

# 47TH ANNUAL REPORT

2014-2015



## **AFC INDIA LIMITED**

**Formerly Agricultural Finance Corporation Ltd.**

**CIN No. U65990MH1968GOI013983**

REGD. OFFICE: Dhanraj Mahal, First Floor, CSM Marg, Mumbai – 400

001 Telephone : 91-22-22028924

Website : [www.afcindia.org.in](http://www.afcindia.org.in)

## DIRECTORS' REPORT 2014-15

To Members,

### **AFC INDIA LIMITED**

**Dear Shareholders,**

Your Directors have pleasure in presenting the Forty Seventh Annual Report and Audited Statement of Accounts on the business and operations of your Company and for the year ended 31<sup>st</sup> March, 2015.

#### **FINANCIAL RESULTS:**

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

(Rs. in Lakhs)

<b>Item</b>	<b>Year Ended 31<sup>st</sup> March, 2015</b>	<b>Year Ended 31<sup>st</sup> March, 2014</b>	<b>Year Ended 31<sup>st</sup> March, 2013</b>	<b>Year ended 31<sup>st</sup> March, 2012</b>	<b>Year ended 31<sup>st</sup> March, 2011</b>
Gross Income	3170.69	2684.51	2269.97	5806.21	5195.70
Gross expenditure	3094.18	2483.58	2016.63	5337.98	5024.95
<b>Profit Before Taxes</b>	<b>76.51</b>	<b>200.93</b>	<b>266.07</b>	<b>468.22</b>	<b>170.74</b>
Current Tax	23.03	70.17	86.21	172.18	56.72
For earlier years	1.91	-	9.31	11.52	(26.81)
Deferred Taxes	4.31	(5.01)	2.61	10.63	8.27
<b>Profit after Tax</b>	<b>47.26</b>	<b>135.77</b>	<b>167.93</b>	<b>274.78</b>	<b>132.56</b>

#### **BUSINESS PERFORMANCE**

The total number of assignments bagged during the reporting period was 36 with consultancy fees to the tune of Rs. 31.50 cr. The volume of business that was carried forward from the previous year (2013-14) was 67 assignments with a fee amount of Rs. 63.07 cr. Your company was able to successfully complete 37 assignments during the year (2014-15) with a PCM income of Rs. 29.41 cr. As on

31st March 2015, the ongoing business that was carried forward to 2015-16 was Rs. 44.67 cr. arising from 62 assignments. Details are furnished in Annexure 1.

### **DIVIDEND**

There was no dividend declared by the company in the current financial year.

### **Business Outlook for the year 2015-2016**

With the announcement of new schemes/ initiatives of the present government, business opportunities are likely to be enhanced. Pradhan Mantri Krishi Sinchai Yojna (PMKSY) and merger of different components under this umbrella will open new business avenues. The sub-components will generate the needs for preparation of Comprehensive State and District Irrigation Plans, publicity and awareness building campaign, training and capacity building for encouraging potential use of water source through technological, agronomic and management practices including community irrigation. Assignment bagged under MELD of IWMP (now a component of PMKSY) in different states during last year had been our strength and with the requirement of the other states as well as Central Government increased opportunities will be created. With the formation of New National Missions under different sectors, scope for acting as PMA may increase. Avenues for conducting pilot studies and baseline studies will also open. The government may also require agencies for promotion of these schemes. Formation of NitiAyog will also open new avenues for business. Skill development is an emerging and expanding area for expansion of business. New Ministry formed for this purpose has given a boost to this sector and with the coming of new sector skill councils totalling to above 30, the scope for business opportunity will increase. With strengthening of business acquisition activities at New Delhi, boost in business is anticipated in traditional/diversified areas as well as new areas with our existing business model.

## **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. Shankar & kishor, Chartered Accountant, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal 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.

## **CAUTIONARY STATEMENT:**

Statements made in this report in describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. 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.

## **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standard viz. AS-21, AS-23 and AS -27 issued by the Institute of Chartered Accountants of India and forms a part of this Annual Report.

## **BOARD OF DIRECTORS**

The composition of the Board of Directors as on 31<sup>st</sup> March, 2015 is as follows:

<b>Sl. No.</b>	<b>Name</b>	<b>Particulars</b>
1.	Dr. C. D. Mayee	Former Chairman, Agricultural Scientists Recruitment Board, New Delhi
2.	Shri T. C. Venkat Subramanian	Ex-Chairman & Managing Director, EXIM Bank of India
3.	Prof. M. C. Varshneya	Ex Vice Chancellor, AAU, Anand & Director, Savy Software Pvt. Ltd.
4.	Shri B P Sharma	Executive Director, Bank of India
5.	Dr. Krishna Lavekar	IAS (retd)
6.	Shri M I Ganagi	CGM, NABARD
7.	Shri Ramesh Singh	General Manager Treasury, Central Bank of India
8.	Shri A K Garg	Managing Director, AFC Ltd

## **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:

<b>Sl. No.</b>	<b>Name</b>	<b>Category</b>	<b>Committee Designation</b>
1.	Dr.C.D.Mayee	Co-opted Director	Member
2.	Shri T C Venkat Subramanian	Co-opted Director	Member
3.	Shri Ramesh Singh	Shareholder Director	Member

## **APPOINTMENT OF DIRECTORS**

The Directors appointed on the Board during the year under review has been as under:

<b>Sl. No.</b>	<b>Directors</b>	<b>Date of Appointment</b>
1	Shri Ramesh Singh	27.06.2014
2.	Dr. Krishna Lavekar	27.03.2015
3.	Shri M I Ganagi	27.03.2015
4.	Shri Ravindranath Menon	27.03.2015

## **(b) CESSATION OF DIRECTORS**

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

<b>S. No.</b>	<b>Director</b>	<b>Date of Cessation</b>
1.	Shri R K Goyal	10.04.2014
2.	Shri Yaduvendra Mathur	12.03.2015

## **CHIEF FINANCIAL OFFICER (CFO)**

The Board of Directors appointed CA. Mamta Sahal as Chief Financial Officer (CFO) of the Company w.e.f. 29<sup>th</sup> December 2014 pursuant to Section 203 of the Companies Act, 2013.

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

The Board of Directors appointed Ms. Sonal Gandhi as Company Secretary of the Company w.e.f. 29<sup>th</sup> December 2014 pursuant to Section 203 of the Companies Act, 2013 for complying with the requirements Companies Act 2013.

## **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 on 31<sup>st</sup> March, 2015 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,

## **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.

### **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 balance 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.

### **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
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Foreign Exchange Outgo	:	NIL
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### **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 relate on the date of this report

**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.

**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

**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

**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 Note no 26 of Profit And Loss Statement for the year ended 2015.

**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.

### **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

### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 4(four) Board meetings during the financial year under review held on following dates 27<sup>th</sup> June 2014, 24<sup>th</sup> September 2014, 29<sup>th</sup> December 2014 and 27<sup>th</sup> March 2015.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The details of financial performance of Subsidiary/ Joint Venture/Associate Company are furnished in "Annexure A" and attached to this report.

### **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.

### **APPOINTMENT OF STATUTORY AUDITORS**

The Comptroller and Auditor General, Government of India, had appointed M/s. Ramanand & Associates, Chartered Accountants, Mumbai as Statutory Auditors of your Company for the financial year 2014--15 to hold office until the conclusion of the ensuing Annual General Meeting.

### **PARTICULARS OF EMPLOYEES**

During the year under review, there were no employees drawing remuneration of Rs. 60,00,000 p.a. or Rs. 5,00,000/- 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) Rules, 2014.

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, 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**

**Place:** Mumbai.

**Date:** 04<sup>th</sup> September 2015

**CHAIRMAN**

## Annexure A

### BOARD'S REPORT

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

[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 FLOORCHATRAPATI SHIVAJI MAHARAJ MARG, MUMBAI 400001
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

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description	NIC Code of the Product / Service	% of total turnover of the Company
NA		

III

## III Holding / Subsidiary and Associate Companies

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
AFCL FINANCE SERVICES PRIVATE LIMITED  Dhanraj Mahal 1st Floor CSM Marg, Mumbai 400001	U65999MH2010PTC 200737	Subsidiary	100	2(87)

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	5651	7	5664	37.76	5651	7	5664	37.76	0
f) Any Other	0	0	0	0	0	0	0	0	0
Directors	0	0	0	0	0	0	0	0	00
Directors	0	0	0	0	0	0	0	0	00

Relatives									
<b>Sub-Total (A)(1)</b>	0	0	0	0	0	0	0	0	00
<b>(2) Foreign</b>									
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
<b>Sub-Total (A)(2)</b>									
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	0	0	0	0	0	0	0	0	00
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	9196	140	9336	62.24	9196	140	9336	62.2 4	0
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) FIs	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 (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	0	0	0	0	0	0	0	0	0
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	0	0	0	0	0	0	0	0	00
<b>b) Individuals</b>									
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
<b>c) Others (specify)</b>									



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-Repatriated)	0	0	0	0	0	0	0	0	0
NRI (Repatriated)	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	00
viii) Foreign Portfolio Partnership Investor	0	0	0	0	0	0	0	0	0

(Corporate)									
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	0	0	0	0	0	0	0	0	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	14853	147	1500 0	100	14853	147	15000	100	<b>0</b>

## 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 Compa	% of Shares Pledged / encumb	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumb	

		ny	ered to total shares			ered to total shares	
CENTRAL BANK OF INDIA	1608	10.72	-	1608	10.72	-	-
BANK OF BARODA	1603	10.68	-	1603	10.68	-	-
STANDARD CHARTERED BANK	950	6.33	-	950	6.33	-	-
DENA BANK	547	3.65	-	547	3.65	-	-
UNION BANK OF INDIA	706	4.70	-	706	4.70	-	-
SYNDICATE BANK	250	1.67	--	250	1.67	-	-

**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	<b>5664</b>	<b>37.76</b>		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying	No			

the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	change		
At the end of the year	<b>5664</b>	<b>37.76</b>	

