDIA covering the States of Haryana, Chattisgarh, Gujarat, Goa, NCT of Delhi, Odisha and Uttar Pradesh. AFC is also designated as an Authorized Regional Council approved by National Centre of Organic Farming (NCOF), INM Division, Ministry of Agriculture and Farmers' Welfare, Government of India.



5. International Finance Corporation (IFC) selects AFC for carrying out an Assessment on COVID-19 Relief Support Measures to Farmers

COVID-19, an ongoing global pandemic since December, 2019 has led to lockdowns across countries, severely impacting smallholder farmers' access to seeds, crop protection inputs and labour, etc. IFC provided a post-COVID support to over 4 lakh smallholder farmers in several States in view of the ongoing COVID-19 crisis and lockdowns.

AFC has been selected by the International Finance Corporation (a member of the World Bank Group) for carrying out an *Assessment on COVID-19 Relief Support Measures extended to Farmers*. AFC has been appointed to assess the impact of this intervention on smallholder livelihoods, business promotion and level of satisfaction amongst the farmers. The assessment would cover nine states of India over a period of six months.



6. Empanelment with “Ministry of Minority Affairs, Govt. Of India

AFC has been empanelled with Ministry of Minority Affairs, Govt. of India as a Project Implementing Agency for the “*Seekho aur Kamao*” Scheme for training courses aligned to National Skills Qualification Framework (NSQF) and Common Norms under Ministry of Skill Development and Entrepreneurship (MSDE). It has also been assigned trainees for carrying out the implementation activities.

As an Implementing Agency, AFC will be taking up activities like mobilization, linkage with industries, imparting of soft skills, overlooking placements, ensuring the course curriculums with current requirements of the industry and training sessions for the trainees allotted by the Ministry.



“Seekho aur Kamao” is a placement linked Skill Development scheme for minorities aimed at upgrading the skills of minority youth in various modern/traditional skills depending upon their qualification, present economic trends and market potential, which can earn them suitable employment or make them suitably skilled to go for self-employment.



7. World Bank funded Skill Development Programme for Tribal Girls in Jharkhand worth over Rs. 24 Crore

AFC has been awarded to deliver Business Skills Training Services for a prestigious and large-scale initiative of the Govt. of Jharkhand; Department of Women, Child Development and Social Security under Tejaswini Project to entail the Socio-Economic Empowerment of Adolescent Girls and Young Women in the age group of 16 to 24 years. The project is funded by the World Bank and the interventions to ensure this socio-economic upliftment is through the community and institutional channels.



AFC will exhibit its expertise to develop income generating activities and core entrepreneurship skills for the target group in the Agriculture and Allied Sector in seven districts of Jharkhand namely, Dumka, Ramgarh, Koderma, Bokaro, Jamtara, Deogarh and Pakur. The project activities have to be completed within three years. AFC has taken this opportunity to open a State Office in Jharkhand and selected an experienced domain professional to function not only as Project





Director for overall management of this assignment but who shall also be responsible for scouting business opportunities in other State Government departments and State level Agencies

8. Impact Survey for Solar Lantern, Bio Gas Digester and Cook Stove

The Govt. of Jharkhand is implementing “Jharkhand Tribal Empowerment and Livelihoods Project” funded by International Fund for Agricultural Development (IFAD).

AFC has been selected by Govt. of Jharkhand to conduct an impact survey on solar lanterns, biogas digesters and improved biomass cook stoves to assess beneficiary satisfaction, number of operational units, quantify savings and benefits, and assess quality of after-sales services.



9. AFC to Conduct Impact Assessment Studies of CSR Projects of Mazagon Dock Shipbuilders Limited

AFC has diversified its activities to work with corporates, both in the public and private sector, to create and implement customized CSR strategies aligned to business objectives. AFC is striving to augment the effort of our corporate clients with effective CSR programs that transform communities, create significant social impact and deliver long term value to stakeholders.



As part of this endeavor, AFC has been bestowed with the responsibility for conducting impact assessment studies of CSR Projects of Mazagon Dock Shipbuilders Ltd. under the Ministry of Ports, Shipping and Waterways, Government of India. Apart from assessing impact of interventions on communities, other factors such as environment, locality, agriculture, livestock and awareness level regarding the interventions among community members will also be assessed.



10. Selection of AFC as District Implementation Partners to Support in Implementation of Atal Bhujal Yojana (Atal Jal)

AFC is shortlisted as the District Implementation Partner (DIP) to Support in Implementation of Atal Bhujal Yojana (Atal Jal) in 7 GPs of Kabrai Block of Mahoba District of Uttar Pradesh.

Department of Water Resources, RD & GR (MOWR RD & GR), Ministry of Jal Shakti is implementing Atal Bhujal Yojana (Atal Jal) with World Bank assistance in selected water-stressed areas of seven States of the Country viz., Gujarat, Haryana, Karnataka, Madhya Pradesh (MP), Maharashtra, Rajasthan and Uttar Pradesh (UP). The scheme is designed to facilitate sustainable management of groundwater in a holistic manner by involving the concerned Central and State Government machinery, PRIs, NGOs, WUAs, Farmers and other stakeholders.

The objective of this consultancy is to provide technical and management support to the Gram Panchayats / Panchayati Raj institutions / District Program Management Unit in selected clusters of water stressed GPs / Blocks / Talukas to support implementation of various activities envisaged under the Program to achieve the goals and deliverables set under Atal Bhujal Yojana.



11. Training to impart skills in 7 Districts of Uttar Pradesh under VSSY

AFC India is once again nominated by Government of Uttar Pradesh for Vishvakarma Shram Samman Yojna as a training agency to impart Skill Development Training in 7 Districts of Uttar Pradesh.

Government of U.P. has launched VISHVAKARMA SHRAM SAMMAN YOJNA scheme to promote the development and self-employment of the workers of the State. In this scheme, 6 days free training will be provided to the workers of Uttar Pradesh and to the traditional artisans to further enhance their skills. Under this scheme, financial assistance shall be provided by the State Government to the traditional artisans and craftsmen of Uttar Pradesh like carpenters, tailors, basket weavers, barbers, etc., to set up Small Industries. The entire cost of this scheme will be borne by the state government.



12. Promotion of Silage Making and Marketing in Odisha

NABARD has assigned the task of planning, monitoring and implementation of the project on “Promotion of Silage Making & Marketing” to AFC in Kalahandi district of Odisha to ensure production and regular supply of quality fodder through different seasons of the year. The mandate of the scheme is to promote adaptation of better technologies to increase income and collective marketing by building resilience against the shortage of fodder during lean periods and by minimizing agriculture wastages. This will lead to the enhancement of farm income and farm productivity and in turn contributes to the national target of “Doubled Income of Farmers” through reduced crop losses, enhanced fodder & milk production and reduced marketing burdens.





13. Conducting Capacity Building & Training Workshops under PMAGY

AFC has been nominated to work as a “Technical Support Agency” by Uttar Pradesh Scheduled Caste Finance and Development Corporation Limited, Government of Uttar Pradesh in 50 selected districts out of total 55 identified districts. As a technical support agency AFC would organize one day ‘Workshop-cum- Capacity Building’ initiative for the village and district level convergence committees at all such villages under the Pradhan Mantri Adarsh Gram Yojana (PMAGY).



PMAGY is one of the flagship initiatives run by Ministry of Social Justice and Empowerment, Government of India for the empowerment of deprived sections of the society and aims to achieve integrated development of selected villages through convergent implementation of all relevant Central and State schemes.

The objectives of this initiative are to ensure integrated development of the selected villages with more than 50% SC population, primarily through:

- Improving the physical infrastructure in the selected villages
- Ensuring food and livelihood security to all the BPL families especially those belonging to SCs
- Reducing the maternal and infant mortality rates

- Removing malnutrition among women and children
- Improving social Infrastructure, human development and social harmony

To achieve the above stated objectives, various programmes and schemes related to drinking water and sanitation, education, health and nutrition, rural roads and housing, electricity and clean fuel, good agricultural practices and livelihood and skill development are being implemented that focus on the development and better livelihood for SCs.



14. Integration of Watershed Development Strategies with Climate Change Adaptation for Rehabilitation of Degraded soils

AFC was awarded the assignment of implementation of two watershed WDF Climate Proofing projects (Maa Laxmi & Maa Manikeswari) in Bhawanipatna Block of Kalahandi district by the National Bank for Agriculture and Rural Development (NABARD).

Adaptation to climate change in India requires integrated solutions that simultaneously address livelihood improvements, environmental sustainability, as well as growth issues.



Proactive measures for adaptation to climate variability and change can substantially reduce many of the adverse impacts, and thus contribute to livelihood security of the vulnerable rural population. While climate change will affect the nation's economy as a whole, its impact will be more severely felt by the

poor who also have the least adaptive capacity. Recognizing this, the National Action Plan on Climate Change (NAPCC) clearly outlines its first principle as "protecting the poor and vulnerable sections of the society through inclusive and sustainable development strategy, sensitive to climate change".



In order to address the above context NABARD, RO, Bhubaneswar sanctioned AFC the task of preparation of two DPR's (Maa Laxmi & Maa Manikeswari). After preparation and submission of suitable

DPR's, NABARD was pleased to sanction AFC the task of implementation of same projects (Maa Laxmi & Maa Manikeswari) for another four years.

15. Revival of AFC Foundation and proposed Development Plan

(i) Registration u/s 12AA of Income Tax Act, 1961

AFC Foundation was set up by the Company in the year **2007** under the Indian Trust Act, 1882 as a non-profit organization. However, AFC Foundation has remained dormant for a long period after its commencement of operations in the initial 1-2 years.

Aligned with our aspiration to re-establish & position AFC as an exemplar National Development Institution spearheading cross cutting development initiatives and resetting the development discourse, we aim to establish AFC Foundation as the reinforcing catalyst for grassroots transformation, augmenting legitimacy through proven interventions, garnering stakeholder convergence and shaping the policy making process through data driven insights.

After persistent efforts made at the highest level in the Income Tax Department, AFC Foundation was successful in securing registration under Section 12AA and 80G of the Income Tax Act, 1961, which is so essential to commence operations.

