

DIRECTORS' REPORT 2011-12

To:

The Members
Agricultural Finance Corporation Limited

Dear Shareholders,

Your Directors have pleasure in presenting you the Forty Fourth Annual Report together with the audited statement of financial accounts of your Company for the year ended March 31, 2012.

Your Company has been engaged in providing consultancy services for more than four decades for monitoring and evaluation of the developmental programs launched by various Ministries of Govt. of India and implemented by State Governments. However during the 11th Five Year Plan Period your Company diversified into other areas such as grass-roots level project implementation, Training & Capacity building, IT based agricultural interventions, organic farming and monitoring quality aspects of civil works in social sector such as rural schools and Panchayati Raj.

In the current agrarian scenario wherein the buzzwords are “food security and sustainable development” the concept of organic farming has attracted more focus. Several States have started implementing programs related to organic farming adoption and certification of both agricultural and horticultural crops. Your Company has secured assignments in the States of Gujarat, Orissa and Chhattisgarh.

The roles of PRIs have been expanding in the implementation of various flagship programs of Govt. of India. In fact the PRIs have been playing a major pivotal role in the advancement of rural economy of the country. In the areas of Training and Capacity building, your Company had the opportunity to provide training to PRI functionaries in Uttar Pradesh and Jharkhand.

Financial Literacy has been one among the important issues receiving attention of policy makers. While several programs are targeting towards providing the same to the rural communities. Your Company also had the privilege of undertaking a program in West Bengal which was funded by NABARD.

The Ministry of Agriculture introduced six major flagship programs during the year 2011-12 at all-India level. The National Vegetable Initiative Program is one among them which contemplates promoting around 200 Farmers Producer Organizations in more than 28 States. Your Company was chosen to provide the services as a Management Support Group to Small Farmers Agri-business Consortium, a Company promoted by Ministry of Agriculture.

In this scenario, members would be glad to know that your Company has bucked the trend and done exceedingly well for the past three years. It has posted its highest profit for the year under review amounting to Rs 4.69 cr. This has been due to the pragmatic policy of diversifying business base by carrying out project implementation in addition to traditional studies and surveys and

entering non-traditional areas through business associates. Simultaneously, there have been rigorous cost-cutting measures that have yielded results. This has enabled your Company to introduce three rounds of Restricted Early Severance Schemes including last one during 2011-12, which entailed huge outflow in terms of the compensation package and gratuity payments that were required to be made. However all the payments have been booked in the respective years without having the need to amortize the same.

I. Business Performance (2011-12)

The total number of assignments bagged during the reporting period was 51 with consultancy fees to the tune of Rs.57.36 cr. The volume of business that was carried forward from the previous year (2010-11) was 120 assignments with a fee amount of Rs.45.73 cr. Your Company was able to successfully complete 73 assignments during the year with a PCM income of Rs.55.27 cr. As on 31st March 2012 the on-going business that was carried forward to 2012-13 was 45.82 cr arising from 98 assignments.

II. Business Associates

The approach of associating with reputed consultancy organizations and institutions as Business Associates introduced during the year 2007-08 continued to yield positive results in terms of business mobilization and timely execution. Although more than 70 associates have opted and registered with us, around 20 alone were active. The new associates who were registered during the current year included one each in the States of Andhra Pradesh, Haryana, Jharkhand, West Bengal, Maharashtra & Uttar Pradesh and two in the NCTR of Delhi. Your Company plan to continue this approach with suitable refinements during next year.

III. Evaluation of Flag ship Project of the Company

Members may recall that an agricultural extension project entitled “**Implementation of Customized Farmers' Training and Agricultural Management through Application of Information and Communication Technology (ICT) under RKVY**”, was awarded to the company during 2007-08. It has been one of the innovative interventions under Rashtriya Krishi Vikas Yojna (RKVY), a flagship programme of the Ministry of Agriculture & Cooperation, Government of India (GoI). Your company provided agricultural extension and other support services for improving farm productivity annually covering 25-30 lakh farmers in 820 blocks spread over 71 districts of Uttar Pradesh state.

The specific objectives of the Project were:

- a. To conduct customized training as per need of the area and farmer groups.
- b. Improved Productivity with low cost technologies.
- c. Sustainable agricultural production by using locally available resources.
- d. On line weather information and possibility of disease/ insect occurrence and risk management, etc.
- e. On line information of market rate in local mandies.