**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
<b>BANK OF INDIA</b>	1261	8.41	1261	8.41
<b>PUNJAB NATIONAL BANK</b>	1089	7.26	1089	7.26
<b>THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT</b>	1000	6.66	1000	6.66
<b>UCO BANK</b>	803	5.35	803	5.35
<b>EXIM BANK</b>	750	5.00	750	5.00
<b>STATE BANK OF INDIA</b>	700	4.66	700	4.66
<b>ALLAHABAD BANK</b>	695	4.63	695	4.63
<b>CANARA BANK-MUMBAI</b>	500	3.33	500	3.33
<b>UNITED BANK OF INDIA</b>	430	2.87	430	2.87
<b>BANK OF MAHARASHTRA</b>	303	2.02	303	2.02

**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				

**V Indebtedness**

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

	Secured Loans excluding deposits
<b>Indebtedness at the beginning of the financial year</b>	
i) Principal Amount	-

ii) Interest due but not paid	-
iii) Interest accrued but not due	-
<b>Change in Indebtedness during the financial year</b>	
Addition	-
Reduction	-
<b>Net Change</b>	
Indebtedness at the end of the financial year	-
i) Principal Amount	-
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
<b>Total</b>	-

## 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 A K GARG (MD)
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	22,20,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	473,323
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-

<b>2</b>	Stock Options	-
<b>3</b>	Sweat Equity	-
<b>4</b>	Commission	-
	as % of profit	-
	others, specify	-
<b>5</b>	Others, please specify	-
	<b>Total (A)</b>	26,93,323

**B. Remuneration to other Directors:**

**1. Independent Directors**

<b>S. No</b>	<b>Remuneration</b>	<b>Name of Directors</b>				<b>Total amount</b>
		MADANGOPAL CHANDRA VARSHNEYA	VENKAT SUBRAMANIAN T C	C D MAYEE	KRISHNA LAVEKAR	
	Fee for attending Board/Committee Meetings	20,000	90,000	90,000	40,000	2,40,000
	Commission	-	-			-
	Others, please specify	-	-			-
	<b>Total (B)(1)</b>					2,40,000

## 2. Executive Directors

S. No	Remuneration	Name of Directors			
		BIMAL PRASAD SHARMA	PUTHEN CHEERAKUZH RAVINDRANATH*	Ashok MethiL	Viswanathan
	Fee for attending Board/Committee Meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	--	
	<b>Total (B)(2)</b>	-	-	--	
	<b>Total (B)= (B)(1)+ (B)(2)</b>	-	-	-	

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CA. SAHAL (CFO)	MAMTA MS GANDHI (CS)	SONAL	
<b>1</b>	Gross Salary	8,79,316	300,000		<b>11,79,316</b>
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-			



	(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	-	-	-
<b>2</b>	Stock Options	-	-	-
<b>3</b>	Sweat Equity	-	-	-
<b>4</b>	Commission			
	as % of profit	-	-	-
	others, specify	-	-	-
<b>5</b>	Others, please specify	-	-	-
	<b>Total (C)</b>	8,79,316	3,00,000	11,79,316

#### 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)
<b>A.</b>					
<b>COMPANY</b>					
Penalty					
Punishment					
None					
Compounding					
<b>B.</b>					

<b>DIRECTORS</b>					
Penalty					
Punishment None					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment None					
Compounding					

**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

**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.

## **Annexure B**

### **Remuneration Policy for Directors, Key Managerial Personnel and other employees**

#### **1. Introduction**

AFC INDIA Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### **2. Scope and Exclusion:**

1. This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

#### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

1. **“Director”** means a director appointed to the Board of the company.
2. **“Key Managerial Personnel”** means
  - (I) the Chief Executive Officer or the managing director or the manager;
  - (ii) the Company Secretary;
  - (iii) the whole-time director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the Companies Act, 2013

3. **“Human Resources, Nomination and Remuneration Committee”** means the committee constituted by Company in accordance with the provisions of Section 178 of the Companies Act, 2013.

#### **4. Policy:**

##### **A Remuneration to Executive Directors and Key Managerial Personnel**

1. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approve by the shareholders.
2. The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
3. The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
  - (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retiral benefits
  - (v) Annual Performance Bonus
4. The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the Nomination and Remuneration Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

## **B. Remuneration to Non-Executive Directors**

1. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
2. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

## **C. Remuneration to other employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

	<b>Project title</b>	<b>Client</b>	<b>Fees (rs. In Lakhs) including service tax.</b>
1.	Evaluation of Preparatory Phase of IWMP 2010-11 Batch - II)	Office of the State Level Nodal Agency (IWMP) Assam Bhumi Sangrakshan Bhawan, R.G.Baruah Road Guwahati - 05	7.99
2.	Evaluation of Preparatory Phase of IWMP 2011-12 Batch - III)	Office of the State Level Nodal Agency (IWMP) Assam Bhumi Sangrakshan Bhawan, R.G.Baruah Road Guwahati - 05	9.67
3.	Approved Work Plan for Awareness Campaign & Medias Plan (VCAs) 8th Quarter From April,2014 to June,2014 (SFAC)	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	47.19
4.	Evaluation of NGO's for Empanelment as Project Implementation Agencies (PIAS) under IWMP in Nagpur Agriculture Division.	Vasundhara Watershed Agency, Maharashtra State, Central Building, Pune -411 001	3.08
5.	Monitoring & Evaluation of CAMPA activities in four Districts of Bihar	Bihar Forest Depatment	1.08
6.	Implementation of Apiculture Project - Phase II	Director, Meghalaya Basin Development Authority, Shillong	326.00
7.	Evaluation of Watersheds of DPAP Hariyalli II & IV of Bargarh District	Project Director, Watershed Development, Bhubaneswar	0.24
8.	Monitoring, Evaluation, Learning & Documentation (MELD) for IWMP 2009-10, 2010-11, 2011-12 & 2012-13 Projects for 4 Districts in Assam (5Yrs) Distt. 1) Dhemaji 2) Lakhimpur 3) Sonitpur 4) Darrang	Office of the State Level Nodal Agency (IWMP) Assam Bhumi Sangrakshan Bhawan, R.G.Baruah Road Guwahati - 05	176.17

9.	Approved Work Plan for Awareness Campaign & Medias Plan (VCAs) 9th Quarter (From July,2014 to September,2014) (SFAC)	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	29.78
10	M&E of Banswara & Dungarpur FDA, Rajasthan	Chief Executive Officer,Forest Development Agencies (FDAs) Banswara	1.12
11	Appointment of Apex (Nodel) NGO for Implementation of Poverty alleviation of Asian Development assisted North Karnataka Urban Sector Improvement Programme Bangalore,(KUIDFC)	Karnataka Urban Infrastructure Development & Finance Corporation Ltd,Bangalore	44.02
12	Star Programme of ASCI	Agriculture Skill Council of India	59.20
13	Promotion of Horticulture Extension Activities in Mewat District, under TSG under NHM	Directorate of Horticulture, Udhyan Bhawan, Sector - 2 Panchkula, 134 112 , HSHDA, Haryana	43.38
14	MTE of FDA in Dungarpur,Alwar	Forest Department, Alwar	0.44
15	Project Management Agency (PMA) for Advocacy Campaign to promote awareness of Neturi Cereals in India.SFAC Fees Rs.4.40 +S.T.Per Month	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	59.33
16	PIA for IWMP (Batch - V)(2013-14) in Loisinga Block District of Bolangir, Odisha	Odisha Watershed Development Mission, Bhubaneswar	163.56
17	Maa Awareness Campaign (MAC) under "Swachh Bharat Abhiyan" Programme.	NABARD Bhawanipatna	0.15
18	Concurrent Periodical Impact Monitoring of Cement Nala Bandhs (CNBs) in Mangalwada District Solapur	Rural Development & Water Conservation Department Govt of Maharashtra	8.02

19	Placement Linked Training Programme (PLTP) Nijukti Project for Imparting Skill Development Training for 2800 beneficiaries for the Sate of Odisha.	Aajivika Skills, Odisha	403.00
20	Approved work plan for Awareness Campaign & Media plan (EGF&CGF Scheme) 1st Phase (From October, 2014 to November,2014) SFAC	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	25.84
21	Approved work plan for State Level Awareness Campaign & Media plan (VCAs) 10th Quarter.Period From Oct.2014 to Dec.2014) SFAC	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	28.09
22	Conducting "FinScope Survey" in 3 States i.e. Odisha,Madhya Pradesh and Bihar in India Under the Poorest States Inclusive Growth Programme (PSIG) SIDBI	Small Industries Development Bank of India,New Delhi	156.46
23	Monitoring,Evaluation,Le arning & Documentation (MELD) under Intrgrated Watershed Management Programme (IWMP) in Madhya Pradesh Indore Zone - II	Rajiv Gandhi Mission for Watershed Management,Bhopal 462 005	198.12
24	Monitoring,Evaluation,Le arning & Documentation (MELD) under Intrgrated Watershed Management Programme (IWMP) in Madhya Pradesh Ujjain	Rajiv Gandhi Mission for Watershed Management,Bhopal 462 005	201.23
25	Adoption and Certification of Organic Farming for 2014-15 under SHM and NVIPUA in Chhattisgarh.	State Horticulture Mission,Chhattisgarh Raipur	200.00
26	Project Management Agency (PMA) for " Publicity and Awareness Building plan to support Equity Grant and Credit	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	38.76



	Guarantee Fund (EGCGF) Scheme 2nd Phase Period (Jan.2015 to March,2015) SFAC		
27	Project Management Agency (PMA) for "Publicity and Awareness Building Plan Support Venture Capital Assistance (VCA) Scheme During XII Five Year Plan (2012-2017) 11th Quarter (Jan.2015 to March,2015) SFAC	Small Farmer's Agri-Business Consortium (SFAC) New Delhi 110 016	41.57
28	Research Study on Evaluation of assistance to Scheduled Caste Development Corporations (SCDCs)	Ministry of Social Justice & Empowerment, Department of Social Justice & Empowerment (Statistics Division) Govt of India. New Delhi 110 066	13.59
29	Approval of Monitoring, Evaluation, Learning & Documentation (MELD) of Batch - III, IV, V & VI IWMP Projects in the State of Tripura	State Level Nodal Agency (IWMP) Department of Agriculture, Govt of Tripura	172.00
30	Monitoring , Evaluation, Learning and Documentation (MELD) in IWMP Projects in West Bengal ( Batch III & IV )	West Bengal State Watershed Development Agency, Kolkata - 700 091	466.66
31	Preparing Core Course Content for Strengthening Panchayati Raj Institutions through Capacity Building and Training Interventions in the State of Uttar Pradesh.	State Project Management Unit- Backward Region Grant Fund (PMU-BRGF) Lucknow - 226 024	24.65
32	Monitoring, Evaluation, Learning & Documentation (MELD) for IWMP from 2009 to 2013 Projects for 3 additional Districts in Assam. Distt. 1) Tinsukia 2) Dibrugarh 3) Sivasagar (Phase II)	Office of the State Level Nodal Agency (IWMP) Assam Bhumi Sangrakshan Bhawan, R.G.Baruah Road Guwahati - 05	122.06