(ii) Development of Gajapati as Model Aspirational Tribal District

AFC Foundation has been recognized as "Centre of Excellence (CoE)" by the Ministry of Tribal Affairs for carrying out action research, policy advocacy and integrated tribal development across the country. Towards this, the Ministry has identified "Gajapati" district in Odisha from amongst the 117 Aspirational Districts selected by NITI Aayog, for transformation into a Model Aspirational Tribal District and this formidable task has been assigned to AFC Foundation, which is first of its kind in the country. The project interventions revolve around the two key pillars of the Government of India – "Transformation of Aspirational Districts" and "Aatmanirbhar Bharat" to empower tribal communities with an enabling ecosystem for holistic growth and accelerated development. AFC Foundation aims at bringing about sustainable interventions for integrated Tribal Development for showcasing it as a replicable model for other districts to follow.



(iii) Monitoring of the livelihood projects sanctioned by the Ministry of Tribal Affairs

AFC Foundation has been bestowed with the responsibility to provide Technical Support Services and Monitoring of the livelihood projects sanctioned by the Ministry of Tribal Affairs, Govt. of India. AFC Foundation has chalked out a work plan and aims to undertake regular monitoring and appraisal of approximately 200 livelihood projects funded by the Ministry across the country which would also include grading of livelihood projects on the basis of various Key Performance Indicators (KPIs).

AFC Foundation shall also provide need-based technical support to implementing agencies in the areas of microcredit & Insurance, the formation of Self-Help Groups, registering Farmer Producer Companies, e-Commerce listing of products, Technical Know-how of Soil Health Card, Awareness about Government Subsidy Schemes in Farm/Non-Farm Livelihood projects like Goatery, Piggery, Fisheries, horticulture, sericulture, handlooms etc.



(iv) Action Research Project for Reducing Drop Outs in Schools and Developing Tracking Mechanism for Ambulances funded by Ministry of Tribal Affairs

Ministry of Tribal Affairs, Govt. of India provides financial assistance to Schools run by NGOs in tribal areas. In order to enhance the educational outcomes for Tribal communities and ensure effective end-use of funds provided to NGOs, AFC posed an action based research project proposal to the Ministry for consideration.

Consequently, AFC Foundation has been chosen for conducting an Action Research towards reducing dropouts in 150 schools funded by Ministry of Tribal Affairs (MoTA), Govt. of India.

The terms of reference are, inter alia, checking attendance of students in tribal schools funded by the Ministry, assessing the drop-out rates in schools, examining the availability of basic school infrastructure including teacher-student ratio, quality of teaching etc. The scope of work also includes developing tracking mechanism for ambulances funded by the Ministry for the benefit of tribal populace across the country.

(v) Development of Model Village- Adarsh Adi Gram in Chhattisgarh

Ministry of Tribal Affairs, Govt. of India had appointed AFC Foundation as a “Centre of Excellence (CoE)” to undertake action research and targeted developmental interventions for holistic development of tribal communities across the country. Towards this, the Ministry of Tribal Affairs has identified “Gajapati” district in Odisha for transformation into a “Model Aspirational Tribal District” and this formidable task has been assigned to AFC Foundation, which is first of its kind in the country.

The Ministry of Tribal Affairs has assigned another prestigious nevertheless challenging assignment for developing 6 villages of Chhattisgarh as Aadarsh Aadi Gram (Model Tribal Village), on a pilot basis. Five of the six villages namely, Pandawanagar, Kaushalpur, Parshuram, Bramhapur, Sawan Rawan are located in Surajpur District while Budha Bagicha in Balrampur district.



75
आज़ादी का
अमृत महोत्सव

कार्यालय महा निदेशक लेखा परीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Office of the Director General of Audit
(Agriculture, Food & Water Resources), New Delhi



गोपनीय

रिपोर्ट/2-64/डी.जी.ए./ए.एफ.&डब्ल्यू.आर./Company/A/cs/AFC/2021-22/ 443

दिनांक :- 10/11/2021

सेवा में,

निदेशक,
ए.एफ.सी. इंडिया लिमिटेड,
धनराज महल, पहली मंजिल,
सी एस एम मार्ग,
मुंबई 400001.

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत ए.एफ.सी. इंडिया लिमिटेड के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय खातों पर शून्य टिप्पणियाँ ।

महोदया,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत ए.एफ.सी. इंडिया लिमिटेड के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय खातों पर शून्य टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें ।

भवदीया,

संलग्न: यथोपरी

(कीर्ति तिवारी)

महानिदेशक लेखापरीक्षा (कृषि, खाद्य एवं जल संसाधन)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF AFC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of AFC India Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 16 September 2021 which supersedes their earlier Audit Report dated 17 August 2021.

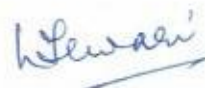
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of AFC India Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

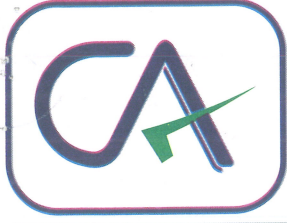
**For and on the behalf of the
Comptroller & Auditor General of India**

Place: New Delhi

Date: 09.11.2021



**(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)**



Ashok Bairagra & Associates

Chartered Accountants

Ashok Bairagra, B.Com., L.L.B., F.C.A. • Cell : 93222 79327 Ashish V. Jalan, B.Com., F.C.A. • Cell : 98214 67450

Manish S. Bardia B.Com, A.C.A. • Cell : 99671 25862

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Independent Auditor's Report

To the Members of M/s. AFC INDIA LIMITED

Report on the Standalone Financial Statements

This report supersedes our earlier report dated 17th August 2021. Please refer to the OTHER MATTERS section of this report.

Opinion

We have audited the standalone financial statements of M/s. AFC INDIA LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, except as mentioned below;

Accuracy of Revenues and onerous obligations in respect of projects classified under 'Jobs in progress' involving critical estimates. The Company monitors the progress of the Contract on the basis of estimated percentage of completion of the respective contract. This involves critical analysis of projects to determine revenues and liabilities for onerous obligations. This estimate has a high inherent uncertainty as it requires considerations such as progress of contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.



Auditor's Response

Principal Audit Procedures Performed:

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- a) Selection of sample of contracts classified under 'Jobs in Progress' and tested the effectiveness of internal controls relating to efforts incurred and estimated.
 - b) Selection of sample of contracts classified under 'Jobs in Progress' and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.
 - c) Selection of sample of contracts classified under 'Jobs in Progress' and reviewed unbilled revenues to identify possible delays in achieving milestones or stages of performance of contract which require change in estimated efforts to complete the remaining performance obligations.
- Information other than the Financial Statements and Auditor's Report thereon

External Confirmations

Non-responses of external confirmations request perpetrated pursuant to SA 505 COVID-19 has impacted the procedure of external confirmation request to vendors and customers. Postal facilities were not available in the near-end of the financial year. To combat this, we had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties, there are fewer confirmations received than anticipated.

In such events, in accordance with SA, auditors have to revise the assessed risk of material misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.

Auditor's Response

We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue, purchases and cash receipts or cash purchases. We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions. We performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the original confirmation requests.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate



accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SA's we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud and 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 omission, misrepresentations or the override of internal control.

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

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

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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



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

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

Other Matters

We issued an Audit Report dated 17th August 2021 (the original report) on the financial results as approved by Board of Directors on that date. Pursuant to the observations of Comptroller and Auditor General of India; Sr. No. 2 at "Annexure 2" of Independent Audit Report relating to report u/s 143(5) of the Companies Act 2013 has been amended. There is no financial impact on any of the amounts and only disclosure part has been amended hence no consequential effect in the statement of financial result. Accordingly we have issued this revised report which supersedes our earlier report dated 17th August 2021

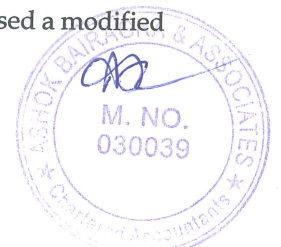
Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - 1 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by C&AG of India through supplementary directions dated 19-10-2014 issued under section 143 (5) of the Companies Act 2013, on the basis of the information received from the management, we give our report on the matter specified in the Annexure - 2 attached.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We have also audited the Internal Financial Control over Financial Reporting (IFCoFR) of the Company as on 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure - 3 expressed a modified opinion.

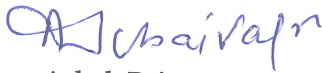


- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company, as detailed in Note 30 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2021.
 - ii) The Company did not have any Long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2021.

For ASHOK BAIRAGRA AND ASSOCIATES.

Chartered Accountants

Firm Reg. No.: 118677W



Ashok Bairagra

Partner (M.No. 030039)

Date: 16/09/2021

Place: Mumbai

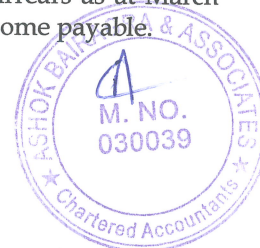
UDIN: 21030039AAAABT6617



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the member of AFC INDIA LIMITED for the year ended march 31st, March 2021.

- 1)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - c. The title deeds of immovable properties are held in the name of the company.
- 2)
 - a. Since the company does not have any inventory the said clause is not applicable.
- 3) The Company has granted loans, secured or unsecured to companies covered in the Register maintained under section 189 of the Act.
 - a. The terms and conditions of the grant of such loan are not prejudicial to the company's interest.
 - b. According to information and explanations provided to us, although the prescribed time schedule for repayment of principal has not been stipulated, the repayments are regular except in case of one of the company. The Company vide Board Resolution Dated 21-12-2017 has written off 1/3 rd of outstanding principal of Rs. 66.77 Lakhs (i.e. Rs. 22.26 Lakhs) during the year.
 - c. No amount is overdue for more than 90 days.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
 - a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.



- b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to Banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares during the year under review. Hence the said clause is not applicable.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For ASHOK BAIRAGRA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 118677W

Ashok Bairagra

Ashok Bairagra

Partner (M.No. 030039)

Date: 16/09/2021

Place: Mumbai

UDIN: 21030039AAAABT6617



"Annexure-2" to the Independent Auditors' Report of even date to the members of 'AFC INDIA LIMITED' on the standalone financial statements for the year ended March 31,2021 (Referred to in paragraph 15 under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of even date) Report u/s 143(5) of the Companies Act 2013.