The assignment which had been executed in association with International Traceability Systems Limited our business associate concluded in March 2012. The venture being first of its kind, your Company decided to conduct a mid-term review of its own assignment by an independent agency in order to obtain an objective feedback about the project implementation. The review was entrusted to National Institute of Agricultural Extension Management, Hyderabad (MANAGE). Your Company is pleased to report that the mid-term review undertaken by MANAGE revealed that the project was quite successful in fulfilling the project objectives. MANAGE made following observations and recommendations:

- (i) Analysis indicated that in all most all blocks majority of the farmers felt that location, methodology and duration of training were appropriate and convenient.
- (ii) Farmers were found to be convinced of the advantages of line sowing, benefits of green manuring and bio pesticides, need to reduce excessive use of fertilizer, placement of seed and fertilizer through seed drills, SRI technology, importance of vaccination of animals, management of livestock diseases, benefits of artificial insemination, nutrition management of livestock, vermicomposting etc.
- (iii) Farmers who attended Farmer Field School (FFS) found them to be highly useful and demonstration provided good learning about soil treatment, seed treatment, line sowing, and other agri management practices.
- (iv) About fifty percent of the trained farmers found that cost of cultivation has increased as they adopted use of better inputs which has increased productivity as well while forty per cent of sample farmers felt that cost of cultivation had reduced due to optimum use of inputs.
- (v) Study revealed that in all the blocks there has been increase in farmer's income from about 9 per cent to 44 per cent among sample farmers.
- (vi) While appreciating the project implementation MANAGE study felt that this project has made a much awaited beginning of the services farmers require and recommended replication of such projects throughout the country.
- (vii) Based on successful implementation of the project, MANAGE has agreed to undertake Concurrent Evaluation of all such projects to be undertaken by your Company in future.

IV. Backward Regions Grant Fund – Nomination of AFCL on a Committee of Govt. of India

Members would be glad to know that AFCL was selected as a member of the Committee to be constituted by Ministry of Panchayati Raj, Government of India to examine the Backward Regions Grant Fund guidelines. The first meeting of the Committee was held on February 2, 2012 at New Delhi which was presided over by Secretary, Panchayati Raj, Government of India. Dr S P Jain, Former Director of National Institute of Rural Development, Hyderabad who is our consultant and Shri Awanesh Kalik, Manager, Lucknow Branch and subject matter specialist represented the Company. The Committee identified some aspects which would need to be considered for

modifying the BGRF guidelines: The contribution of your company was appreciated by the Committee.

V. Organizational Restructuring

The present organizational structure of Company is Head Office supported by three Regional Offices i.e. Northern Regional Office at New Delhi, Southern Regional Office at Bangalore and Eastern Regional Office at Kolkata, three Branch Offices Lucknow, Patna & Pune, five Project Offices Godda, Hubli, Badkera, Bhawanipatna & Ranchi and three Business Development and Liaisoning Offices at Agartala, Bhopal and Dehradun.

The measures taken during the recent years to re-structure the organizational network continued towards curtailing the expenditure on infra-structure and logistics. Two offices i.e. the branch offices at Hyderabad and Guwahati were closed down since these units were incurring losses. Three Business Associates empanelled for Andhra Pradesh (two) and North Eastern States (one) are showing promising results in canvassing business and effecting recovery of old dues. Looking to the prospects for consultancy in the North Eastern states a Business Development and Liaison office has been established at Agartala in the State of Tripura.

The Customised Farmers Training Program assignment which was under implementation in all the 820 blocks of Uttar Pradesh ended in the month of March, 2012 and hence the BDLO functioning at Jhansi was closed down.

The Project office at Pune which was earlier established for the execution of the Maharashtra Water Sector Improvement Project in the year 2006 has been converted into a Branch office looking into the prospects for bagging assignments in the Irrigation and Water Sector. The Rural Development and Water Conservation Department has recently assigned the task of undertaking 100% physical verification of Minor Irrigation schemes under Rural Development and Water Conservation Department, Government of Maharashtra. In addition, the Government of Maharashtra is also considering to approve extension for two more years under the Maharashtra Water Sector Improvement Project. Your Company is the M & E Agency for the MWSIP since 2007.