33	100% Physical Verification and Concurrent Evaluation of PMEGP units in Gujrat during the Year 2012-13	Khadi and Village Industries Commission,"E" Floor, Capital Commercial Centre,Ashram Road,Ahmedabad 09	6.40
34	Impact Evaluation of Fisheries Development Programmes in 10 districts of Jharkhand.	The Director of Fisheries, Department of Animal Husbandry & Fisheries, Govt of Jharkhand,Ranchi - 834 002	24.38
35	Adoption and Certification of Organic Farming for 2014-15 under RKVY in Chhattisgarh. District 1) Kanker (250ha.)	State Horticulture Mission,Chhattisgarh, Raipur	50.00
36	Revision of R & R Plan Ken-Betwa Link (Phase - I )	National Water Agency,Lucknow	1.68
	<b>Total =</b>		<b>3154.91</b>

## **Major assignments**

### **Major Assignments**

#### **I. SKILL DEVELOPMENT**

Skill development efforts across the country have been highly fragmented so far. As opposed to developed countries, where the percentage of skilled workforce is between 60% and 90% of the total workforce, India records a low 5% of workforce (20-24 years) with formal vocational skills. There is a need for speedy reorganization of the ecosystem of skill development promotion in the country to suit the needs of the industry and enable decent quality of life to its population.

Our Honorable Prime Minister has set targets to build India with Skilled force and a Vision to create 500 million skilled people by 2022 through skill systems. Today, more than 20 Ministries/Departments run 70 plus schemes for skill development in the country.

AFC intends to participate in Skill Development Initiatives of Government on India. In order to address the segment of Skill Development a dedicated 'Skill Development Division' has been established at AFC India Ltd. The division has contributed in skill development of unemployed youth in the country and help them to get suitable employment. A Glimpse of our contribution is as follows:

##### **a) Aajeevika Skills (DDU-GKY)**

The project is awarded by Ministry of Rural Development for upgrading the skills & livelihood for 1845 Candidates of Haryana state covering Bhiwani, Gurgaon, Faridabad, Panchkula and Jhajhar districts. Trades include Medical, Nursing, Electrical, Security, Business and Commerce. The project is under execution stage.

##### **b) Border Area Development Programme (BADP)**

The project is awarded by Ministry of Home Affairs through Tripura Govt. to train and place students through Placement Linked Skill Development Training (PLSDT) in Khowai district of Tripura state. Trades covering private security service, sales and marketing, soft skills development, apparel training and hotel/reception. AFC has placed 80% of students trained in different organisations in and outside the State. 240 Students are undergoing training apart 185 successful candidates.

### **c) Placement linked Training Programme (PLTP)**

AFC is imparting Placement Linked Training Program under the banner of ODISHA Govt. through Directorate of Employment to train and place 2800 Students in multiple locations of Odisha State. Trades include Accounts using Tally, Computer Hardware, BPO- Non Voice & Voice, Hospitality, Hand Embroidery, Fashion Sales & Show Room Representative, Retail Sales and Plumbing. AFC has successfully trained 1300<sup>+</sup> candidates for which placements are under process.

### **d) Employment through Skill Training & Placement (EST&P)**

AFC has been recently awarded EST&P under NULM. The program provides skill training to the urban poor for enabling them setting up self-employment ventures and for salaried jobs in the private sector. AFC has undertaken the programme in two locations (Bhubaneswar and Dhenkanal) in Odisha state including. The trade of training was Accounts using Tally and total candidates enrolled were 98.

### **e) National Skill Certification and Monetary Reward (STAR) System**

AFC has successfully completed training of 1000 candidates as “Tractor Operator” in various locations of Uttar Pradesh, Haryana and Tamil Nadu under the banner of STAR (Standard Training Assessment and Reward) program under Agriculture Skill Council of India (ASCI).

## **II. MONITORING, EVALUATION, LEARNING & DOCUMENTATION (MELD) OF INTEGRATED WATERSHED MANAGEMENT PROGRAMME (IWMP)**

Integrated Watershed Management Programme (IWMP) is a flagship programme of Government of India (GoI) launched with the objective of restoring the ecological balance by harnessing, conserving and developing degraded natural resources such as soil, vegetative cover and water. The programme is funded by both Central and State Governments in the ratio of 90:10. For successful implementation of IWMP, State Level Nodal Agencies (SLNA) have been set up in the states. As per IWMP guideline, the works under the project are to be carried out in three phases, i.e. preparatory, work and consolidated phase over a time span of 5-7 years.

The SLNAs have selected MELD Agencies for Monitoring, Evaluation, Learning & Documentation of the IWMP project in their respective states. It is worth mentioning that AFC has been associated as an MELD agency in the states of Maharashtra, West Bengal, Madhya Pradesh and Assam. The selection process of AFC as an MELD agency in the state of Tripura is at final stage. The State wise details regarding coverage under MELD are given below:

**Maharashtra:**99 Projects of Batch I to IV in 6 districts of Nagpur Agriculture Division

**West Bengal:** 119 projects of Batch III & IV in 10 districts

**Madhya Pradesh:** 144 projects of Batch I to IV in 22 districts of 4 zones

**Assam:** 68 projects of Batch I to IV in 7 districts

The State wise MELD works carried out by the AFC as MELD Agencies in different states during 2014-2015 are given below:

**Maharashtra (Since August 2013):** As per project mandate, AFC has deployed a core team comprising four full time and four part time experts. Besides nineteen fields level monitors have also been posted at District/Taluka level for undertaking various project activities. MELD system has been put in place, as per requirement.

Under preparatory phase the evaluations of phase I, II & III have been completed. The same has facilitated SLNA for getting second instalment from the GoI.

Under concurrent process monitoring, the teams visit all the allotted batch-wise projects monthly to track the progress of work on qualitative and quantitative basis. The visiting teams also record key observations on the project interventions, flag the issues of concern and suggestions for initiating corrective measures. So far AFC has submitted 102 monthly concurrent process monitoring reports to the clients at different level. Besides, synoptic reports are also submitted to the client highlighting the major observations and areas of concern with suggestions for improvement on monthly basis. Concurrent progress monitoring is also being carried out on quarterly basis. Based on the review of monthly progress report and discussions with stakeholders, trend analysis of different project activities is carried out and reasons for slow/ no progress under different project activities are ascertained and analysed for streamlining implementation in a timely manner. AFC has submitted six concurrent progress reports to the client. Community based monitoring is also being conducted by AFC on half yearly basis.

Five thematic and two case studies on different themes and unique interventions are being conducted in consultation with the client on half yearly basis. Other tasks like baseline survey, work phase evaluation, etc are being planned, as per directives of the Client.

**Assam (Since January/February 2015):** MELD system has been put in place. State level and field level teams have been deployed for undertaking various project activities. MELD Manual has been prepared and submitted. District level interactive workshops have been organised in all the allotted districts. Concurrent Process Monitoring has been started since February 2015. First round of Pathway analysis is underway (field work completed, report is under preparation).

**Madhya Pradesh (Since February/ March 2015):** MELD system has been put in place. State level and field level teams have been deployed for undertaking various project activities. Inception report has been submitted and concurrent monitoring has been initiated.

**West Bengal (Since March 2015):** MELD system has been put in place. State level and field level teams have been deployed for undertaking various project activities.

### **III. NATIONAL LEVEL PROJECT MANAGEMENT AGENCY (PMA) FOR PUBLICITY AND AWARENESS BUILDING**

Small Farmer's Agri-business Consortium (SFAC), an organization promoted by Ministry of Agriculture, Govt. of India has appointed AFC as a National Level Project Management Agency (PMA) for Publicity and Awareness Building to support the schemes of SFAC namely VCAScheme for Agribusiness Development and EGCGF scheme for FPCs. The entire publicity is being carried out by AFC through three packages as below:

- **Advertisement Package** - Designing, Planning and Implementing an Annual Advertising Campaign of the schemes. As also preparation of quarterly plans for media procurement.
- **Public Relations Package** - Plan and implement a campaign to raise the media profile of SFAC and its Schemes in the national, regional and district level press in key States.
- **Awareness Building Events Package** - Organization of one day State and District level events to publicize the schemes among key stakeholdersto enhance awareness and identify potential entrepreneurs.

In addition, AFC has also been engaged by SFAC as a national level Project Management Agency (PMA) for promoting coarse grain consumption in India.

#### **a. Venture Capital Assistance (VCA) Scheme for Agri-business Development**

Till March, 2015 AFC has organised a total of 444 district level camps in 25 States. These camps have been attended by 29,763 participants which included District Collector, Banks, heads of various concerned departments such as Agriculture, Horticulture, Fisheries, Forestry, DIC, Animal Husbandry, etc., DDMs of NABARD, Farmers' Institutions, NGOs/SHG federations, Entrepreneurs, Media and Empanelled Consultants of SFAC, etc. In addition, 12 state level camps were organised at Nagaland, Assam, Tripura, Arunachal Pradesh, Sikkim, Manipur, Mizoram and Bihar.

As a follow-up strategy to the awareness camps, AFC has also set up a toll free helpline (+91-11-41686767) to provide assistance for resolving the queries and doubts related to VCA scheme as also guide the callers about the process for availing the benefits under the scheme and more than 8,000 calls have been attended.

During the XI Five Year Plan, only 409 VCA projects were sanctioned by SFAC. However, after AFC's intervention as PMA during XII Five Year Plan, 119 projects have been sanctioned till March, 2015.