Sl. No.	Directions	Action Taken	Impact on Financial Statement
A. Directions			
1	Whether the Company has system in place to process all the accounting transactions through IT System? If Yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any may be stated.	The Company processes its financial transactions through accounting software (Tally). To the best of our knowledge and according to the information and explanations given to us, no accounting transactions are processed outside IT System.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Loan/Debt where Company is borrower: Based on the audit procedures carried out and as per the information and explanation given to us, there were no cases of restructuring or waivers/ write-off of debts/ loans/ interest etc. by any lender, due to the company's inability to repay the loan during the F Y 2020 - 21 Loan/Debt where Company is lender: Based on the audit procedure carried out and as per the information and explanation given to us there were no cases of restructuring or waivers / write-off of debts/ loans/ interest etc. during the F Y 2020-21 with regard to amounts lent by the company to the other parties.	NIL
3	Whether funds received / receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	According to information and explanation given to us, no funds have been received from Central/State Agencies for specific schemes during the year.	NIL

For ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 118677W



Ashok Bairagra
Partner (M.No. 030039)

Date: 16/09/2021

Place: Mumbai

UDIN: 21030039AAAABT6617



ANNEXURE 3 TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **M/s AFC INDIA LIMITED (the Company)** as of **31st March 2021** in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

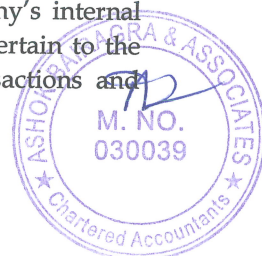
Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute Of Chartered Accountants Of India. Those Standards and 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 were 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 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Profit and Loss of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of 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.

Emphasis of Matter

With respect to the Revenue Recognition the company follows the Percentage Completion Method(PCM) however the certification of the percentage completion is done by the Management itself i.e. the Project Head and said certificate has been provided to us at the time of Audit, hence we have given our opinion on the basis of the certificates provided to us by the Management.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASHOK BAIRAGRA & ASSOCIATES

Chartered Accountants*

Firm Reg. No. 118677W



Ashok Bairagra

Partner (M.No. 030039)

Date: 16/09/2021

Place: Mumbai

UDIN: 21030039AAAABT6617



AFC INDIA LIMITED

CIN : U65990MH1968GOI013983

Balance Sheet as at March 31, 2021

(Amount in Rupees)

Particulars	Note No.	As at 31/03/2021	As at 31/03/2020
I EQUITY & LIABILITIES			
1 Shareholder's Funds			
(a) Equity Share Capital	3	15,00,00,000	15,00,00,000
(b) Reserves and Surplus	4	11,17,58,957	11,06,15,041
		26,17,58,957	26,06,15,041
2 LIABILITIES			
(i) NON-CURRENT LIABILITIES			
(a) Long Term Provisions	5	91,82,549	84,40,260
TOTAL NON-CURRENT LIABILITIES		91,82,549	84,40,260
(ii) CURRENT LIABILITIES			
(a) Short Term Borrowings	6	-	-
(b) Trade Payables	7	2,21,84,787	2,02,13,084
(c) Other Current Liabilities	8	49,92,09,914	43,46,66,542
(d) Short Term Provisions	9	9,78,53,157	8,72,52,734
TOTAL CURRENT LIABILITIES		61,92,47,858	54,21,32,360
TOTAL LIABILITIES		62,84,30,407	55,05,72,620
TOTAL EQUITY AND LIABILITIES		89,01,89,364	81,11,87,661
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipments and Intangible Assets			
(i) Property, Plant and Equipments	10	30,07,156	25,04,202
(ii) Intangible Assets	11	14,769	14,862
(b) Non Current Investments	12	16,12,714	3,74,91,472
(c) Defererd Tax Assets (Net)	13	57,27,634	51,47,096
(d) Long Term Loans and Advances	14	5,61,39,494	4,51,03,741
TOTAL NON-CURRENT ASSETS		6,65,01,767	9,02,61,373
2 CURRENT ASSETS			
(a) Other Current Assets	15	56,77,42,200	53,02,00,746
(b) Trade Receivables	16	2,81,21,031	3,02,60,751
(c) Cash and Cash Equivalents	17	22,62,96,748	15,69,21,969
(d) Short Term Loans and Advances	18	15,27,618	35,42,822
TOTAL CURRENT ASSETS		82,36,87,597	72,09,26,288
TOTAL ASSETS		89,01,89,364	81,11,87,661

Significant accounting policies and notes to accounts 1 to 36

As per our report of even date attached

For & on behalf of the Board of Directors

For Ashok Bairagra & Associates

AFC India Limited

Chartered Accountants

Firm Reg. No.: 118677W

Ashok Bairagra

Ashok Bairagra

Partner

M. No. 030039

UDIN :

Place: Mumbai

Date: 17-08-2021

UDIN 2103039 AAAA3J1056



Dr. C D Mayee

Dr. C D Mayee
Chairman

Mrs. Mamta Sahal

Mrs. Mamta Sahal
Chief Financial Officer

Mr. B. Ganeshan

Mr. B. Ganeshan
Managing Director

Ms. Nidhi Shah

Ms. Nidhi Shah
Company Secretary



AFC INDIA LIMITED

CIN : U65990MH1968GOI013983

Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note No.	(Amount in Rupees)	
		For the year ended 31-Mar-21	For the year ended 31-Mar-20
Income:			
Revenue from Operations	19	24,20,74,605	21,11,28,239
Other Income	20	1,63,52,504	1,60,60,387
Total Income		25,84,27,109	22,71,88,626
Expenses:			
Project Expenses	21	18,87,65,485	15,62,92,592
Employee Benefit Expenses	22	5,03,81,617	4,35,67,305
Finance Costs	23	6,25,264	8,71,635
Depreciation and Amortization	24	9,67,663	8,83,408
Other Expenses	25	1,60,98,339	2,22,60,004
Total Expenses		25,68,38,368	22,38,74,944
Profit Before Exceptional Items & prior period expenses and Tax		15,88,741	33,13,683
Exceptional Items	26	-	(9,03,122)
Prior Period Income / (Expenses) Net	27	(1,72,544)	-
Profit Before Tax		14,16,196	24,10,561
Less : Tax Expense			
Current Tax		6,66,565	4,83,048
Income Tax of Earlier year		1,86,253	-
Deferred Tax		(5,80,538)	(1,15,867)
Profit/(Loss) for the year		11,43,916	20,43,380
Earnings per equity share for profit/ (Loss)	28		
Basic		76	136
Diluted		76	136
Significant accounting policies and notes to accounts	1 to 36		

As per our report of even date attached
For Ashok Bairagra & Associates
Chartered Accountants
Firm Reg. No.: 118677W
Ashok Bairagra
Partner
M. No. 030039
UDIN :

Place: Mumbai
Date: 17-08-2021

UDIN No: 21030039AAAA1531056



For & on behalf of the Board of Directors
AFC India Limited

Dr. C D Mayee
Chairman

Mrs. Mamta Sahal
Chief Financial Officer

Mr. B. Ganeshan
Managing Director

Ms. Nidhi Shah
Company Secretary



AFC INDIA LIMITED
Statement of cash flows for the year ended March 31, 2021

	March 31, 2021	March 31, 2020
Cash flow from Operating Activities		
Profit before Exceptional Items and Income tax	15,88,741	33,13,683
Adjustments to reconcile net profit to net cash provided by operating activities :		
Depreciation and amortisation expense	9,67,663	8,83,408
Impairment Loss on Investments/ Revalue of Investment	(1,10,839)	87,559
Interest income	(1,35,33,526)	(1,36,14,288)
Interest expenses	6,25,264	8,71,635
Dividend income	(47,500)	(47,400)
Profit on Sale of Assets	-	(1,07,584)
Operating Profit Before Working Capital Changes	(1,05,10,197)	(86,12,988)
Change in operating assets and liabilities		
Increase/(decrease) in Long Term Provisions	7,42,289	(9,93,206)
Increase/(decrease) in Trade Payables	19,71,703	61,97,702
Increase/(decrease) in Other Current Liabilities	6,45,43,372	1,91,67,185
Increase/(decrease) in Short Term Provisions	1,06,00,423	(5,31,857)
(Increase)/decrease in Long Term Loans and Advances	(55,60,988)	(27,59,535)
(Increase)/decrease in Other Current Assets	(3,93,26,179)	(3,85,29,000)
(Increase)/decrease in Trade Receivables	21,39,720	1,05,01,736
(Increase)/decrease in Short Term Loans and Advances	20,15,204	21,96,337
Cash generated from operations	2,66,15,347	(1,33,63,626)
Cash Flow from Exceptional Items	-	(9,03,122)
Cash Flow from Prior period expenses	(1,72,544)	-
Income tax paid	(63,27,583)	4,84,657
Net cash inflow / (outflow) operating activities	2,01,15,219	(1,37,82,091)
Cash flow from investing activities		
Sale / Disposal of Property, Plant and Equipments	-	3,45,711
Purchase of Property, Plant and Equipments	(14,70,524)	(15,10,001)
Investment in Fixed Deposits	(9,76,90,000)	(13,80,49,209)
Maturity in Fixed Deposit	9,42,21,000	12,46,00,000
Investment in Shares	-	-
Sale of Shares	-	5,00,000
Interest on Fixed Deposits	1,53,18,251	1,40,86,272
Dividend Income	47,500	47,400
Net cash inflow / (outflow) investing activities	1,04,26,227	20,173
Cash flow from financing activities		
Repayment of borrowings	-	-
Interest paid	(6,25,264)	(8,71,635)
Net cash inflow (outflow) from financing activities	(6,25,264)	(8,71,635)
Net increase / (decrease) in cash and cash equivalents	2,99,16,182	(1,46,33,553)
Cash and cash equivalents at the beginning of the year	1,10,96,385	2,57,29,937
Cash and cash equivalents at the end of the year	4,10,12,567	1,10,96,385
Breakup of Cash and Cash Equivalent		
Cash and Cash Equivalents		
Cash in Hand	39,128	48,305
Balances with Banks in Current Accounts	83,10,672	55,28,346
Balances with Banks in Overdraft Accounts	3,26,62,766	32,19,734
Others :	-	-
Investment in Mutual Funds	-	23,00,000
Total	4,10,12,567	1,10,96,385
Total Cash and Cash Equivalent	4,10,12,567	1,10,96,385

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached
For Ashok Bairagra & Associates
Chartered Accountants
Firm Reg. No.: 118677W
Ashok Bairagra
Partner
M. No. 030039
UDIN :



Place: Mumbai
Date : 17-08-2021

For & on behalf of the Board of Directors
AFC India Limited

Dr. C D Mayee
Chairman

Mrs. Mamta Sahal
Chief Financial Officer

Mr. B. Ganeshan
Managing Director

Ms. Nidhi Shah
Company Secretary



UDIN No. 21030039A AAA B31056

AFC INDIA LIMITED
CIN: U65990MH1968GOI013983
NOTES TO FINANCIAL STATEMENTS

1 OVERVIEW

AFC India Limited (AFC) is a multi-disciplinary consultancy and technical support organisation specializing in agriculture and rural development segments of the economy. The company has been providing broad-based consultancy services since 1968. Of late, the company has diversified into large scale project implementation under watershed development, livelihood promotions, organic farming, agriculture extension services, environmental impact assessments, retail microfinance operations, training and capacity building, education, skill development and financial literacy.