In the State of Odisha, the Company is engaged in the implementation of ten Watershed projects covering 5000 ha. Those projects are funded by NABARD. Your Company has set up two project offices each at Badkera (Angul Distt.) and Bhawanipatna (Kalahandi Distt.).

Karnataka Urban Infrastructure Development Finance Corporation Ltd. has awarded the responsibility of Project Management Agency. An office has been set-up at Hubli to operate for the project duration of three years.

VI. Establishment of Business Verticals

The existing Verticals for Forestry, Medicinal Plants, Watershed Development and Monitoring and Evaluation continued to contribute significantly to overall business. A new Vertical for "Panchayati Raj Institutions" was established at our Lucknow office during 2011-12. The road map was to explore business opportunities in the States of Uttar Pradesh, Uttarkhand, Bihar, Jharkhand, Madhya Pradesh and Rajasthan. Your Company bagged assignments worth Rs.3.3 cr in the States of

Uttar Pradesh and Jharkhand relating to Capacity building of PRI functionaries and Preparation of Perspective Plans under BRGF through involvement of PRIs. The assignments were successfully implemented through Business Associates in a cost effective manner which were effectively monitored through our subject matter Specialists. It is proposed to establish a Vertical for Agri Business during 2012-13.

VII. Human Resources

The Restricted Early Severance Scheme (RESS)-IV was introduced during the year to provide exit route to willing staff. The benefit was availed by 17 staff members (15 officers and 2 support staff). The present staff strength of the company stands at 60 of which 30 are officers and the remaining workmen staff. Further, the Company entered into short term contract with 49 professionals for smooth business operations. These contracts are project specific.

VIII. Declaration of Dividend

Your Directors have pleasure in announcing Dividend @5% of the Share Capital for the first time in the history of AFC since its inception in 1968.

IX. Review of Financial Results

Your Company has achieved a top line of Rs.58 crore during the year 2011-12 as compared to Rs.51.9 crore for the previous year thereby recording a growth of more than 11%. Similarly, the company reported a profit before taxes of Rs.4.69 crore as compared to Rs.1.7 crore during the previous year. Your Company is now a profit making dividend paying company on a sustainable basis.

It is a matter of satisfaction that the Balance sheet has been able to sustain the additional expenditure of Rs.1.47 crore on account of VRS.

A snap shot summary of the balance sheet for last three years is furnished below:

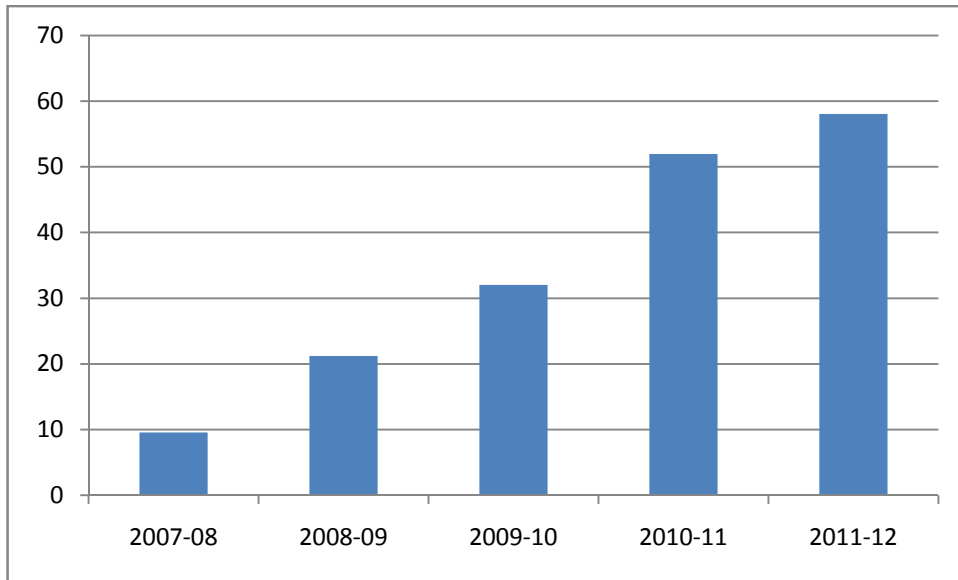
(₹ . in crores)

Particulars	31 st March, 2010	31 st March 2011	31 st March 2012	% Growth over March 2011
	(Audited)	(Audited)	(Audited)	
Gross Income	32.05	51.95	58.07	11.78%
Gross Expenditure	31.10	50.12	53.37	6.48%
Profit Before Tax	0.83	1.71	4.69	174.26%

The members will be pleased to know that efforts put in during the last five years has shown positive results and income of the company has shown substantial increase, as will be observed from the chart given below.