**b. Equity Grant and Credit Guarantee Fund (EGCGF) Scheme for Farmer Producer Companies (FPCs) of SFAC**

AFC has also been associated with Publicity and Awareness Building of EGCGF Scheme of SFAC for Farmer Producer's Companies (FPCs) as its PMA since October, 2014.

A total of 47 District level awareness camps have been organised in 7 States attended by 2,632 participants. These camps had two components - i) Equity Grant Fund Scheme (EGFS) for FPCs and ii) Credit Guarantee Fund Scheme (CGFS) for FPCs. The participants for EGFS included officers from different departments such as agriculture, horticulture, etc. primarily engaged in FPC promotion, NGOs, FPC members, other form of FPO members, farmers, and empanelled consultants. Whereas the participants for CGFS also included participation from bankers and financial institutions such as NABARD, etc. As follow-up strategy to the awareness camps the PMA has also set up a toll free helpline (+91-11-41686767) to provide assistance for resolving the queries and doubts related to EGCGF scheme as also guide the callers about the process for availing the benefits under the scheme.

**c. Promoting Coarse Grain Consumption in India**

AFC has been engaged by SFAC as national level Project Management Agency (PMA). The main objective is to spearhead an advocacy and 'brand building' campaign to promote the consumption of coarse cereals in India. In order to achieve the above objectives, the PMA is assisting SFAC in rolling out the following tasks:-

- Preparation of strategic communications plan and its implementation.
- Identification and recruitment of national/regional level brand ambassadors to promote coarse cereals.
- Identification and implementation of promotional events, such as cookery competition, essay writing, celebrity endorsement, etc.
- Provide exposure in the non-paid media space through interviews, TV/Radio programmes and other forms of publicity.
- Innovative use of social media to spread the message about the health and other benefits of coarse cereals.

A planned approach was followed for brand building of coarse cereals as 'Nutrifoods India'. Around 700 followers have been registered in SFAC's social media pages. The 'Nutrifoods India' could get its first brand ambassador as Ms. ArchanaDoshi, a well known Chef, who has started promoting the brand by creating numerous millet recipes and posting it in social media pages as Nutrifoods recipes. In addition, on-ground promotional activities have also been organized in and around NCT of Delhi. These events have covered around 4,000 consumers and their feedbacks on Nutrifoods were very encouraging.

#### **IV. MONITORING & EVALUATION OF PROJECTS SANCTIONED BY NATIONAL MEDICINAL PLANTS BOARD (NMPB), MINISTRY OF AYUSH, GOI**

NMPB has entrusted AFC for undertaking monitoring & evaluation of its Centrally Sponsored and Central Sector schemes being implemented in 32 States/UTs of the Country. Main tasks under the assignment is to undertake performance assessment of the projects funded by NMPB.

Keeping in view the objectives, monitoring and evaluation exercise have been carried-out to measure the outcome and impact of the programme using various checklists/schedules/tools..

During the year 2014-15, under Centrally Sponsored Scheme- National Mission on Medicinal Plants, AFC has monitored/evaluated around 1.10 lakh farmers who have initiated cultivation of approved medicinal plants species. AFC also covered 350 nurseries and 105 warehouses/ storage godowns, established both in public and private sectors through NMPB's financial support across the Country. Likewise under Central Sector Scheme – Conservation Development and Sustainable Management of Medicinal Plants, AFC has monitored/evaluated around 55 projects.

M&E exercise has played a major role especially in **mainstreaming the execution and timely releases of fund** to the concerned implementing agencies subject to their physical performance against the assigned milestones. Ultimately, it has helped to speed-up the implementation and mid-course corrections strategies for reserving the natural resources/ habitat



degradation i.e. RET species, conservation and development of eco-system with medicinal plant diversity.

## **V. IMPLEMENTATION OF APICULTURE PROJECT**

Integrated Basin Development & Livelihood Promotion Programme (IBDLP) is the flagship programme of the Government of Meghalaya. The programme envisages interventions around the themes of Enterprise/Livelihoods promotion, Natural Resources Management, Strengthening of existing and Creation of new Institutions, Knowledge Management and Better Governance. The programme includes 9 missions in identified sectors. The core objective of each of these missions is to facilitate the promotion of sustainable livelihoods for the people of the state leveraging on the opportunities and strengths of the State's natural resources. The Apiculture Mission is one of the 9 Missions. The Meghalaya Basin Development Authority (MBDA) provides leadership and support to various missions and facilitates a platform for convergence and co-ordinated action.

As per the scope of work and services to be provided under this assignment AFC has prepared the Mission document for Apiculture under phase – I of the project. During this year it implemented the activities proposed under this mission as Phase-II of this assignment with a core team comprising of 6 specialists supported by 8-10 field staff recruited from within the State. A project office was established in the State Capital to coordinate and supervise the implementation work of the project.

Apiculture Mission was officially launched by the honourable Chief Minister Shri Mukul Sangma in Shillong and Tura on 16.10.2014 and 14.1.2015 respectively.

AFC has developed training programmes for master bee trainers, traditional beekeepers, youths, official/MBDA functionaries and other stakeholders. AFC has so far imparted training to 21 Master Beekeepers and 14 general batches of trainees totalling 283. Twenty Peri urban youths were given orientation training and out of these 14 were trained in basic scientific principles of beekeeping, hands-on practical training, bee management, processing, value addition and marketing of honey and bees wax. Fourteen officials of Department of Industries were also trained. Exposure visits to Chandigarh and Ludhiana were also conducted.

For the identification of beekeepers AFC has completed door to door Survey of beekeeping in Nongthymmai area covering 13 villages and 484 families and Laitkroh area of East Khasi Hill District covering 20 villages and 321 families. AFC provided follow-up support and handholding to the trainees and distributed 1046 modern wooden hives and assisted them in transforming the tradition beekeeping into modern hive bee keeping. They also fabricated 50 mud/clay hives 25 each in Khatarshnong and Nongthymmai areas of Ribhoi District.

Under development of entrepreneurship in bees wax candle making technique 17 Kg of bees wax was collected from Laitkroh block and bees-wax candle were made by the trained entrepreneurs from Umsning area.

AFC has trained 12 carpenters from the State and developed them to produce modern bee boxes locally. AFC is now the certifying agency for the manufacturing of bee boxes produced within the State as well as procured from elsewhere.

For publicity and awareness building Z-Cards, Resource Manual for Beekeepers of Meghalaya were developed, printed in English, Garo & Khasi language and distributed.

## VI. IMPLEMENTATION OF ORGANIC FARMING PROJECT - ADOPTION AND CERTIFICATION

AFC has been assigned the work of adoption and certification of organic farming by the governments of Odisha and Chhattisgarh states, through their Departments of Horticulture.

### a) Odisha

Organic farming projects were assigned to AFC in three phases, as given below:

SI No	Phase	Area (Ha.)	Status during 2014-15
1.	Phase I (3 Dist.)	1750	<ul style="list-style-type: none"> <li>4<sup>th</sup> year external inspection was conducted.</li> <li>Main crops included Mango, Cashew and Lime</li> </ul>
2.	Phase II (5 Dist.)	3000	<ul style="list-style-type: none"> <li>2000 ha. inKandhmal is under C-2.</li> <li>3<sup>th</sup> year external inspection was completed.</li> <li>Another 500 ha. In Mayurbhanj and Denkanal is also under C-2.</li> <li>500 ha. inKhurda and Nayagarh districts is under C-1. External audit started at field by Ecocert.</li> <li>In Khurda Vegetables were grown and in other districts Mango and Turmeric were grown.</li> </ul>
3.	Phase III (8 Dist.)	2150	<ul style="list-style-type: none"> <li>Entire area is under C-1</li> <li>First external audit completed and external inspection for C-1 going on. Mango, Turmeric and Vegetables are grown.</li> </ul>

The following activities were promoted by AFC to ensure that farmers adopt organic farming systematically:

- I. Training of farmers on organic practices
- II. Soil testing
- III. Organics club meetings
- IV. Input distribution
- V. Demonstration of CPP and vermin-bed
- VI. Certification Process, etc.

In order to ensure remunerative price realisation by the farmers, market linkages were also established for which following activities were undertaken:

- Organized mango grower collaboration with district level officials of the Department of Horticulture
- Exposure visit/ training of the farmers at processing unit of Mother Dairy at Delhi
- Facilitated plucking, grading, sorting and packaging of Mango by growers
- Organized dispatch of mango consignment via railway route from Odisha to Delhi
- Organized delivery of Mango to Mother Dairy Collection Centre at Manglapuri, New Delhi
- Quality check of mango by Mother Dairy
- Price decision by Mother Dairy and Payment within 15 days of the receiving of the consignment

## b) Chhattisgarh

In Chhattisgarh, AFC has been promoting organic farming of horticultural crops in 5750 hectare awarded by Department of Horticulture & Farm Forestry, Govt. of Chhattisgarh. Main crops include Vegetables (Tomato, Bitter Gourd, Cauliflower, Okra, and Beans), Spices (Turmeric, Ginger and Green Chilli) and Fruit crops (Cashew and Mango). Summary of work is as follows:

Sl. No.	Phase	Area (ha)	Status during 2014-15
1	Phase 1 (6 Dist.)	1500	• C -3 issued (Vegetables and Spices) and project handed over to M/S Pure Diet for further continuation
2	Phase 2 (3 Dist.)	900	• C-1 issued (Vegetables and Spices) • External inspection for C-2 in Sep. 2015
3	Phase 3 (4 Dist.)	1100	• C-1 issued (Vegetables and Spices) • External inspection for C-2 in Jan 2016
4	Phase 4 (3 Dist.)	1250	• External inspection for C-1 in Jan 2016

AFC has tied up with M/S Pure Diets India Ltd., (a New Delhi based export house as well as domestic organic food company) for the marketing of farmers' organic produce. Procurement of organic produce having C-3 status has already been started by Pure Diets since Rabi season 2014.