2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

b. Use of Estimates

The presentation of Financial Statements is in conformity with the generally accepted accounting principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

c. Fixed Asset

Tangible Asset:

Fixed assets are carried at cost of acquisition or construction/ installation less accumulated depreciation and amortization. Costs include all expenses incurred to bring the assets to its present location and condition.

Intangible Asset:

The intangible assets are capitalized in accordance with the AS 26 "Intangible Assets". The cost of such assets is amortized on written down value over a period of five years, the estimated economic life of the asset.

d. Depreciation

The company provides depreciation on written down value basis over the useful life of the assets as specified in Part "C" of schedule II of the Companies Act, 2013.

e. Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.



f. Revenue recognition

The company generally follows the mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

Consultancy fees are recognised as per proportionate completion method (PCM) as prescribed in AS-9 "Revenue Recognition" based on the Project Completion Certificate as certified by the management. Incomplete assignments at the Balance sheet date are shown as "Jobs in Progress".

g. Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and account for the year ended in which the related service is rendered.

Post-employment benefits:

- i. For all employees, provident fund monthly contributions are made to Trust administrated by the company. The interest rate payable by the Trust to the beneficiaries is notified by the Government. The Company has an obligation to make good of the shortfall, if any, between the returns on investments of the Trust and the notified rates. Company's contributions towards the provident fund scheme are recognised during the year in which the related services are rendered.
- ii. The company has taken a policy of Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation of India (LIC) and the premium determined by LIC is paid and accounted as gratuity. The retirement benefits for gratuity are fully provided as per the certificate received from LIC
- iii. The retirement benefits for encashment of leave salary are fully provided for on actuarial valuation

h. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization of borrowing cost is suspended during the extended period in which active development is interrupted.

i. Prior Period Item

Any material (other than those arising out of over/ under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.

j. Taxation

Current Tax:

Provision for current tax is made after taking in to consideration benefits admissible under the provisions of the Income tax Act, 1961.

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision and where the company is able and intends to settle the asset and liability on net basis.

Deferred Tax:

Deferred tax resulting from "Timing Difference" between Block and Taxable profit is accounted for using the tax rates & laws that have been enacted or substantively enacted on the balance sheet date. The Deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that the asset will be realized in future.

Net outstanding balance in Deferred tax account is recognized as Deferred tax liabilities / asset. The Deferred tax account is used solely for reversing timing difference as and when crystalized



k. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

l. Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive equity shares.

m. Cash and Cash Equivalent

The company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having maturities of twelve months or less.

n. Provision for Bad and Doubtful Debts

The policy being followed by the company for providing for doubtful debts and writing off bad debts is as follows:

Period of outstanding debt	Amount of debt transferred as doubtful debt
Six Months - One Year	Nil
One Year- Two Years	10% of the total outstanding amount
Two Years - Three Years	15% of the total outstanding amount
Three Years - Five Years	20% of the total outstanding amount
Five Years - Seven Years	30% of the total outstanding amount
More than Seven Years	Written off as Bad Debts

o. Events occurring after balance sheet date


No significant events which could affect the financial position as on 31.03.2021 to a material extent have been reported by the company, after the balance sheet date till the signing of report.

As per our report of even date attached

For Ashok Bairagra & Associates

Chartered Accountants

Firm Reg. No.: 118677W


Ashok Bairagra
Partner

M. No. 030039
UDIN :

Place: Mumbai
Date: 17-08-2021




For & on behalf of the Board of Directors

AFC India Limited


Dr. C D Mayee
Chairman


Mr. B. Ganeshan
Managing Director


Mrs. Mamta Sahal
Chief Financial Officer


Ms. Nidhi Shah
Company Secretary



AFC INDIA LIMITED

Notes forming part of the financial statements

Note 3 : Share Capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	(Amount in Rs.)	Number of shares	(Amount in Rs.)
Authorised Share Capital				
Equity shares of Rs. 10,000/- each	1,00,000	1,00,00,00,000	1,00,000	1,00,00,00,000
Issued Subscribed and fully paid up				
Equity shares of Rs. 10,000/- each	15,000	15,00,00,000	15,000	15,00,00,000
Total	15,000	15,00,00,000	15,000	15,00,00,000

3.1 Terms / rights attached to equity shares:

The Company has one class of equity shares having a par value of Rs.10,000/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

3.2 Reconciliation of the number of shares and amount outstanding at the end of the reporting period:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	(Amount in Rs.)	Number of shares	(Amount in Rs.)
At the beginning of the year	15,000	15,00,00,000	15,000	15,00,00,000
Add: Issued During the Year	-	-	-	-
Closing Balance	15,000	15,00,00,000	15,000	15,00,00,000

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

Name of shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Bank of Baroda	2,250	15.00%	1,603	10.69%
Central Bank of India	1,608	10.72%	1,608	10.72%
Bank of India	1,261	8.41%	1,261	8.41%
Punjab National Bank	1,769	11.79%	1,089	7.26%
NABARD	1,000	6.67%	1,000	6.67%
Standard Chartered Bank	970	6.47%	970	6.47%
State Bank of India	950	6.33%	950	6.33%
UCO Bank	803	5.35%	803	5.35%
Export Import Bank of India	750	5.00%	750	5.00%
CANARA BANK	750	5.00%	500	3.33%
INDIAN BANK	946	6.31%	251	1.67%
UNION BANK OF INDIA	831	5.54%	706	4.71%



AFC India Limited

Notes forming part of the financial statements

4 Reserves and Surplus

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Profit and Loss Account</u>		
Opening Balance	11,06,15,041	10,85,71,661
Add : Net Profit for the year	11,43,916	20,43,380
Total	11,17,58,957	11,06,15,041

5 Long Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashments	91,82,549	84,40,260
Total	91,82,549	84,40,260

6 Short Term Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Overdraft from Central Bank of India	-	-
Total	-	-

- 6.1 The Company has availed an Overdraft Facility of Rs. 2,00,00,000/- (Previous Year Rs. 2,00,00,000/-) from Central Bank of India which is secured against pledge of Fixed Deposits amounting to Rs. 2,25,00,000/- (Previous Year Rs. 2,25,00,000/-)



7 Trade Payable

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to Micro Small and Medium Enterprises	-	-
Creditors for Project Expenses (net of advances)	2,21,84,787	2,02,13,084
Total	2,21,84,787	2,02,13,084

8 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	49,78,18,064	43,09,44,501
Duties and Taxes	13,91,850	37,22,041
Total	49,92,09,914	43,46,66,542

9 Short Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Project Expenses	7,99,74,580	6,49,80,772
Provision for Leave Encashments (Short Term)	33,06,711	30,45,372
Provision for Bad Debts	64,81,967	77,85,558
Provision for Gratuity	79,71,198	83,63,560
Provision for Loans to Related Parties	-	22,25,667
Provision for other expenses	1,18,701	8,51,805
Total	9,78,53,157	8,72,52,734

9.1 The Company has made provision for balance amount of Loan given to 'AFC Foundation' vide Board Resolution Dated 21-12-2017.



AFC India Limited

Note 10 : Tangible Assets

Particulars	Buildings	Data Processing Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Total
Cost or Deemed Cost						
At April 1, 2020	2,46,597	1,16,59,801	1,03,39,533	2,94,097	81,33,606	3,06,73,634
Additions during the year	-	8,80,292	3,87,139	-	2,03,093	14,70,524
Disposals / Adjustments	-	-	-	-	-	0
At March 31, 2021	2,46,597	1,25,40,093	1,07,26,672	2,94,097	83,36,699	3,21,44,158
Depreciation and Impairment						
At April 1, 2020	2,19,218	1,12,91,165	88,11,042	2,73,402	75,74,605	2,81,69,432
Depreciation for the year	1,430	3,58,376	3,62,822	4,793	2,40,150	9,67,570
Impairment	-	-	-	-	-	-
Disposals / Adjustments	-	-	-	-	-	-
At March 31, 2021	2,20,648	1,16,49,541	91,73,864	2,78,195	78,14,755	2,91,37,002
Net Book Value						
At March 31, 2021	25,949	8,90,552	15,52,808	15,902	5,21,944	30,07,156
At March 31, 2020	27,379	3,68,636	15,28,491	20,695	5,59,001	25,04,202

10.1 The company has applied the estimated useful lives as specified in Schedule II, of the Companies Act 2013, as disclosed in Accounting Policy on Depreciation / Amortization on fixed assets. Accordingly, the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives.



AFC India Limited

Note 11 : Intangible Assets

Particulars	Intangible Assets
<u>Cost or Deemed Cost</u>	
At April 1, 2020	14,80,480
Additions during the year	-
Disposals / Adjustments	-
At March 31, 2021	14,80,480
<u>Accumulated Amortisation</u>	
At April 1, 2020	14,65,618
Depreciation for the year	93
Impairment	-
Disposals / Adjustments	-
At March 31, 2021	14,65,711
<u>Net Book Value</u>	
At March 31, 2021	14,769
At March 31, 2020	14,862

11.1 The company has applied the estimated useful lives as specified in Schedule II, of the Companies Act 2013, as disclosed in Accounting Policy on Depreciation / Amortization on fixed assets. Accordingly, the unamortized carrying value is being depreciated /amortized over the revised / remaining useful lives.