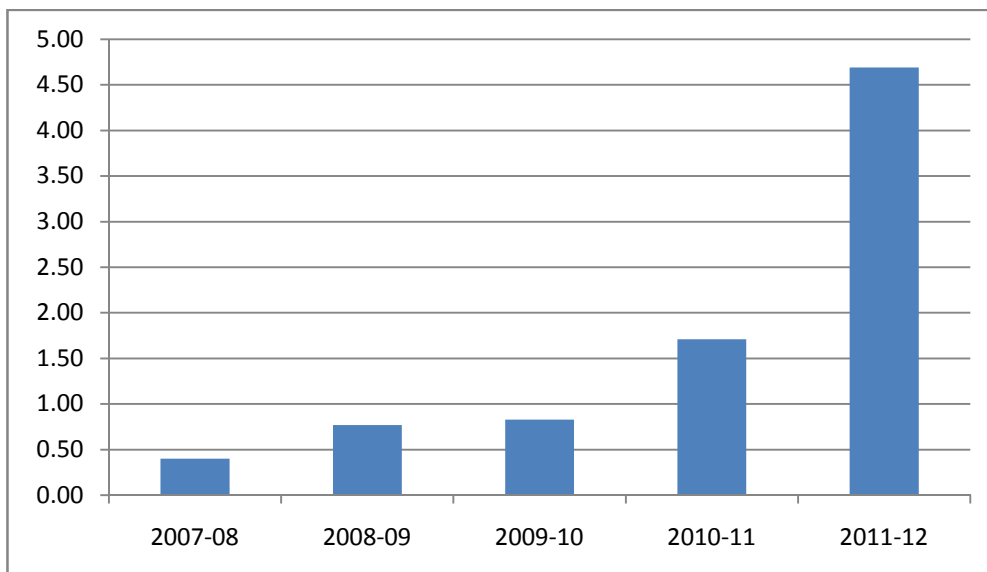
Year-wise Growth in Gross Income

(₹ . in crores)



Similarly, your Company has been able to make significant turn-around during the last five years from a profit before tax of Rs.0.23crores during the year ended March 2007 to the profit before tax of 4.69 crores in the current financial year. This has been possible due to strategic business management policies such as working with Business Associates and venturing into new areas like implementation and bagging of high value projects. The year wise performance for the past five years is given below:

(₹ . in crores)



X. Business Outlook for the year 2012-13

The Union Budget 2012-13 flagged four pronged strategy as key focus areas for agricultural development viz (a) Increasing farm Productivity, (b) Reduction in wastage of produce, (c) Increased access to Farm Credit and (d) Thrust to food processing sector.

The food safety over a billion citizens requires enhanced agricultural production and productivity in the form of a Second Green Revolution. Further, special attention is required for achieving higher production and productivity levels in pulses, oilseeds, fruits, and vegetables which are essential for nutritional security. The choices before the nation is clear; to invest more in agriculture and allied sectors with right strategies, policies, and interventions. This is also a necessary condition for inclusive growth and for ensuring that the benefits of growth reach a large number of people.

In this backdrop, factors that determine productivity favorably include among others support of institutional credit, easy and reliable access to modern inputs, access to suitable technology tailored for specific needs, presence of support infrastructure and innovative marketing systems to aggregate and market the output from small holdings efficiently and effectively assume greater importance.

Your Company has aligned its strategy in tune with the various policies of Government of India for a sustainable food and nutritional security. The strategy now is primarily on projects / initiatives for the demand side by focusing on the need to organize farmers into producers Groups Company expects a big opportunity in this sector and plans to establish a separate Vertical for Agri-business.

Greater investments in agriculture and dissemination of improved technology, aided adequately by the creation of suitable infrastructure in the rural areas will facilitate accelerated growth in the economy and trigger multiplier growth in industry and in the services sectors. Diversified agricultural support programmes like organic agriculture, post-harvest operations in horticulture, supply chain management and value additions are activities that provide considerable business potential and your Corporation has varied experience in this area. Your company is already playing a useful role under Organic Farming Scheme of Horticulture Technology Mission.