## **VII. IMPLEMENTATION OF WATERSHED PROJECTS UNDER NABARD SPONSORED WATERSHED DEVELOPMENT FUND (WDF)**

In an effort to spread the message of participatory watershed development, AFC has been entrusted by NABARD to undertake the responsibility for Livelihood based Full Implementation Phase (FIP) in Bhawanipatna block of Kalahandi district of Odisha from 2007-08 and implementation of the project is under progress with a great enthusiasm. Out of 8 Watershed Projects, two Projects have completed their tenure and completion reports are under preparation.

The watershed project area encompasses 6071 ha geographical area with a treatable area of 5655 ha spread over in 21 tribal dominated villages covering 886 households and 3977 population.

Multi-disciplinary AFC team in association with Village Watershed Development Committees (VWDC) implemented the planned activities. In this context 3826ha have been treated with several conservation measures.

Fallow lands (75%) was brought under different seasonal crops. A rise of water table by 3 to 4 ft. has been observed, as per the records maintained at VWDC. The drainage lines have been treated with various structures. Landless households/ SHGs have been supported with different IG Activities for enhancement of their livelihood. Activity based training and demonstration programmes have been undertaken periodically to strengthen their capacity.

## **VIII. IMPLEMENTATION OF WADI PROJECT UNDER NABARD SPONSORED TRIBAL DEVELOPMENT FUND (TDF)**

Considering grassroots level implementation experience of AFC in watershed based livelihood programme in Bhawanipatna Block of Kalahandi District, NABARD awarded WADI project for its implementation in 28 villages covering 967 tribal families within 7 years in Bhawanipatna Block of Kalahandi district. The project mainly focuses on improvement of livelihood through orchard based programme utilizing land, water and manpower.

This emphasizes mainly on up-grading wastelands through orchard development, effective utilization of available resources involving and empowering people to manage their own resources. The orchard development programme provides long-term sustainable income for the family whereas effective use of available resources through soil and water conservation and inter crop cultivation provides the income needed to meet

immediate demands of needy tribal farmers. The programme aims at organizing people and build their capacities for decision making and management.

UdyanVikashSamiti's (30 Nos.) have been formed covering 200 farmers during 2014-15. About 29000 saplings of mango and cashew nut were planted in 487 acres of fallow land with different seasonal inter cropping. 32000 saplings were planted as border plantation in WADI patches. Seven new SHGs have been formed for livelihood activities. Ongoing government programmes are also being converged in WADI patches.

#### **IX. IMPLEMENTATION OF INTEGRATED WATERSHED MANAGEMENT PROGRAMME (IWMP) AS A PROJECT IMPLEMENTATION AGENCY (PIA)**

After successful implementation of livelihood based Western Odisha Rural Livelihood Project (WORLP) under Odisha Watershed Development Mission (OWDM) and Watershed Development Fund (WDF) of NABARD, OWDM has assigned AFC to implement **10** IWMP projects in Loisingha Block of Bolangir district.

The implementation period starts from 2014-15 and will continue till 2019-20. Under this project, 5800 ha of area has to be treated with different conservation methods in 26 identified village areas with 5778 households and 25246 population.

As part of implementation process, AFC has organized village mass awareness camps, training programmes for watershed dwellers, undertaken village wise Entry Point Activities, collection of baseline information, plot basis net planning, preparation of DPR supported with community etc.

#### **X. SIDBI's POOREST STATES INCLUSIVE GROWTH (PSIG) FINSCOPE SURVEY**

Poorest States Inclusive Growth Project (PSIG) is one of the first private sector projects supported by the UKAid from the Department for International Development (DFID) and is being implemented by SIDBI in India. The programme aims at enhancing the income and employment opportunities of poor women and men by enabling them to participate and benefit from wider economic growth in India. The purpose of the programme is to improve income, and reduce vulnerability of poor people and small producers, by expanding their access to finance and markets.

Services of AFC have been commissioned by SIDBI for conducting Finscope Survey in 4 States viz. Bihar, Madhya Pradesh, Odisha and Uttar Pradesh.

The key objective of the FinScope survey is to measure and profile levels of access to and use of financial services by all bankable adults, across income ranges and other demographics and making this information available for use by key stakeholders such as policy-makers, regulators and financial service providers.

Approach and methodology for the 'FinScope Survey' comprises of both desk research and primary survey (field visit) having six stages viz. (i) Preparatory Work; (ii) Field Study; (iii) Data Processing; (iv) Computation of Results; (v) Quantitative Analysis of key parameters; (vi) Qualitative Analysis of Feedback, Interviews, FGDs, etc.; and (vii) Preparation of Draft/Final Reports and Presentation.

The work is under progress. So far inception Report has been prepared and submitted. Questionnaires have been developed and finalized after pre-testing. Organised FGDs in 4 Project States as well as orientation training for Supervisors, Field Coordinators and Enumerators. Survey of 16000 respondents is to commence in the 1<sup>st</sup> quarter of 2015.

## **XI. JICA ASSISTED CAPACITY BUILDING OF FRONTLINE STAFF OF FOREST DEPARTMENT IN BIHAR**

The Capacity Building project has been taken up by the Ministry of Environment & Forests & Climate Change, Government of India to improve training environment for frontline staff of the State Forest Departments (SFD) with the ODA loan from JICA. Apart from infrastructural improvement the project has many soft components for strengthening of the training system through the development of trainers at various levels, preparation of training materials and revision of training guidelines as well as a robust curriculum for frontline staff. Since Joint Forest Management (JFM) is an important component of forest management for last two decades, it is also envisaged in the project to revisit the JFM Resolutions of states and to facilitate JFM in states by equipping frontline staff of SFDs by providing required training inputs and performance aids to deal with this new social dimension more efficiently along with discharging their traditional role in protection and development of forests. In this context the activities being taken up by AFC as State Project Management Consultant (SPMC) for Bihar state are as follows:

- i) Assisting SFD to finalize training materials for frontline staff in terms of forestry and social science (PRA/JFM)
- ii) Assisting SFD to review and, if necessary, to prepare State JFM Guideline
- iii) Assist SFD to prepare State JFM Handbook
- iv) Assist SFD to frame State Training Guideline
- v) Assist SFD to develop and finalize the State Training Improvement Plan
- vi) Assist PMTs in each SFD to plan State ToT Program and preparing syllabus for ToT
- vii) Assist State Trainers (including PMTs) in each SFD to prepare training materials for frontline staff training based on training materials and other resources as developed by Central PMC
- viii) Assist State Trainers (including PMTs) in each SFD to prepare syllabus for training of frontline staff, making reference to model syllabus prepared by Central PMC
- ix) Monitor trained frontline staff's practice in the field

x) Preparation of an Exit Policy

AFC has, during 2014-15, prepared an inception report, drafted training plan for the state, undertaken Training Needs Assessment and prepared training material for Foresters.

The above supports of AFC as SPMC to State Forest Department would help them better prepare their field force in the development, protection and conservation of forests and environment of the state as well as of the country.

## **XII. HORTICULTURE EXTENSION SERVICES**

An “Innovative Project on Promoting and Strengthening Horticultural Extension Initiatives” is being implemented with the Department of Horticulture in Mewat district of Haryana on pilot basis since October, 2014. In order to achieve the overall goal, the project emphasizes on taking the technology and the schemes to the beneficiaries’ doorsteps with a view to enhance their adaptability through effective extension and communication approach.

The activities undertaken by AFC as Project Implementation Agency (PIA) included rapport building exercises with the Farmers, Farmers’ Institutions, NGOs, Other Line Departments, and other Stakeholders. To establish in the field, delivering extension services, doorstep interactions were organised with the farmers to communicate the schemes, identification of potential beneficiaries, in-depth verification, forwarding the eligible cases to the District Horticulture Officer (DHO). In addition, processes such as motivating the farmers for exposure visits, motivating the farmers for training programmes outside the district, organizing farmers’ field days, and organizing demonstration on extension of technologies were also planned and executed.

Execution of different activities under the schemes like Mission on Integrated Development of Horticulture (MIDH) Scheme, National Mission on Sustainable Agriculture (NMSA), Rashtriya Krishi Vikas Yojna (RKVY) and Scheduled Caste Sub-plan was also facilitated in the district.

AFC could raise mass village level awareness of the schemes of the Horticulture Department in Mewat district due to which more people showed their interests in adopting them on their fields. It has resulted in increased coverage of the beneficiaries and geographical reach across all the blocks in the district.



**Farm Bunding in waste land**



**Farm Pond in ridge area for irrigation**



**Training prog for SHG members**



**Check dams constructed in cultivable land**



**Masonry surplus constructed in drainage line**



**Watershed Association Meeting**





**Livelihood for land less**



**Multi Purpose Drying yard for community**

Images of WADI Project under NABARD funding



**AFC Expert observing the 1<sup>st</sup> year plantation area**



**Organization of district level coordination meeting**



**Changing room for women**



**Field demonstration before under taking plantation**



**Child and women health camps**



**Taken for plantation by farmers**



**Shri V K Malleswar watching the back yard poultry**



**Shri N L Sahoo, DDM visiting the field sites**

## **SISTER CONCERNS**

### **1. AFC Foundation**

AFC Foundation (AFCF), is a sister concern of parent organization AFC INDIA LIMITED, was set up in 2007 under the Indian Trust Act,1882 as an institution for microfinance, education and livelihood promotion with its registered as well as head office at New Delhi. Its head office was shifted to Mumbai from New Delhi for its better and effective operations during the year 2010-11.

i) **Microfinance:** AFCF ventured into retail microfinance operations on larger scale and initiated its operations through AFCF, Kolkata branch during the year 2009 in West Bengal with support from a local NGO partner Bengal Women Welfare Association (BWWA) following AFC Foundation-NGO Partners-SHG/JLGs model. Subsequently, as part of the geographical expansion programme, the existing operations were also extended to Jalgaon district in Maharashtra with support from a local NGO partner Bhagini Nivedita Gramin Vigyan Niketan (BNGVN), which has been discontinued after settlement.

However, retail micro finance operations are being wound up due to strategic reason and no new investments are being made. As on March 31, 2015, AFC foundation has to pay Rs.61.15 lakhs to the company. AFC Foundation recycling the funds regularly, paying the interest and repaying the loan.

ii) **Distance Education.** The Foundation is continuing to run four short term courses in English: (1) Diploma in Microfinance (2) Diploma in Foreign Trade Management. (3) Diploma in Clean Development Mechanism (CDM); (4) Diploma in Banking and Finance. Besides, a certificate course in Panchayati Raj Governance in Hindi is being operated from our Lucknow office.