AFC INDIA LIMITED

Note 12 : Non Current Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Investments - Other Than Trade</u>		
(i) Equity Instruments - Quoted		
200 Equity Shares of Rs. 10- Each fully paid up of Coal India Limited <i>(Previous Year 200 Equity Shares of Rs. 10/- Each)</i>	63,639	28,000
2,000 Equity Shares of Rs. 10- Each fully paid up of 'IDFC First Bank Limited' <i>(Previous Year 1,000 Equity Shares of Rs. 10/- Each)</i>	1,17,400	42,200
(ii) Equity Instruments - Unquoted		
Investment in Other Companies		
30,000 Equity Shares of Rs. 10/- Each fully paid up of GPCL Consulting Services Limited <i>(Previous Year 30,000 Equity Shares of Rs. 10/- Each)</i>	3,00,000	3,00,000
Fixed Deposits with Banks (Having maturity more than 12 Months)	11,31,675	3,71,21,272
Total	16,12,714	3,74,91,472
Cost of Purchase of Quoted Investments	1,81,039	1,81,039
Market Value of Quoted Investment as on 31-03-2021	1,37,480	70200
Aggregate Amount of Unquoted Investments	14,31,675	3,74,21,272

13 Deferred Tax Assets

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Deferred Tax Assets</u>		
Opening Balance	51,47,096	50,31,229
Add : Additions / (Deletions) during the year	5,80,538	1,15,867
Total	57,27,634	51,47,096

13.1 The Component of Deferred Tax Balances as on 31-03-2021 accounted in accordance with Accounting Standard - 22 "Accounting for Taxes on Income" issued by ICAI are as under :

CAJ



Particulars	As at March 31, 2021	As at March 31, 2020
Expenses allowed on Payment Basis	51,49,488	45,71,480
Depreciation on Fixed Assets	5,78,146	5,75,616
Net Deferred Tax Asset	57,27,634	51,47,096

14 Long Term Loans and Advances

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured Considered Good</u>		
Advance Taxes (Net of Provision)	4,00,88,175	3,46,13,410
Deposits	1,59,59,169	1,03,93,681
Festival Advance	92,150	96,650
Total	5,61,39,494	4,51,03,741

15 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Jobs in Progress	55,37,70,000	52,24,27,000
Accrued Interest on Investments	59,89,021	77,73,746
Balance with GST (Net)	79,44,959	-
Service Tax Appeal Deposit	38,220	-
Total	56,77,42,200	53,02,00,746



16 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured</u>		
Outstanding for a period exceeding six months :		
Trade Receivables - Considered Good	2,58,83,654	2,94,05,258
Trade Receivables - Considered Doubtful	64,81,967	77,85,558
Sub Total	3,23,65,621	3,71,90,816
Provision for Bad Debts	64,81,967	77,85,558
Net	2,58,83,654	2,94,05,258
Others, Considered Good	22,37,377	8,55,493
Total	2,81,21,031	3,02,60,751

17 Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
(i) <u>Cash and Cash Equivalents</u>		
Cash in Hand	39,128	48,305
Balances with Banks in Current Accounts	83,10,672	55,28,346
Balances with Banks in Overdraft Accounts	3,26,62,766	32,19,734
Others :		
Investment in Mutual Funds	-	23,00,000
	4,10,12,567	1,10,96,385
(ii) <u>Other Bank Balances</u>		
Deposit with Bank (Maturity in less than 3 Months)	8,08,74,972	6,94,13,700
Deposit with Bank (Maturity in less than 12 Months but more than 3 I	10,44,09,209	7,64,11,884
Total	22,62,96,748	15,69,21,969

Fixed Deposits includes Fixed Deposits pledged with bank for facilities granted to the company aggregating to Rs. 4,75,00,000/- (Against Overdraft Facility Rs. 2,25,00,000/- and Against Bank Guarantees Rs. 2,50,00,000/-) (Previous Year Rs. 4,25,00,000/-)

17.1



18 Short Term Loans and Advances

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and Advances to Related Parties	50,473	22,36,667
Prepaid Expenses	54,868	1,36,420
Other Advances	14,22,277	11,69,735
Total	15,27,618	35,42,822

18.1 Loans to Related Parties includes Loans given to Companies under the same management :

Particulars	As at March 31, 2021	As at March 31, 2020
AFC Foundation	50,473	22,36,667
Total	50,473	22,36,667



AFC INDIA LIMITED
Notes forming part of the financial statements

Note 19 : Revenue from Operations

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Consultancy Income	24,20,74,605	21,11,28,239
Total	24,20,74,605	21,11,28,239

19.1 Consultancy Income

Particulars	As at March 31, 2021	As at March 31, 2020
Projects Completed During the Year	21,07,31,605	17,25,99,239
Add : Value of Closing Jobs in Progress	55,37,70,000	52,24,27,000
Less : Value of Opening Jobs in Progress	52,24,27,000	48,38,98,000
Total	24,20,74,605	21,11,28,239

Note 20 : Other Income

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Income	1,35,33,526	1,36,14,288
Other Non Operating Revenue	3,08,150	12,907
Profit/Loss on Sale of Investments and Mutual Funds	4,39,762	11,08,115
Dividend Income	47,500	47,400
Profit on Sale of Assets	-	1,07,584
Profit on Investments	1,10,839	-
Interest on IT Refund (AY2017-18)	-	7,37,643
Interest on IT Refund (AY2018-19)	-	3,21,380
Provision for Doubtful Debts w/back	13,03,591	1,11,070
Sundry Balance W/back	2,27,156	-
Interest on IT Refund (AY2019-20)	3,81,979	-
Total	1,63,52,504	1,60,60,387

20.1 Non Current investment has been valued at cost as per AS 13 and cost have been restated at original value. The difference which has been debited under head impairment loss on investment in Profit & Loss in earlier year has been credited to Profit on Investment in Other Income.



Note 21 : Project Expenses

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Project Expenses	18,53,87,249	14,55,96,410
Consultancy Charges	31,21,292	1,01,12,887
Other Expenses	2,56,944	5,83,295
Total	18,87,65,485	15,62,92,592

Note 22 : Employee Benefits Expenses

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Allowances and Bonus	4,15,80,461	3,54,08,992
Contribution to Provident Fund and Other Funds	52,15,750	55,14,720
Staff Welfare Expenses	35,85,406	26,43,593
Total	5,03,81,617	4,35,67,305

Note 23 : Finance Costs

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on Overdraft	1,73,589	5,30,229
Bank Charges	4,51,675	3,41,406
Total	6,25,264	8,71,635

Note 24 : Depreciation and Amortisation Costs

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation on Tangible Assets	9,67,570	8,81,735
Depreciation on Intangible Assets	93	1,673
Total	9,67,663	8,83,408



Note 25 : Other Expenses

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Communication Expenses	5,79,028	4,56,096
Computer Repairs and Maintenance	2,23,725	3,12,729
Insurance Expenses	3,28,199	2,52,101
Miscellaneous Expenses	1,24,747	3,91,403
Rent Rates and Taxes	38,88,209	26,45,734
Membership and Subscription	38,324	40,673
Travelling and Conveyance	15,14,784	21,90,047
Vehicle Maintenance and Hiring Charges	3,74,876	7,14,751
Office Maintenance	16,08,949	31,07,793
Advertisement Expenses	37,947	83,244
AMC Charges	2,22,312	55,429
Bad Debts Written off	45,72,939	85,68,093
Business Promotion Expenses	2,39,368	3,26,205
Director Sitting Fees	3,40,000	2,80,000
Electricity Charges	5,25,721	6,76,057
Inspection Charges	46,653	45,441
Legal and Professional Fees	4,73,103	10,14,340
Printing and Stationery	6,63,464	5,50,410
Statutory Audit Fees	30,000	30,000
Tax Audit Fees	20,000	20,000
Impairment Loss on Investments	-	87,559
Water Charges	44,181	33,471
Service Tax Paid	-	3,612
Brokerage charges	9,320	1,67,560
Property Tax	-	1,32,715
Interest on GST	-	483
Interest on TDS	19,441	835
Ineligible ITC	8,836	73,223
Shifting Charges	84,425	-
Stamp duty	20,700	-
Annual Custody Fees to NSDL	59,088	-
Total	1,60,98,339	2,22,60,004



Note 26 : Exceptional Items

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Equity Shares of AFCL Finance Service (Loss)	-	1,27,244
Accrued Int on Afc Foundation (W/off)	-	7,75,878
Total	-	9,03,122

26.1 The Company has written off 1/3rd of Loan given to 'AFC Foundation' vide Board Resolution Dated 21-12-2017.

Note 27 : Prior Period Expenses

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Prior period Expenses	1,72,544	-
Total	1,72,544	-

27.1 Prior period expenses include expenses NSDL charges paid for the F Y 2017 - 18 to 2019 - 20.



AFC INDIA LIMITED

Notes forming part of the Financial Statements

Note 28 : Earnings Per Share

	March 31, 2021	March 31, 2020
Basic Earnings per share	76.26	136.23
Diluted Earnings per share	76.26	136.23
Nominal Value of Shares	10,000	10,000

The calculation of basic and diluted earnings per share has been based on the following profit attributable to equity shareholders and weighted-average number of equity shares outstanding.

	March 31, 2021	March 31, 2020
i. Profit attributable to equity shareholders (basic & diluted)		
Profit/(loss) for the year, attributable to equity shareholders of the company	11,43,916	20,43,380
No of shares		
ii. Weighted average number of equity shares (basic)		
Issued equity shares as at the beginning of the year	15,000	15,000
	-	-
Weighted average number of shares as at the end of the year	15,000	15,000



AFC INDIA LIMITED

Note 29 Disclosure of related parties / related party transactions :

A. List of related parties :

i) Key Management Personnel :

1 Mr.B Ganeshan Managing Director

ii) Subsidiaries :

iii) Other Related parties :

1 AFC Foundation

B. Transactions during the year :

Amount in Rs.