Improving irrigation efficiency under command areas of irrigation projects is a matter of concern and your company with experience supporting water users associations is in touch with several state governments to provide services in this sector.

In recognition of the growth of infrastructure in poverty alleviation, Government of India has taken up massive programme for construction of rural infrastructures under Flagship Programmes. The thrust of XI Five Year Plan has been on social inclusion coupled with provision of improved livelihood opportunities. The policies are likely to be continued in XII Five Year Plan period also. Your company has already been associated with MGNREGP (previously NREGS/NFFWP), Comprehensive District Agricultural Plans (CDAP) under RKVY, Sarva Shikshana Abhiyan (SSA), Integrated Child Development Scheme (ICDS), Total Sanitation Campaign (TSC/NGP), Backward Region Grants Fund (BRGF) programmes. Your company will continue to explore business in these

sectors during 2012-13, including opportunities under National Rural Livelihood Mission (NRLM). The opportunities available under Skills up gradation would also be explored.

Similarly Capacity building needs of Panchayat Raj officials and elected representatives at various levels have been receiving increased attention from many State Governments. Your company through its vertical on Panchayat Raj at Lucknow has gained adequate experience in Uttar Pradesh during the past two years. Your Company will explore opportunities available for undertaking training programmes for empowering the senior elected representatives and officials of the Panchayati Raj, Training Needs Assessment, Networking, e-Panchayat.

Project Implementation Agencies need Project Management Services. Your company has initiated discussions in this regard with Small Farmer Business Consortium (SFAC), Government of India and North Karnataka Urban Sector Improvement Project, and Rastriya Madhyamik Sikshan Abhiyan, Government of Karnataka. It is proposed to strengthen our capabilities in this sector for growth. Financial Literacy is another area where your company plans to lay emphasis. The business outlook for 2012-13 is quite promising.

XI. Corporate Governance

Your Company believes that 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 fully of non-executive and independent Directors except the Managing Director. The Board meets regularly and the senior executives of your Company are invited to attend the Board Meetings.

XII. Directors' Responsibility Statement

Your Directors subscribe to the "Directors' Responsibility Statement" as stipulated in Section 217(2AA) of the Companies Act, 1956, and confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the Company for the financial year ended 31st March 2012;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- The annual accounts have been prepared on a going concern basis.

XIII. Board of Directors

The composition of the Board of Directors as on 31st March,2012 is as follows:

S.No	Name	Particulars
1	Shri Y C Nanda	Chairman, AFC Ltd, Ex-Chairman, NABARD
2	Shri M D Mallaya	Chairman & Managing Director, Bank of Baroda
3	Shri T C Venkat Subramanian	Ex-Chairman & Managing Director, EXIM Bank of India
4	Dr Prakash Bakshi	Chairman, National Bank for Agriculture and Rural Development(NABARD)
5	Shri TCA Ranganathan	Chairman & Managing Director, EXIM Bank of India
6	Dr S K Goel,IAS	Principal Secretary, Agricultural & Marketing Department, Government of Maharashtra
7	Dr V V Sadamate	Adviser(Agriculture),Planning Commission, Govt of India
8	Smt Sukriti Likhi	Director, Department of Financial Services, Ministry of Finance, Govt of India
9	Shri Rajendra Kumar Tiwari	Joint Secretary(Credit),Department of Agri & Coop., Ministry of Agriculture, Govt of India
10	Dr.C.D.Mayee (from Feb.2012)	Former Vice Chancellor of Marathwada Agriculture University Parbhani
11	Shri A K Garg	Managing Director, AFC Ltd

XIV. Audit Committee

Pursuant to the requirements of Section 292A of the Companies Act, 1956, an independent Audit Committee deals with accounting matters, financial reporting and internal controls.

The composition of the Audit Committee during the year under review is as follows:

Name	Category	Committee Designation
Shri Y C Nanda	Independent Director	Chairman
Shri T C Venkat Subramanian	Independent Director	Member
Shri D L Rawal (till Oct,2011)	Independent Director	Member
Dr.C.D.Mayee (from Feb.2012)	Independent Director	Member

Audit committee held four meetings during 2011-12 on quarterly basis. An independent external agency has been associated for internal audit.