### **2. AFCL Finance Services Pvt. Ltd.**

Your Company has incorporated a wholly owned subsidiary 'AFCL Finance Services Pvt. Ltd.' on 11th March, 2010 with the objectives of carrying out (i) the business of financing, corporate lending as well as micro financing in all its aspects and by all

possible ways and means on short term, medium term and long term basis; (ii) the business of hire purchase, leasing, installment financing, refinancing and letting on hire all description, agriculture implements, machineries and all other goods and articles which can be financed by hire purchase leasing or otherwise and (iii) to promote and organize research and development or to act as consultant, advisor, manager, representative, retainer or in other capacity for the purpose of accomplishment of the objects under these present capacity in the field of micro finance, small & medium enterprise finance, agri finance, and any other related activities. Business operations of this subsidiary are likely to commence shortly after drawing a sound road map based on a vision document.

## AUDITORS REPORT.

To,  
The Members,  
**AFC INDIA LTD.**

We have audited the accompanying Balance Sheet of **AFC INDIA LTD.** as at 31<sup>st</sup> March, 2015 and the attached Profit and Loss Account of the Company and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### Management's responsibility for the Financial Statements

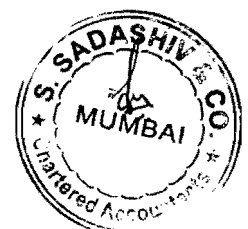
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with Standards of Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015('the Order') issued by the Central Government in terms of section 143(11) of the Companies Act, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said order.

Further to our comments in the Annexure referred to above and as per Section 143(3) of the Act, we report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;



...3...

- iv. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Act, 1956, read with Rule 7 of the Companies (Accounts) Rules, 2014 except AS-15 as regards accounting for retirement benefits in the Financial Statement of employers.
- v. As per the information and explanations given to us, none of the directors of the company are disqualified as on 31st March, 2015, from being appointed as Director in terms of section 164(2) of the Act;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in the manner so required and give a true and fair view, subject to

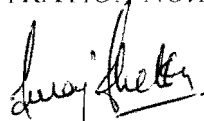
(i) The Company has not provided for accrued liability on account of Gratuity of Rs. 56,25,872/- (Previous Year Rs. 59,75,725/-). If the provision would have been made, the profits would have been reduced by Rs. 56,25,872/-.

Subject to the above, the said accounts are in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015.
- b. In the case of the Profit and Loss account, of the profit for the year ended on that date.

FOR S. SADASHIV & CO.,  
CHARTERED ACCOUNTANTS,  
REGISTRATION NO. 108951W



  
(SURAJ SHETTY)  
PARTNER

PLACE: MUMBAI  
DATE : 26.06.2015

MEMBERSHIP NO. 113477



ANNEXURE TO AUDITOR'S REPORT ON THE ACCOUNTS FOR  
THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. As explained to us, all fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verifications.
3. The Company's nature of operations does not require it to hold inventories. Consequently, clause 3 (ii) (a) of the Companies (Auditor's Report) Order, 2015 is not applicable.
4. The Company has not obtained any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 189 of the Act
5. The Company has granted unsecured loans to companies, firms or other parties listed in the register maintained under Section 189 of the Act, amounting to Rs. Rs.72,43,705/- (P.Y. Rs. 73,43,705/-).
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not noted any major weakness in the internal control system during the course of the audit.
7. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the register maintained under Section 189 of the Act.
8. The provisions of Clause 3(vi) of the Order are not applicable to the Company as the Company is not covered by the Companies(Cost Records and Audit) Rules, 2014.
9. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
10. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

... 2...





11. In respect of Statutory Dues :

- a. According to the records of the Company, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Income Tax, other taxes, cess and statutory dues applicable to it as explained to us by the management. According to the information and explanations given to us, no undisputed amounts payable in respect of Income - Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Cess were outstanding as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date those became payable.
- b. According to the records of the company, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, cess which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues.	Amount (Rs in lakhs)	Year to which amount relates	Forum where dispute is pending
Income Tax	Income Tax Demand	27.05	A.Y. 2004-05	ITAT, Mumbai

12. The company does not have any accumulated losses and has not incurred cash losses in the current financial year and in the immediate preceding year.
13. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues payable to Financial Institutions, Banks or Debenture holders.
14. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions. Therefore, the provisions of the clause 3 (x) of the Order are not applicable to the Company.
15. The Company has not raised any term loan during the year. Therefore, the provisions of clause 3(xi) of the Order are not applicable to the Company.
16. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

FOR S. SADASHIV & CO.,  
CHARTERED ACCOUNTANTS,  
REGISTRATION NO.108951W



PLACE: MUMBAI  
DATE : 26.06.2015

  
(SURAJ SHETTY)  
PARTNER  
MEMBERSHIP NO. 113477

(Amount in Rupees)

Particulars	Note	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	150,000,000	150,000,000
(b) Reserves & Surplus	4	109,786,903	106,237,366
<b>(2) Non current Liabilities</b>			
(a) Long term provisions	5	9,718,068	8,413,040
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	6	-	10,493,599
(b) Trade Payables	7	337,101,897	507,190,925
(c) Other current liabilities	8	1,060,788	558,120
(d) Short term provisions	9	171,769,919	101,802,760
<b>TOTAL</b>		<b>779,437,575</b>	<b>884,695,810</b>
<b>II. Assets</b>			
<b>(1) Non current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	5,259,117	6,814,410
(ii) Intangible Assets	10	49,554	57,526
(b) Non Current Investments	11	171,735,750	67,612,750
(c) Deferred Tax Assets (Net)	12	3,687,897	4,119,517
(d) Long-term loans & advances	13	26,760,729	17,922,555
<b>(2) Current Assets</b>			
(a) Other current assets	14	453,472,088	637,851,803
(b) Trade Receivables	15	45,882,487	41,609,350
(c) Cash and Cash Equivalents	16	61,763,585	98,264,752
(d) Short-term loans & advances	17	10,776,368	10,443,117
<b>TOTAL</b>		<b>779,437,575</b>	<b>884,695,810</b>

Notes to accounts

Significant Accounting Policies

1 to 28

As per our report of even date attached

For and on behalf of the Board of Directors

For S. Sadashiv & Co.  
Chartered Accountants

(Suraj Shetty)

Partner

Membership No: 113477

Place: Mumbai

Date: 26th June, 2015

Dr C D Mayee  
ChairmanMamta Sahal  
Chief Financial OfficerA. K. Gary  
Managing DirectorSonai Gandhi  
Asst Company Secretary

## Statement of Profit And Loss for the year ended 31st March 2015

(Amount In Rupees)

Particulars	Note	31st March 2015	31st March 2014
<b>INCOME</b>			
Revenue from Operations	18	290,240,522	253,475,614
Other Income	19	26,829,117	14,975,773
<b>Total Revenue</b>		<b>317,069,639</b>	<b>268,451,387</b>
<b>EXPENDITURE</b>			
Project Expenses	20	240,301,673	189,564,096
Employees Benefits Expense	21	43,287,293	40,710,348
Finance Costs	22	1,447,514	2,296,577
Depreciation and Amotisation Expense	10	1,075,955	1,674,427
Other Expenses	23	23,306,169	14,112,651
<b>Total Expenses</b>		<b>309,418,604</b>	<b>248,358,099</b>
Profit Before Extracrinary Items		7,651,036	20,093,288
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>7,651,036</b>	<b>20,093,288</b>
<b>Tax Expense</b>			
Current Tax Expense		2,302,000	7,017,172
Tax Expense for earlier years		191,217	
Deferred Tax		431,620	(501,074)
<b>Profit for the year</b>		<b>4,726,199</b>	<b>13,577,190</b>

Earning per equity share of face value of Rs.10000/- each

Basic & Diluted (in Rupees)	24	315	905
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Notes on Financial Statements  
Significant Accounting Policies

1 to 28

For and on behalf of the Board of Directors

As per our report of even date

For S.Sadashiv & Co  
Chartered Accountants

*Suraj Shetty*  
( Suraj Shetty)

Partner

Membership No:113477

Place : Mumbai

Date :26th June,2015



*Dr C D Mayee*  
Dr C D Mayee

Chairman

*Mamta Sahal*  
Mamta Sahal

Chief Financial Officer

*Auharg*  
Auharg

A. K. Garg  
Managing Director

*Sonal Gandhi*  
Sonal Gandhi

Asst Company Secretary



## Notes forming part of Financial Statements for the Year Ended 31st March, 2015.

1. **AFC India Limited (AFC)** is a multi-disciplinary consultancy and technical support organization 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 grassroots level 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 ACCOUNTING:

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies(Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

#### b. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Future results could differ due to changes in these estimates and differences between actual and estimates are recognized in the period in which the results are known.

#### c. REVENUE RECOGNITION:

- I. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- II. Consultancy fees are recognized as per proportionate completion method (PCM) as prescribed in AS-9 "Revenue Recognition" as certified by the management. Incomplete assignments at the Balance Sheet date are shown as "Jobs in Progress".

#### d. FIXED ASSETS:

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.





**e. DEPRECIATION:**

- i. The company provides for depreciation/amortization on its fixed assets on straight line basis (changed from written down value method in the previous year) over the useful lives of the assets as specified in Part "C" of Schedule II of the Companies Act 2013.
- ii. For the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life.

**f. INVESTMENTS:**

Investments are classified into Current and Long Term Investments. Long Term Investments are stated at cost. A Provision for diminution is made to recognize a decline other than temporary, in value of Long Term Investments.

**g. EMPLOYEE BENEFITS:**

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

B. Post employments benefits:

- I. Defined contribution plans:
  - i) For all employees, provident fund monthly contributions are made to trust administered 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 the shortfall, if any, between the return on investments of the trust and the notified interest rates. Company's contribution towards the provident fund scheme are recognized during the year in which the related service is 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 the LIC is paid and accounted as gratuity.
- II. The retirement benefits for encashment of leave salary are fully provided for on actuarial valuation.



**h. TAXATION:**

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of Deferred Tax Assets is reviewed to reassure realization.