Sr. No.	Nature of transaction	Key Management Personnel	Other Related Parties	Total
1	Remuneration to Key Management Personnel :- Salary, Allowances, Perks and Other benefits	34,79,550 (23,34,097)		34,79,550 (23,34,097)

(Figures in bracket represents previous years' amounts)

C. Outstanding as at March 31, 2021 :

Sr. No.	Nature of transaction	As at	As at
		31.03.2021 Rs.	31.03.2020 Rs.
1	Loans and Advance to Related Parties : AFC Foundation	50,473	22,36,667
	Total	50,473	22,36,667



AFC INDIA LIMITED

Notes forming part of the Financial Statements

Note 30 : Contingent liabilities

	Rs. In Lakhs	
	March 31, 2021	March 31, 2020
(a) Contingent liabilities		
The Company had contingent liabilities at 31 March 2021 in respect of:		
i) Claims against the Company not acknowledged as debts	211.84	211.84
(ii) Bank Guarantee issued to obtain various project works	175.63	-
30.1	Legal Notice sent by 'Haryana State Rural Livelihood Mission' for refund of amount disbursed along with Penal interest @ 10% p.a. in lieu of termination of contract. - Rs. 2,11,83,857/-	

Note 31 :

1. Actuarial Valuation Report of Accounting Compensated Absences (Privilege Leave) liability as required under AS-15(Revised-2005) from M/s.K.A. Pandit(Actuary) is attached as part of this financial statements.
2. Gratuity Report Under AS-15(Revised-2005) for the year ended 31st March,2021 from Life Insurance corporation of India is attached as part of this financial statements.

Note 32 :

1. The Company has considered the possible effect that may result from the pandemic relating to covid-19 on the carrying amounts of receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as of the date of approval of these financial statements has used internal information and based on the current estimates, the company expects that the carrying amount of the receivables and other current assets will be recovered. The impact of covid-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Note 33 :

* The Information regarding Micro enterprises and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. Interest paid during the year Rs. Nil (Previous year Rs. Nil)

Note 34 :

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 The Company has not received any information from Micro, small and Medium Enterprises.

Note 35 :

Sundry Debtors, Sundry Creditors, Unsecured Loans and Loans and Advances balances are subject to confirmation and reconciliation.

Note 36 :

Figures for the previous year have been regrouped/ rearranged/ reclassified wherever necessary.



LIFE INSURANCE CORPORATION OF INDIA

Ref:P&GS/561900/706002486

Date :19/04/2021

The Trustees Agricultural Finance Corp Ltd Empl Grty Fund
DHANRAJ MAHAL, 1ST FLOOR
C SHIVAJI MAHARAJ MARG,
MUMBAI
400001

Dear Sir/Madam,

RE: Group Gratuity Scheme of Your Employees

1	Policy no	:	706002486
	ARD	:	01/04/2021
2	MEMBERSHIP DATA		
	Number Of Members	:	27
	Average age	:	51.67
	Average Monthly Salary	:	72945.92
	Average Past Service	:	18.04
3	VALUATION METHOD	:	Projected Unit Credit Method
4	ACTUARIAL ASSUMPTIONS		
	Mortality Rate	:	LIC(2006-08) ultimate
	Withdrawal Rate	:	1% to 3% depending on age
	Discount rate	:	7% p. a.
	Salary Escalation	:	4%
5	RESULTS OF VALUATION		
	a. PV of Past Service Benefit	:	17709004
	b. Current Service Cost	:	731728
	c. Total Service Gratuity	:	29470384
	d. Accrued Gratuity	:	20500179
	e. LCSA	:	6500834
	f. LC Premium	:	37263
	g. GST @18%	:	6707
	(S Tax + Ec / SB Cess + KK Cess	:	6707.34 + 0 + 0)
6	RECOMMENDED CONTRIBUTION RATE	:	
	a. Fund Value as on Renewal Date	:	10513504
	b. Additional Contribution for existing fund	:	7195500
	c. Current Service Cost	:	731728
7	Total Amount Payable (Rs)	:	7971198
	(6.b + 6.c + 5.f + 5.g)		

8	Benefits Valued							
A R D	Category	NRA	Grty Ceiling	Slab	Rate	LCSA Ceiling	RTA	TABLE
01/04/2021	1		60	2000000	99	15	500000	X4
01/04/2021	2		60	2000000	99	15	500000	X4

Please note that the contribution rate may change in future depending upon the experience of the scheme. It is necessary to carry out the the Actuarial Valuation periodically. It may be noted that the above results are as per the Actuarial Valuation which is based upon certain assumptions about future experience of the scheme. Further, the results are particularly sensitive to the difference between assumed valuation rate of discount and the assumed rate of escalation in salary. The valuation is done on the basis of members data.

Yours Faithfully,

MANAGER (P&GS)





ACTUARIAL REPORT

AFC India Limited

Valuation of Privilege Leave Liability

As on 31-03-2021

Under

Accounting Standard 15 (Revised 2005)

Report Date: 23-04-2021



M/S. K. A. PANDIT
CONSULTANTS & ACTUARIES
(ISO 9001 : 2015 CERTIFIED)
(ISO 27001 : 2013 CERTIFIED)



Tel : (91-22) 4292 2231
Fax: (91-22) 2288 3155
kap@ka-pandit.com
www.ka-pandit.com

Date: 23-04-2021

Mamta Sahal, Chief Finance Officer
AFC India Limited
Dhanraj Mahal, First Floor,
c.s.m Marg,
Mumbai - 400001

Sir/Madam,

Subject: Actuarial Valuation Report as on 31-03-2021

As per the request received from **AFC India Limited** for conducting an actuarial valuation as on **31-03-2021** towards **Privilege Leave liability (Ref: 171372)**, the valuation report is attached herewith.

With Regards,

Kulin Patel F.I.A.I. (10235)
Partner
kap@ka-pandit.com

ACTUARY



Offices: Churchgate: 2nd Floor, Churchgate House, Veer Nariman Road, Fort, Mumbai - 400 001.
Andheri: 201/C, Remi Bizcourt, Off. Veera Desai Road, Andheri (W), Mumbai - 400 058.
Ahmedabad: 509, Golden Triangle, Near Sardar Patel Stadium, Navrangpura, Ahmedabad - 380 014.

1



CONTENTS

PREAMBLE	3
1.1 PURPOSE	3
1.2 SCOPE	3
1.3 CONFIDENTIALITY	3
1.4 INDEPENDENCE	4
1.5 DATE OF VALUATION	4
SUMMARY OF RESULTS.....	5
SUMMARY OF MEMBERSHIP DATA	6
2.1 DATA AND VALIDATION	6
2.2 DATA SUMMARY AND ANALYSIS.....	6
VALUATION ASSUMPTIONS	8
3.1 DEMOGRAPHIC ASSUMPTIONS	8
3.2 FINANCIAL ASSUMPTIONS.....	9
3.3 SUMMARY AND COMPARISON OF VALUATION ASSUMPTIONS.....	10
3.4 REASONABLENESS OF ASSUMPTIONS.....	11
3.5 MATERIALITY	11
PLAN PROVISIONS.....	11
RECOGNITION AND MEASUREMENT PRINCIPLES.....	13
5.1 METHOD OF VALUATION	13
5.2 RECOGNITION OF ACTUARIAL GAINS AND LOSSES	13
5.3 ACCOUNTING STANDARD	13
VALUATION RESULTS	14
GLOSSARY OF KEY TERMS	17
FREQUENTLY ASKED QUESTIONS.....	19



KP

PREAMBLE

1.1 Purpose

The purpose of this actuarial valuation is to arrive at the Projected Benefit Obligation towards **Privilege Leave** to be provided in the Entity's books of accounts which is subject to the following:-

- This report must be considered in its entirety as individual sections may be misleading if considered in isolation.
- We are available to discuss any questions that may arise regarding this report within a reasonable time period.

1.2 Scope

To prepare valuation report in accordance with **Accounting Standard 15 (Revised 2005)** based on the data and assumptions adopted by the Entity. In particular, this Report does not constitute a formal funding actuarial valuation of the Plan and does not present any recommendation of contributions or funding levels. We have made use of the relevant data and assumptions to prepare this report.

1.3 Confidentiality

This Report is provided solely for the Entity's use and for the specific purposes indicated above. Except where explicit agreement is given in writing, it should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted for any consequences arising from any third party relying on this Report or any advice relating to its contents. The Entity may make a copy of this Report available to its auditors, but no representation is made as to the suitability of this Report for any purpose other than that for which it was originally provided and hence accept no responsibility or liability to the Entity's auditors in this regard. The Entity should draw the provisions of this paragraph to the attention of its auditors when passing this Report to them.



KP

M/S. K. A. PANDIT

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1.4 Independence

To the best of my knowledge, I am not connected to the enterprise in a way which will impair my work and thereby the results of the valuation.

1.5 Date of Valuation

The **Privilege Leave** liability valuation is conducted as on **31-03-2021**. Any material events that are known to have occurred since the effective date of valuation are not considered, unless explicitly mentioned.



AFC India Limited
Privilege Leave - 31-03-2021 - Ref: 171372
Accounting Standard 15 (Revised 2005)

KP

4



SUMMARY OF RESULTS

Data Summary

	31-03-2021	31-03-2020	
Number of Employees	28	31	(-9.68%)
Total Eligible Encashment Salary	INR 2,323,685	INR 2,234,608	(+3.99%)
Total Eligible Availment Salary	INR 2,323,685	INR 2,234,608	(+3.99%)

Valuation Results

	31-03-2021	31-03-2020	
Discontinuance Liability	INR 13,769,609	INR 12,822,291	(+7.39%)
Projected Benefit Obligation	INR 12,489,260	INR 11,485,632	(+8.74%)
Funding Status	Unfunded	Unfunded	
Fund Balance	N.A.	N.A.	
Current Liability	INR 3,306,711	INR 3,045,372	
Non-Current Liability	INR 9,182,549	INR 8,440,260	

The average expected future service is **7.00 years**. (refer glossary for more detail)



KP

SUMMARY OF MEMBERSHIP DATA

2.1 Data and Validation

- The valuation as on 31-03-2021 is based on the data provided by the Entity, having relevance to the data requirements as on 31-03-2021.
- We have not audited the accuracy of the data but have checked for consistency and reasonableness including checks for age band, service band, negative salaries, etc.
- Data have been supplied to us electronically which are in turn, stored in a secure dedicated folder within our servers.