XV. Particulars under Section 217 of the Companies Act, 1956

As required under Section 217 (1) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rule 1988, pertaining to conservation of energy and technology absorption are not applicable to the Company. During the year under review, no employee was in receipt of remuneration exceeding the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of Employees) Rule, 1975.

During the year the company has neither received any foreign exchange earnings nor incurred any expenditure.

XVI. Appointment of Directors

- Dr. C D Mayee : Former Vice Chancellor of Marathwada, Agriculture University, Parbhani, Former Chairman of Agricultural Scientists, Recruitment Board (ICAR) wef June 2011
- Dr. Prakash Bakshi : Chairman, NABARD w.e.f June, 2011

Cessation of Directors

- Shri S Sridhar : Chairman and Managing Director, Central Bank of India w.e.f 01 June 2011
- Shri D L Rawal : Chairman and Managing Director, Dena Bank w.e.f 31 October 2011.

The Board recorded its sincere appreciation of the valuable contributions made by Shri S Sridhar and Shri D L Rawal during the deliberations in the Board Meetings.

XVII. Appointment of Company Secretary

During the Board Meeting held on 28th, Dec. 2011, M/s V.K.M. Associate, practicing Company Secretary was appointed as Company Secretary to fill in the vacant position fallen due to resignation of Mr. Jayesh Sharma our previous Company Secretary.

XVIII. Auditors

The Comptroller and Auditor General, Government of India, had appointed M/s. S. Sadashiv & Co., Chartered Accountants, Mumbai as Statutory Auditors of your Company for the financial year 2011-12 to hold office until the conclusion of the ensuing Annual General Meeting.

XIX. 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 of
Agricultural Finance Corporation Limited

Chairman

Place: Mumbai

Date: September, 2012

Sister Concerns

1. AFC Foundation

AFC Foundation (AFCF), as a sister concern of parent organization Agricultural Finance corporation Ltd. (AFCL), 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. During the previous year, its head office was shifted to Mumbai from New Delhi for its better and effective operations.

i) Microfinance: AFCF ventured into retail microfinance operations on larger scale and initiated its operations through AFCF, Kolkata branch during the previous 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). A new branch was set up during previous year at Parola and was manned by 5 in-house officers/staff deployed from AFCL.

Retail micro finance operations are being wound up due to strategic reason and no new investments are being made. As on March 31, 2012 AFC foundation has to pay Rs. 98.02 lakhs to the company. AFC foundation recycling the funds regularly, paying the interest and repaying the loan.

ii) Distance Education. The Foundation is running four short term courses: (1) Diploma in Microfinance (2) Diploma in Foreign Trade

Management. (3) Diploma in Clean Development Mechanism (CDM); and (4) Diploma in Banking and Finance. The CDM course is more popular, followed by Banking and Finance and Microfinance course. Introduction of new courses are being considered.

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 during shortly after drawing a sound road map based on a vision document.

Major Assignments

I. EVALUATION AND IMPACT STUDY OF COMMAND AREA DEVELOPMENT AND WATER MANAGEMENT PROGRAMME



The Centrally Sponsored Command Area Development and Water Management (CADWM)

Program aims at enhancing agricultural production and productivity in irrigated commands by judicious and equitable distribution of the available irrigation water with active involvement of farmers through participatory irrigation management.

At the onset of XII Five Year Plan, the Ministry of Water Resources availed the services of AFC for an Evaluation and Impact Assessment of the Program with a view to identify the inadequacies including channel density and cost norms, critical appraisal of the PIM Program along with the current status of Water Users' Associations in terms of strength and weakness and financial sustainability, through assessment of the CADWM work that remains to be undertaken in all states and study the need for extension, renovation and modernization of the CAD projects completed before 2001. The study sample covered 151 on-going projects across 28 states and 15 completed projects from 4 states.

II. MID-TERM THIRD PARTY EVALUATION STUDY OF CENTRALLY SPONSORED SCHEME NATIONAL BAMBOO MISSION



The Department of Agriculture & Cooperation, Ministry of Agriculture had launched a Centrally Sponsored Scheme of "National Bamboo Mission", during the Xth Five Year Plan, covering twenty-seven (27) States of the country. The key objective of the Mission is to address the issues relating to the development of bamboo in the country. The Mission's objectives are to promote the growth of the bamboo sector through an area-based regionally differentiated strategy.; to increase the coverage of area under bamboo in potential areas with suitable species to enhance yields; to promote marketing of bamboo and bamboo based handicrafts; to establish convergence and

synergy among stakeholders for the development of bamboo and to generate employment opportunities for skilled and unskilled persons, especially unemployed youths.