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 to and intends to settle the asset and liability on a net basis.

**i. EVENTS OCCURRING AFTER BALANCE SHEET DATE:**

No significant events which could affect the financial position as on 31.03.2015 to a material extent have been reported by the company, after the balance sheet date till the signing of report.

**j. TRANSACTIONS IN FOREIGN CURRENCY:**

The transactions in foreign currencies are accounted at the equivalent rupee value on the date of the transaction.

Foreign currency assets and liabilities not covered by forward contracts at the year end are realigned at the prevailing exchange rate and difference on realignment and realization is charged to profit and loss account.



**k. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

**l. OPERATING LEASES:**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lesser are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreements.

**m. CASH AND CASH EQUIVALENTS**

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 original maturities of twelve months or less from the date of purchase, to be cash equivalents.

**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:

Sl. No.	Period of Outstanding Debts	Provision to be made
1.	Six month – One Year	5 % of o/s amount
2.	One – Two Years	10% of o/s amount
3.	Two – Three Years	20% of o/s amount
4.	Three – Five Years	30% of o/s amount
5.	More than Five Years	Write off as Bad Debt



### 3. SHARE CAPITAL

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Authorised Share Capital 100,000 equity shares of Rs. 10,000/- each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up 15,000 equity shares of Rs. 10,000/- each fully paid up	150,000,000	150,000,000
Total	150,000,000	150,000,000

3.1 The details of Shareholder's holding more than 5% shares :

Name of Shareholders	No. of Shares As At 31/03/2015	% of shareholding	No. of Shares As At 31/03/2014	% of shareholding
NABARD	1000	6.68	1000	6.68
Export Import Bank of India	750	5.00	750	5.00
Central Bank of India	1608	10.72	1608	10.72
Bank of Baroda	1603	10.68	1603	10.68
Bank of India	1261	8.41	1261	8.41
Punjab National Bank	1089	7.26	1089	7.26
UCO Bank	803	5.35	803	5.35
Standard Chartered Bank	950	6.33	950	6.33

3.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2015 No. of shares	As at 31st March, 2014 No. of Shares
Equity Shares at the beginning of the year	15,000	15,000
Issued during the year	-	-
Equity Shares at the end of the year	15,000	15,000

### 4. RESERVES AND SURPLUS

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Profit And Loss Account As per last Balance Sheet	106,237,360	92,660,176
Add: Profit for the year	4,726,199	13,577,180
Less: Shortfall of Depreciation due to change in useful life of Asset	1,178,662	-
Total	109,786,903	106,237,366
Total	109,786,903	106,237,366

### 5. LONG TERM PROVISIONS

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Provision for Employees Leave Encashment	9,718,068	8,413,040
TOTAL	9,718,068	8,413,040

### 6. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
From Central Bank of India	-	10,483,599
From State Bank of Patiala	-	-
Total	-	10,483,599





**7. TRADE PAYABLES**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Micro Small and Medium Enterprises @		
Creditors For Project Expenses	12,035,347	5,284,857
Advances from Customers	325,066,550	501,906,068
<b>TOTAL</b>	<b>337,101,897</b>	<b>507,190,925</b>

@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been made.

**8. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Others	1,060,788	558,120
<b>TOTAL</b>	<b>1,060,788</b>	<b>558,120</b>

**9. SHORT TERM PROVISIONS**

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Provision for Project Expenses	164,522,000	92,371,000
Provision for Employee Benefits		
For Employees' Leave Encashment	3,396,078	3,533,113
For Employees Gratuity		
Provision for Other Expenses	3,851,841	5,898,847
<b>TOTAL</b>	<b>171,769,919</b>	<b>101,802,760</b>

9.1 The Retirement benefit scheme of the company is funded by Life Insurance Corporation (LIC) of India. As per the actuarial valuation certificate received from LIC, provision of Rs.55,25,872/- is to be made for Gratuity as per present value of past service benefit. However, no provision has been made during the year for gratuity.



## 10. FIXED ASSETS

( In Rupees

Fixed Assets	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2014	Additions during the year	Deductions / Adjustments	As at 31.03.2015	As at 01.04.2014	For the Year	Deductions / Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>(A) TANGIBLE</b>										
Building	246,597	0	0	246,597	204,577	1,842		206,419	40,180	42,021
Furniture & Fixtures	11,647,552	87,010	12,298	11,722,264	7,935,031	482,015	10,505	8,406,541	3,315,723	3,712,521
Office Equipment	6,830,473	222,002	26,552	7,025,923	5,391,900	267,773	(742,823)	6,402,496	623,426	1,438,572
Air Conditioners	1,324,690	0	0	1,324,690	899,634	57,966	0	957,600	367,089	425,055
Vehicles	1,322,818	0	0	1,322,818	721,455	94,077	0	815,532	507,266	601,363
Computers	10,632,202	402,750	24,279	11,010,673	10,037,324	164,310	(403,626)	10,605,260	405,413	594,878
<b>Total (A)</b>	<b>32,004,332</b>	<b>711,762</b>	<b>63,129</b>	<b>32,652,965</b>	<b>25,189,921</b>	<b>1,067,983</b>	<b>(1,135,944)</b>	<b>27,393,848</b>	<b>5,259,117</b>	<b>6,814,410</b>
<b>(B) INTANGIBLE</b>										
Software	1,480,481	0	0	1,480,481	1,422,955	7,972	0	1,430,927	49,554	57,526
<b>Total (B)</b>	<b>1,480,481</b>	<b>0</b>	<b>0</b>	<b>1,480,481</b>	<b>1,422,955</b>	<b>7,972</b>	<b>0</b>	<b>1,430,927</b>	<b>49,554</b>	<b>57,526</b>
<b>Total (A+B)</b>	<b>33,484,813</b>	<b>711,762</b>	<b>63,129</b>	<b>34,133,446</b>	<b>26,612,876</b>	<b>1,075,955</b>	<b>(1,135,944)</b>	<b>28,824,775</b>	<b>5,308,671</b>	<b>6,871,936</b>

10.1 Building includes Rs 500/- being cost of fully paid-up shares in a Co-Operative Housing Society

10.2 The execution of the Deed of Conveyance in favour of the Housing Society in which the Company owns a flat since 1972 is yet to be completed.

10.3 The effect of change in useful life of asset as per the Companies Act, 2013 has been given as mentioned in Note 2 (e)



11. NON-CURRENT INVESTMENTS

Particulars	As at 31st March , 2015 Rupees	As at 31st March , 2014 Rupees
Other than Trade :		
(i) Equity Instruments - Quoted		
Investment in Other Companies		
(a) 2000 Equity shares of Rs. 10/- each fully paid up of Gujarat State Patronet Ltd	6,750	6,750
(ii) Equity Instruments, Unquoted		
Investment in Subsidiaries		
(a) 5000 Equity Shares of AFC Finance Services Pvt Ltd of Rs. 10/-each fully paid up	500,000	500,000
Investment in Other Companies		
(a) 3000 (30 000) Equity Shares of Rs. 10/- each fully paid up of Global Procurement Consultants Ltd	300,000	300,000
(iii) Bonds, Unquoted		
Investment in Other Companies		
(a) 20 (20) 13.5% MSRDC (2015) Bonds (Series III) of Rs. 1,00,000/- each fully paid up #	2,024,000	2,024,000
(b) 40 (40) 13.5% MSRDC (2015) Bonds (Series V) of Rs. 1,00,000/- each fully paid up #	4,048,000	4,048,000
(c) 2 (2) 7.25% IDBI Bonds 2015 of Rs. 10,00,000/- each fully paid up	-	1,982,000
(d) 10 (10) 7.10% Bank of India 2014 of Rs. 10,00,000/- each fully paid up #	-	9,795,000
(e) 5 (5) 7.40% Syndicate Bank 2015 of Rs. 10,00,000/-each fully paid up #	5,000,000	5,000,000
(f) 4 (4) 7.40% Syndicate Bank 2015 of Rs. 10,00,000/- each fully paid up #	3,974,000	3,974,000
(g) 1 (1) 7.45% Bank of Baroda 2015 of Rs. 11,00,000/- each fully paid #	10,989,000	10,989,000
(h) 10 (10) 7.50% Bank of India 2015 of Rs. 10,00,000/- each fully paid #	9,994,000	9,994,000
Fixed Deposits with Banks		
Maturity More than 12 Months	134,950,000	19,000,000
<b>Total</b>	<b>171,785,750</b>	<b>67,612,750</b>

Long term investment are stated at cost

Aggregate amount of quoted investments

6,750

Market value of quoted investments

31,012,50

Aggregate amount of unquoted investments

171,779,000

The following Bonds are pledged with the Bank

Name of the Company	Face Value for each Bond (Rs.)	Nos.	Total
Maharashtra State Road Development Corporation Ltd.	1,00,000/-	20 bonds	20,00,000/-
Syndicate Bank	10,00,000/-	8 bonds	80,00,000/-
Bank of India	10,00,000/-	10 bonds	1,00,00,000/-
<b>Total</b>			<b>2,00,00,000/-</b>

11.1 Fixed Deposits figure includes Fixed Deposits pledged with bank for facilities granted to the Company, cost aggregating to Rs. 2,50,50,000/- (P.Y. Rs. 2,50,00,000/-)



## 12.DEFERRED TAX ASSETS

Particulars	As at 31st March , 2015 Rupees	As at 31st March , 2014 Rupees
Deferred Tax Assets	4,119,517	3,618,443
Add. Addition/ (Deletion) for the year	(431,620)	501,074
<b>Total</b>	<b>3,687,897</b>	<b>4,119,517</b>

12.1 The component of Deferred Tax balances as on 31st March,2015accounted in accordance with AS-22 " Accounting for taxes on Income" issued by ICAI are as under:

Deferred Tax Assets arising on account of timing difference on

Particulars	As at 31st March , 2015 Rupees	As at 31st March , 2014 Rupees
Brought forward losses	-	108,768
Expenses allowable on payment basis	4,052,271	4,060,497
Depreciation	(364,374)	(49,748)
<b>Total</b>	<b>3,687,897</b>	<b>4,119,517</b>