2.2 Data Summary and Analysis

The current data provided was checked and validated. A comparison with the data used for the previous period is provided below in Table 1:

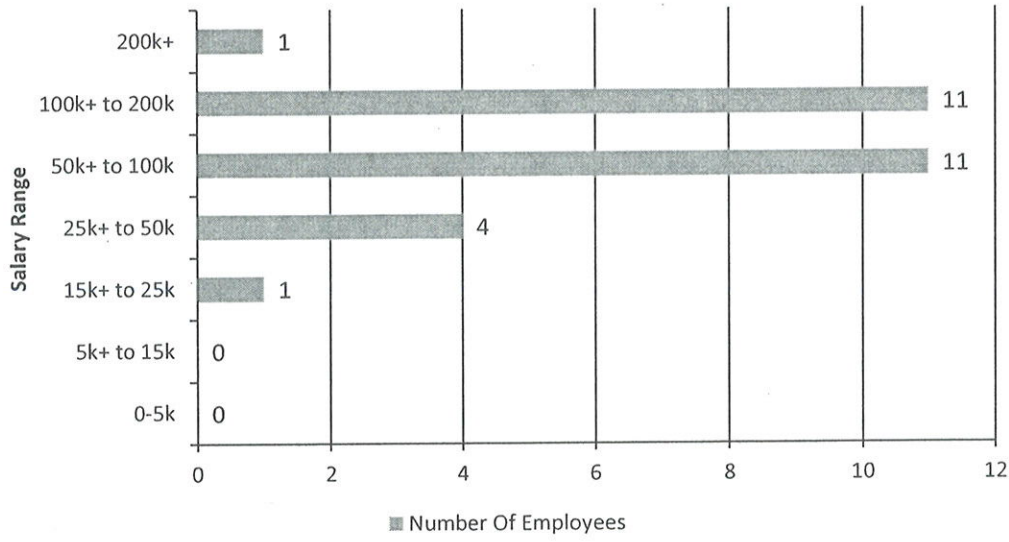
Table 1: Data Summary:

Date of Valuation	31-03-2021	31-03-2020
Number of Employees	28	31
Total Salary (Encashment)	INR 2,323,685	INR 2,234,608
Average Salary (Encashment)	INR 82,989	INR 72,084
Total Salary (Availment)	INR 2,323,685	INR 2,234,608
Average Salary (Availment)	INR 82,989	INR 72,084
Average Age	52.21 years	52.03 years
Average Past Service	17.57 years	17.00 years
Total Leave Days	5127.00 days	5471.00 days
Average Leave Days	183.11 days	176.48 days





Graph 1 reflects the total count of employees for each salary range giving an overview of the salary composition across the Entity:



Graph 1: Salary-wise count of employees



KP

7



VALUATION ASSUMPTIONS

Valuation assumptions should be unbiased and mutually compatible and are an enterprise's best estimates of the variables that will determine the ultimate cost of providing **other long-term employee benefit**. Any change in assumptions maybe due to changes in demographic and economic outlook.

3.1 Demographic Assumptions

Mortality & Disability:

In order to consider the case where termination of the employment of any employee is due to death or permanent disablement, we have used mortality rates as given under **Indian Assured Lives Mortality (2006-08) Ultimate**. The rates are assumed to include permanent disablement.

Extract of Mortality Rates(Indian Assured Lives Mortality (2006-08) Ultimate):

Age	Rate
18	0.000800
25	0.000984
35	0.001282
45	0.002874
55	0.007888
65	0.017009

Retirement Age:

Retirement Age is the age at which persons who hold certain jobs or offices are required by Entity's rule or by law to leave their employment. We have considered the retirement age for all employees as **60 years**, as advised by the Entity. Anyone having age more than the retirement age is assumed to be retiring immediately.



KP

Attrition Rate:

Attrition rate represents employee turnover other than on account of retirement, death or permanent disablement. Attrition rate is dependent on the nature of business carried out by the Entity and the retention policy of the Entity. Attrition rates are applied at the beginning of each future year. We have considered the **Service related** attrition rate as tabulated below, as advised by the Entity.

Service related band	Attrition Rate
For All Bands	2.00 % p.a.

While in Service Encashment Rate:

While in Service Encashment of **Accumulating compensated absences** are those compensated absences that are encashed by the employees on all instances other than exit. Liability on account of while in service encashment for the next year is a short-term compensated absences liability. We have considered the while in service encashment rate as **5.00% p.a. for the next year**, as advised by the Entity.

While in Service Availment Rate:

Out of the **Accumulating compensated absences** credited, employees will utilize absences for various purposes. When this utilization exceeds the credit given for the current year, an accumulating compensated absences availment liability arises for the Entity which has to be provided for and hence incorporated in the actuarial valuation. We have considered the while in service availment rate as **5.00% p.a., of the total leaves for all future years**, as advised by the Entity.

3.2 Financial Assumptions

Discount Rate:

The rate used to discount **other long-term employee benefit** obligations reflects the estimated timing of benefit payments and the currency in which the benefits are to be paid. We have used the Discount Rate as **6.49% p.a.** which relates to the par-yield rate available on Government Securities (G. Sec.) for the tenure of **7.00 years** i.e. the expected term of the obligation. The rate is taken as per the deal rate as on 31-03-2021 as suggested under **Accounting Standard 15 (Revised 2005)**. (Ref: G Sec. rates available through www.fimmda.org with prices/yields published by FBIL).

The expected term of the obligation is represented by the average expected future service.



KP

Salary Escalation Rate:

Since the payments due to accumulating compensated absences are to be made on the salary at the time of encashment, liability to pay such benefit is based on the salary which the employee will be drawing at the time of encashment; so, it is necessary to arrive at figures which would reflect the salaries of members in the future years.

Estimates of future salary increases have been done on the basis of current salary suitably projected for future, beginning one year after the valuation date, the period is validated based on the available information as to the salary revision date other than the date one year after the valuation date, taking into consideration the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. We have considered the salary escalation rate as tabulated below, as advised by the Entity.

Future Years	Salary Escalation Rate
For All Future Years	4.00 % p.a.

3.3 Summary and Comparison of Valuation Assumptions

Table 2: Valuation Assumptions:

Date of Valuation	31-03-2021	31-03-2020
Demographic Assumptions		
Mortality Rate:	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate:	2.00% p.a. for all service groups.	2.00% p.a. for all service groups.
Retirement Age:	60 years	60 years
While in service Availment Rate:	5.00% p.a.	5.00% p.a.
While in service Encashment Rate:	5.00% of the Leave balance (for the next year).	5.00% of the Leave balance (for the next year).
Financial Assumptions		
Salary Escalation Rate:	4.00% p.a.	4.00% p.a.
Discount Rate:	6.49% p.a. (Indicative G.Sec referenced on 31-03-2021)	6.59% p.a. (Indicative G.Sec referenced on 31-03-2020)



3.4 Reasonableness of Assumptions

The escalation assumptions and attrition rate assumption are the expectations of the Entity based on the escalation that the Entity expects to experience in future and the expected attrition rate in the future. A detailed analysis of experience with regards to these assumptions has not been conducted. However, the importance, implication and broad guidelines of these assumptions were shared with the entity and the entity opined on the assumptions to be used, considering the suggestions, the outlook of the Entity and other economic scenarios. Thereby, the assumptions given by Entity have been relied upon and deemed reasonable as per explanation given by the Entity. However, we recommend an experience analysis be carried out periodically for the purpose of validating the assumptions.

The assumption with regards to the discount rate has been considered as per the requirements of the Accounting Standard.

No separate analysis of the mortality rate for the Entity was deemed necessary to be undertaken, hence we have considered the latest mortality table available. Suitable adjustments and improvements have been applied where necessary. The results may be particularly sensitive to some assumptions, such as the discount rate and escalation. Quantum of these sensitivities have been provided under the Valuation Results section where appropriate.

3.5 Materiality

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. We have assumed that while providing the assumption, materiality of the assumptions has been considered by the Entity.

The results of the valuation were shared with the Entity, and this Report is prepared in accordance with the constructive confirmation on the actuarial valuation summary specifying the data, assumptions and benefit scheme for the same.

PLAN PROVISIONS

Leave Encashment is payable to the eligible employees on separation from the Entity due to death, retirement, superannuation or resignation.

All eligible employees are entitled to avail leave while serving in the Entity.



Leave encashment also occurs while serving in the entity.

Leave encashment is calculated by using the formula {Leave days * Daily salary}.

The formula to calculate daily salary is {1/Divisor * Eligible Salary}.

Other Provisions in the scheme

Encashment On Separation	Yes
Encashment While In Service	Yes
Availment While in service	Yes
Maximum Accumulation	240 days
Maximum Encashment	240 days
Excess over Maximum Accumulation	Lapse
Divisor for Daily Salary	30
Vesting Criteria	No

Accumulating compensated absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on superannuation or resignation or retirement) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on superannuation or resignation or retirement). An obligation arises as employees render service that increases their entitlement to future compensated absences. The obligation exists, and is recognised, even if the compensated absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.



KP

RECOGNITION AND MEASUREMENT PRINCIPLES

The obligation arises as employees render services in return for employment benefits which an enterprise expects to pay in future reporting periods. Actuarial techniques allow an enterprise to measure such obligation with sufficient reliability to justify the recognition of a liability. The principles are described in the following paragraphs –

5.1 Method of Valuation

To calculate the Projected Benefit Obligation (PBO) we have used the **Projected Unit Credit Method** which is suggested under **Accounting Standard 15 (Revised 2005)**. Under this method, accrued benefit amount is projected to calculate future expected cashflows by applying various valuation assumptions as described above and guidance given in the Accounting Standard, which is in turn discounted back at applicable discount rate assumption to arrive at present value of benefit obligation. (Refer FAQs for more detail) Based on the Entity's experience, the leave balances are split up into three proportions; leaves for while in service availment, leaves for while in service encashment and leaves for encashment on exit. This proportion is considered to follow the **LIFO (Last in First Out)** approach as guided in the **Accounting Standard 15 (Revised 2005)**.

5.2 Recognition of Actuarial Gains and Losses

As required under **Accounting Standard 15 (Revised 2005)**, Actuarial Gains and Losses should be recognised immediately in the **Statement of Profit and Loss** as an income or expense.

5.3 Accounting Standard

The valuation is done as per the requirements under **Accounting Standard 15 (Revised 2005)** issued by the Council of the **Institute of Chartered Accountants of India** which is aligned with the **Companies (Accounting Standard) Rules, 2006** and **The Companies Act of India, 2013**.