At the instance of the Ministry of Agriculture the program was evaluated by AFC in order to assess its impact in fulfilling the objectives envisaged under the Scheme. The study was undertaken in nine states viz. Arunachal Pradesh, Assam, Chhattisgarh, Jharkhand, Maharashtra, Mizoram, Nagaland, Odisha and Uttarakhand. The study aimed at evaluating physical and financial progress and determining the qualitative and quantitative impact of various interventions taken up during the last three years of the Mission.

III. WATERSHED IMPLEMENTATION UNDER NABARD WDF in ODHISHA

(i) Full Implementation of Watershed projects :

The NABARD availed the services of AFC for full implementation of three Watershed projects (Mahijhor, Belgaon and Laxmipur) in Kalahandi district of Odisha through Participatory mode. The participatory watershed development aims not only to develop and optimize the use of soil and water resources in the watershed but also to promote plantation, natural resources regeneration and management, livestock development, livelihood options for the community, arresting migration, etc. The project is owned by people from the stage of planning to full implementation and maintenance of the assets created during the project period. At the first stage AFC

had provided capacity building to the community under this three watershed areas and thereafter did planning for submission of the budget for implementation. NABARD had sanctioned a budget of around Rs.21 million for implementation of the three watershed projects.

(ii) Capacity Building under Watershed Development:

In recognition of the the quality of the services being provided by AFC in the three watersheds stated above, NABARD subsequently assigned the task of providing training and capacity building under five more watersheds in the adjoining areas in Bhawanipatna Block (five new watersheds namely Maa Laxmi (Village:Rakshi), Maa Manikeswary (Vill:Kuturguda), Maa Gundirani (Vill:Gudang), Budharaja (Vill:Chanchar) & Mahanepadi (Vill:Pirunguda)) under Kalahandi district of Odisha state comprising **447.36** ha. for one year for an amount of Rs **64.61** Lakhs.

(iii) Implementation of watershed projects with NABARD & Jindal Steel & Power Limited

In Angul district of Odisha, NABARD & JSPL has jointly identified AFC as an implementing partner for watershed based livelihood projects in Banarpal Block. Two projects namely Jay Kissan (Tubey) & Kalapata (Derjang) for an area of **1376.38** ha. have been entrusted. Initially NABARD has sanctioned **177.74** ha. for Capacity Building Phase (CBP) for an amount of Rs **33.80** lakhs with sharing basis NABARD/JSPL **55:45** for one year.

			
<p>Welcome Board</p>	<p>Village initiation meeting prior to Watershed Committee formation</p>	<p>Shramadan work at Mahijore Watershed before project sanction</p>	<p>AFC organised filed training on Barefoot Engineers for tree districts.</p>
			
<p>Water absorption Trenches observed by NABARD, RO officials</p>	<p>Creation of water body at Mahijore</p>	<p>Officials from NABARD, RO & DDM, Kalahandi visited the work site</p>	<p>High level team from Bargarh district visiting the work site</p>
			
<p>On field training to SHG members at Belgaon watershed</p>	<p>Livelihood support to Physical Challenged person of Laxmipur watershed</p>	<p>Mushroom cultivation by SHG members of Mahijore watershed</p>	<p>Livelihood support to Land less farmer of Belgaon watershed</p>
			
<p>AFC Organised Bankers meeting at Laxmipur watershed under Kalahandi district</p>	<p>Shramadan work at Maratira village under Jay Kissan watershed of Angul district</p>	<p>NABARD & JSPL officials field appraisal to Derjang village under Kalapata watershed of Angul district</p>	<p>AFC officials with village people on Net planning process at Maratira village under Jay Kissan watershed of Angul district</p>

IV. AFC PROVIDING PROJECT MANAGEMENT SUPPORT SERVICES FOR ASIAN DEVELOPMENT BANK ASSISTED NORTH KARNATAKA URBAN SECTOR IMPROVEMENT PROGRAMME FOR GOVERNMENT OF KARNATAKA

The North Karnataka Urban Sector Investment Programme (NKUSIP) is the third Asian Development Bank assisted urban infrastructure programme in Karnataka State. This programme is being executed in 25 towns of North Karnataka by the Govt of Karnataka under the aegis of Karnataka Urban Infrastructure Development Finance Corporation Ltd. AFCL has been appointed as Apex Nodal NGO for implementation of the program.