	As at 31st March , 2015	As at 31st March , 2014
<b>Net Deferred Tax Assets</b>	<b>3,687,897</b>	<b>4,119,517</b>



### 13. LONG-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
(Unsecured Considered Good)		
Advance Tax (2004-05) (net of provision)	456,530	456,530
Advance Tax (2006-07) (net of provision)	477,462	477,462
Advance Tax (2008-09) (net of provision)	2,049,118	2,049,118
Advance Tax (2010-11) (net of provision)	1,823,786	1,823,786
Advance Tax (2011-12) (net of provision)	889,739	2,712,798
Advance Tax (2012-13) (net of provision)	-	74,568
Advance Tax (2013-14) (net of provision)	851,508	851,508
Advance Tax (2014-15) (net of provision)	2,617,251	2,344,622
Advance Tax (2015-16) (net of provision)	10,725,167	-
Others		
- Deposits	6,655,018	6,903,513
Festival Advance	215,150	228,050
<b>Total</b>	<b>26,760,729</b>	<b>17,922,555</b>

### 14. Other Current Assets

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Jobs in Progress	446,680,000	630,662,000
Accrued interest on investment	6,792,088	7,189,803
<b>Total</b>	<b>453,472,088</b>	<b>637,851,803</b>

### 15. TRADE RECEIVABLES

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
(Unsecured)		
Outstanding for a period exceeding six months		
Considered Good	27,365,130	26,174,459
Considered Doubtful	3,522,005	5,512,870
	30,887,135	31,687,329
Less: Provision for Doubtful Debts	3,522,005	5,512,870
	27,365,130	26,174,459
Others, considered good	18,517,357	15,434,891
<b>Total</b>	<b>45,882,487</b>	<b>41,609,350</b>



## 16. CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Cash on Hand	2,752	10,225
Balances with Banks		
In Current Account	15,157,432	9,198,218
In Overdraft Account	1,300,648	14,657
Fixed Deposits with Banks:		
Maturity Less than 12 Months	45,302,753	89,041,682
<b>Total</b>	<b>61,763,585</b>	<b>98,264,782</b>

## 17. SHORT-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
(Unsecured Considered Good)		
Others #	10,776,368	10,443,117
<b>Total</b>	<b>10,776,368</b>	<b>10,443,117</b>

# Includes loans and advances given to Companies under the same management as mentioned below:

Particulars	As at 31st March, 2015	As at 31st March, 2014
AFC Foundation	6,870,405	6,870,405
AFCL Finance Services Pvt. Ltd.	373,300	473,300
<b>Total</b>	<b>7,243,705</b>	<b>7,343,705</b>



AFC INDIA LIMITED

18. REVENUE FROM OPERATIONS

Particulars	31st March 2015 Rupees	31st March 2014 Rupees
Consultancy Income	290,240,522	253,475,614
<b>Total</b>	<b>290,240,522</b>	<b>253,475,614</b>

18.1 CONSULTANCY INCOME

Particulars	31st March 2015	31st March 2014
Projects completed during the year	474,222,522	242,993,614
Add : Value of Closing Jobs in Progress	446,680,000	630,662,000
Less : Value of Opening Jobs in Progress	630,662,000	620,180,000
<b>Total</b>	<b>290,240,522</b>	<b>253,475,614</b>

18.2 The above method for computing Consultancy Income is being followed consistently year after year.

19. OTHER INCOME

Particulars	31st March 2015	31st March 2014
Interest Income	21,249,317	14,845,907
Dividend Income	60,250	60,250
Other non operating income	146,015	51,519
Profit on sale of Fixed Asset	45,190	8,447
Excess Provision written Back	1,990,865	9,650
Sundry Balance Written Back	3,114,480	-
Profit on Redemption of Bond	223,000	-
<b>Total</b>	<b>26,829,117</b>	<b>14,975,773</b>





## 20. PROJECT EXPENSE

Particulars	31st March 2015	31st March 2014
Project Expenses	204,980,182	158,507,158
Consultancy Charges	26,776,118	16,264,114
Other Expenses	8,545,373	14,792,824
Total	240,301,673	189,564,096

## 21. EMPLOYEE BENEFITS EXPENSE

Particulars	31st March 2015	31st March 2014
Salaries, Allowances, Bonus	38,032,383	34,851,449
Contribution to Provident and other funds	3,659,737	3,184,349
Staff Welfare Expenses	1,595,173	2,674,550
Total	43,287,293	40,710,348

21.1 Managerial Remuneration paid under Section 198 of the Companies Act, 1956 to the Managing Director of the Company is as under :

Particulars	Current year(Amount in Rs)	Previous Year(Rs)
Remuneration A/c	2,220,000	2,070,000
Contribution to PF	266,400	248,400
Perquisites as per Income Tax Rules	473,323	680,450
Total	2,959,723	2,998,850

## 22. FINANCE COSTS

Particulars	31st March 2015	31st March 2014
Interest On Overdraft	678,121	1,984,351
Bank Charges	769,393	312,226
Total	1,447,514	2,296,577





23. OTHER EXPENSES

Particulars	31st March 2015	31st March 2014
Travelling Expenses	1,145,610	974,102
Communication Charges	706,983	798,911
Professional Fees	304,443	643,618
Electricity Charges	965,658	829,310
Insurance Charges	88,530	203,384
Rent, Rates and Taxes	2,555,553	2,164,662
Repair & Office Maintenance	1,141,040	863,570
Vehicle Hiring Expenses	332,526	358,489
Bad debts	11,309,967	1,184,715
Payment to Auditors:		
Statutory Audit	30,000	30,000
Tax Audit	20,000	20,000
Provision for doubtful debts	-	1,103,605
Printing and Stationery	1,893,597	2,307,414
Miscellaneous Expenses	2,812,262	2,630,871
<b>TOTAL</b>	<b>23,306,169</b>	<b>14,112,651</b>

24. EARNINGS PER SHARE (EPS)

	2014-15	2013-14
(i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	4,726,199	13,577,190
(ii) Weighted Average of number of equity shares used as denominator for calculating EPS	15,000	15,000
(iii) Basic and Diluted Earnings per share (Rs.)	315	905
(iv) Face value per equity share	10,000	10,000

25) (a) Particulars of Subsidiaries

Name of Company	% of Voting Power as on 31.03.2015	% of Voting Power as on 31.03.2014
AFCL Finance Services Pvt. Ltd	100	100

(b) The contribution of the subsidiary during the year is as under

Name of Subsidiary	Revenue	Net Profit/(Loss)	Net Assets
AFCL Finance Services Pvt. Ltd	46443	(3180)	454293

26 Related Party Disclosures

Transactions with related parties for the year ended 31st March 2015

Particulars	AFCL Finance Services Pvt. Ltd	AFC Foundation
Loan repaid by AFCL Finance Services Pvt Ltd	100,000	
Interest from AFC Foundation		601,520

Balances with related parties as at March 31, 2015

Particulars	AFCL Finance Services Pvt. Ltd	AFC Foundation
AFCL Finance Services Pvt. Ltd	373,300	
AFC Foundation		6,870,405



27 Contingent Liabilities

- a) Bank Guarantees issued to obtain various project works on behalf of the Company outstanding as on 31.03.2015 aggregate to Rs.211.68 lakhs (Previous Year Rs. 111.76 Lakhs).
- b) Company received an income tax demand amounting to Rs. 27,05,446/- in connection with A.Y. 2004-2005 and company filed appeal against that order with CIT (Appeals), however, the appeal was dismissed by the CIT (Appeals). Now the case is filed with ITAT (Income Tax Appellate Tribunal).

28 Balance of Sundry Creditors, Advances from Customers, Sundry Debtors and Loans and Advances are subject to confirmation and reconciliation.

As per our Report of even date

For S. Sadashiv & Co  
Chartered Accountants

*Suraj Shetty*

( Suraj Shetty)  
Partner

M. No 113477

Place Mumbai

Date 26th June.2015



*Dr. C. D. Mayee*

Dr.C.D Mayee

Chairman

*Mamta Sahal*

Mamta Sahal

Chief Financial Officer

*A K Garg*

A K Garg

Managing Director

*Sonal Gandhi*

Sonal Gandhi

Asst Company Secretary



**AFC INDIA LTD****CASH FLOW STATEMENT AS ON 31st MARCH, 2015****(A) Cash Flow From Operating Activities:-**

	(Amount in Rs)
Project Receipts	289,129,795
Sundry Receipts	146,015
Refund of EMD and other Deposits	1,048,495
Project expenses	(168,508,983)
Payments to and on behalf of staff	(39,863,858)
Payment of Taxes	(15,202,425)
Administrative expenses	(7,711,866)
<b>Net Cash Flow from Operating Activities(A)</b>	<b>59,037,173</b>

**(B) Cash Flow From Investing Activities:-**

Sale of Fixed Assets	72,450
Maturity of Fixed deposits with bank	177,462,614
Repayment of loan taken by sister concern	100,000
Interest on Investments	19,065,589
Profit on redemption of Bond	223,000
Interest from AFC Foundation	283,456
Dividend	60,250
Purchase of Fixed Assets	(677,552)
Investment in Fixed deposits with bank	(236,450,000)
<b>Net Cash Flow from Investing Activities(B)</b>	<b>(39,860,193)</b>

**(C) Cash Flow From Financing Activities (C)**

Bank Charges	(767,528)
Interest on Bank OD	(678,121)
<b>Net Cash Flow from Financing Activities(C)</b>	<b>(1,445,649)</b>

**Net Cash & Cash Equivalents(A-B-C)**

Cash at the Beginning	(1,270,499)
<b>Cash at the end</b>	<b>16,460,832</b>

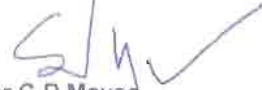
As per our Report of even date  
For S. Sadashiv & Co.  
Chartered Accountants

  
(Suraj Shetty)  
Partner  
M. No : 113477



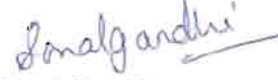
Place : Mumbai  
Date : 26th June, 2015

For an on behalf of the Board

  
Dr. C D Mayee  
Chairman

  
Mamta Sahal  
Chief Financial Officer

  
A K Garg  
Managing Director

  
Sonal Gandhi  
Asst Company Secretary