VALUATION RESULTS

The result of this actuarial valuation is dependent on the assumptions used. The actuarial calculation is intended to provide information for accounting purposes. The valuation of the liability is as on **31-03-2021** and this report is made, to the best of my knowledge in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant Guidance Notes issued by **Institute of Actuaries of India** to its members to the extent required by the relevant Accounting Standard.

The valuation is done as per the parameters and measurements suggested under **Accounting Standard 15 (Revised 2005)**. As provided under para 132 of **Accounting Standard 15 (Revised 2005)**, Disclosures for other long-term employee benefits are not mandatory.

Discontinuance Liability (Undiscounted Accrued Benefits):

The liability on discontinuance basis is the amount an Entity has to pay if an Entity discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out to **INR 13,769,609**.



KP



The Projected Benefit Obligation towards **Privilege Leave** along with the Current and Non-current liability in accordance with Schedule III of The Companies Act of India, 2013 is tabulated below:

Table 3: Valuation Results:

Date of Valuation	31-03-2021	31-03-2020
Projected Benefit Obligation	INR 12,489,260	INR 11,485,632
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	INR 3,306,711	INR 3,045,372
Non-Current Liability	INR 9,182,549	INR 8,440,260

Kulin Patel F.I.A.I. (10235)
Partner
kap@ka-pandit.com

Date: 23-04-2021

ACTUARY

I am signing this report as a Fellow member of the Institute of Actuaries of India (IAI) in my professional capacity.





A distribution of the above liability over different ranges of past service intervals is provided below:

Past Service Interval	Distribution Of PBO
9 and below	7.02%
10 to 19	67.16%
20 to 29	0.00%
30 and above	25.82%

The sensitivity of above results to some assumptions is provided below:

Assumptions	Change in PBO
Delta Effect of +1.00% Change in Rate of Discounting	INR -434,553
Delta Effect of -1.00% Change in Rate of Discounting	INR 477,151
Delta Effect of +1.00% Change in Rate of Salary Increase	INR 484,255
Delta Effect of -1.00% Change in Rate of Salary Increase	INR -448,596
Delta Effect of +1.00% Change in Rate of Employee Turnover	INR 62,461
Delta Effect of -1.00% Change in Rate of Employee Turnover	INR -67,198



KAP

GLOSSARY OF KEY TERMS

Accumulating compensated absences:

Accumulating compensated absences are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full.

Actuarial Gains/Losses:

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

Attrition Rate:

Attrition rate represents employee turnover other than on account of retirement and death or permanent disablement.

Average Expected Future Service:

The average expected future service is the estimated future working lifetime representing the expected term of the obligation.

Current Liability:

A current liability is an obligation that is payable within one year from the date of valuation.

Current Service Cost:

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Discount Rate:

The rate used to discount benefit obligations (both funded and unfunded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the benefit obligations.

Expected Return on Plan Assets:

The expected return on plan assets is based on market expectations at the beginning of the period, for returns over the entire life of the related obligation

Fair Value:

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

LIFO (Last In First Out) Approach:

This means that the leave availed or encashed is taken first out of the current year's entitlement and then out of any balance brought forward from the previous year.

Past Service Cost:



KP

Past service cost is the change in the present value of the benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, **other long-term employee benefit**.

Plan Assets:

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

Other Long-term Employee Benefits:

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related service.

Projected Benefit Obligation/Defined Benefit Obligation:

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Projected Unit Credit Method:

The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Return on Plan Assets (Actual Return):

The return on plan assets reflects changes in the fair value of plan assets held during the period as a result of actual contributions paid into the fund and actual benefits paid out of the fund.

Salary Escalation Rate:

The rate at which salary is assumed to increase on a yearly basis in the future is known as the salary escalation rate. Estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Short-term compensated Absences:

Short-term compensated absences are the absences which are expected to occur within twelve months after the end of the period in which the employees render the related employee service.

Vesting Period:

The minimum continuous service required for being eligible to get benefit payment on superannuation or resignation or retirement.



FREQUENTLY ASKED QUESTIONS

1. Why are actuarial assumptions required?

Actuarial assumptions are an Entity's best estimates of the variables that will determine the ultimate cost of providing **other long-term employee benefit**. These assumptions comprising demographic and financial assumptions should be unbiased, mutually compatible and are long term in nature. Detailed explanation of applicability of these assumptions is explained under the "Valuation Assumptions" para of the report.

2. What is the reference of discount rate?

Our reference for Discount rate is the Annualised Par Yields on Government Securities as published by FBIL on <http://www.fimmda.org/> and <https://www.fbil.org.in/>. Our write-up on the same can be found at the following URL:

<https://www.ka-pandit.com/newsletters.html>

The expected term of the obligation is represented by the average expected future service.

3. What is the figure of liability that has to be provided in the books of accounts?

The Projected Benefit Obligation net of Plan Assets, if any, is the amount of provision which the Entity needs to carry in balance sheet as on reporting date (refer "Valuation Results" para for above figures). This amount is further bifurcated into current and non-current liability for representation in financials of the Entity. For more detail on recognition in Statement of Profit or Loss, Other Comprehensive Income and Balance Sheet, please refer the Disclosures attached, if any.

4. How is Current liability calculated?

For Unfunded Plans: The current liability is amount payable in the next 12 months, on account of expected death, expected permanent disablement, expected resignation and retirement.

For Funded Plans: In case of funded plans, Current Liability is Expected Contribution in Plan Assets (Trust Fund) in next 12 months based on Net Liability Status with appropriate cap as per statutory tax limit and Non-Current Liability is balancing figure. In case of Gratuity, Tax rules allow maximum 8.33% of annual salary as deductible expense (As per the income tax rule 103 and 104), so we have assumed that the Entity will try to make maximum contribution to meet current deficit of obligation. In case where the Entity has advised that it expects to pay lower amount, bifurcation of current and non-current liability is based on expected contribution and expected pay-out.

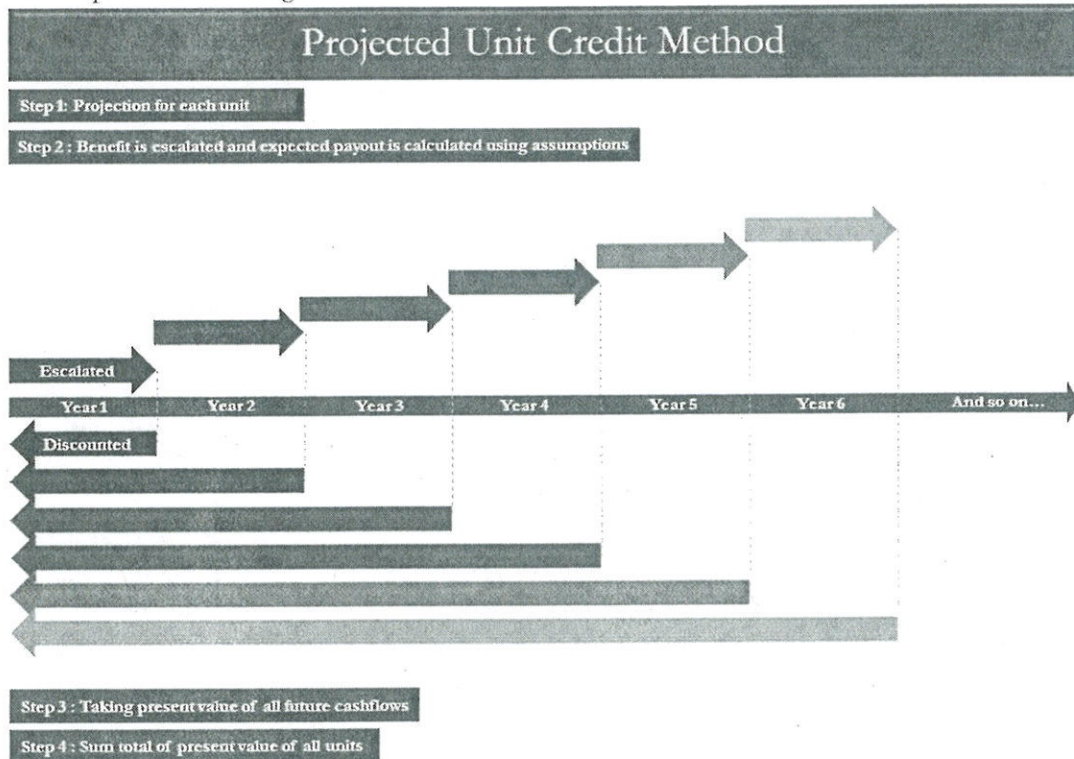
5. What is the treatment for due but not paid liability?

The "due but not paid" liability include amounts which have fallen due prior to valuation date but not paid until that date. If provided by the Entity, this has been included in the Discontinuance Liability and Projected Benefit Obligation. Same has been highlighted in the report under "Valuation Results" para.



6. What is Projected Unit Credit Method?

Projected Unit Credit Method is the method prescribed under the Accounting Standard 15 (Revised 2005) for measurement of employee benefits. It involves projecting cashflows for each unit using actuarial assumptions and discounting the same to arrive at present value. Following chart explains the working for one unit:



KAP





CONTACT

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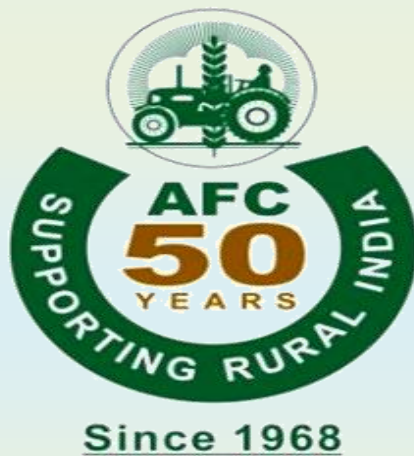




Thematic Verticals



- ❖ **Agriculture Risk Management & Climate Resilience**
- ❖ **CSR Management & Rural Livelihood**
- ❖ **Producer Collectives & Inclusive Value Chains**
- ❖ **Skill & Human Capital Development**
- ❖ **Technology & Innovations for Agriculture & Rural Development**
- ❖ **Sustainable Development & Green Growth**
- ❖ **Social Entrepreneurship & Inclusive Finance**



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(Formerly Agricultural Finance Corporation Ltd.)

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