The project aims at enhancing the delivery efficiencies of the urban local bodies in terms of affording better facilities to the people on a sustainable basis so as to ensure better living



20 lakh ELSR under construction at Shivajinagar

V. MID-TERM EVALUATION OF NATIONAL FOOD SECURITY MISSION [NFSM]

The National Food Security Mission [NFSM] was launched by the Government of India, Ministry of Agriculture during 2007-08 essentially as a crop development scheme that aims at restoring soil health and achieving additional

conditions. As per the TOR, the AFC's activities include (i) Development of Community Development Package and Implementation plans for the project, (ii) Assistance to KUIDFC in identification and selection of implementing NGOs, (iii) Development of IEC Implementation Strategy, Design and implementation of Capacity building programmes for implementing NGOs and CBOs, (iv) Monthly consolidated progress monitoring reports of Community Development Programmes, IEC, R&R and Slum Up gradation programmes, (v) Documenting proceedings of progress reviews of the soft components of the programme, (vi) Preparation reports on Monitoring and Evaluation of Social Impacts of the programme, (vii) Evaluation reports of implementation of CDP, IEC, R&R and Slum Improvement Programmes. The duration of the project is three years from Aug.2011 with a consultancy fee of Rs.19 million.

production of 10, 8, and 2 million tons of Rice, Wheat and Pulses, respectively on an area of 20 million ha, 13 million ha and 4.5 million ha, by the end of the year 2011-12. The Mission has been implemented in 312 identified districts of 17 States covering 136 districts under Rice, 141 under Wheat and 171 under Pulses till 2009-10. From 2010-11 onwards, 302 districts of ISOPOM have been included under Pulses component of the Mission. A mid-term evaluation study of the NFSM programme has been carried out by Agricultural Finance Corporation Limited [AFCL] in 136 sample districts across 232 blocks of 17 states common for all the three components of the Mission covering more than ten thousand farmers. It is noteworthy that the Mission could accomplish the targeted additional production of 20 million tonnes within 4 years of its implementation. The total food grain production during 2011-12 is estimated at 250.42 million tonnes against the pre-NFSM production of 217.28 million tonnes. There has also been a record production of 18.24

million tonnes of pulses in 2010-11. The evaluation study has revealed that nearly 84.03 lakh quintals of high yielding varieties of rice, wheat and pulses and hybrid seed of rice have been distributed. So far, the targeted efforts of mission implementation have resulted in significant increase in production of rice and wheat and pulses. The Mission has also been successful in achieving its objective of vertical growth by raising productivity of per unit of land. The programme has benefited about 1.92 lakh farmers out of whom 1.32 lakh [69%] have been supplied various inputs.



VI. ORGANIC FARMING IN CHHATTISGARH UNDER NHM

Under Organic Farming Adoption and Certification Project of Horticultural Crops, Agricultural Finance Corporation was allotted with 1500 Ha area under National Horticulture Mission in the State of Chhattisgarh. The project is implemented in six districts, i.e. Bilaspur, Durg Raipur, Raigarh, Jagdalpur and Kabirdham.

In this project 1500 ha area is allocated for adoption and certification for horticultural crops under NHM. In Six ICS, a total number of 840 farmers have been registered in 9 Blocks,

covering 30 clusters in 69 villages. USOCA, Uttarakhand, India, is the certification agency for the project and C -1 phase certificates has been issued by USOCA in the month of April 2012 for the first year. The major crops in the project area are Cashew, Turmeric, Mango, Lemon and other vegetables.



VII. INITIATIVES FOR DECENTRALIZED PLANNING & CAPACITY BUILDING FOR LOCAL SELF GOVERNANCE

- (i) AFCL was engaged by Government of Jharkhand and GOI-UNDP-CDLG team in Jharkhand to conduct Training Need Assessment (TNA) and develop Training Manual for the PRIs of Jharkhand. The task also included Preparation of 10 PRI manuals for Government of Jharkhand.

Manual for Gram Sabha members for General Area in Hindi.

Manual for Gram Sabha members for Scheduled Areas

Manual on Social Responsibility of Representatives of Panchayat

Manual for Gram Panchayat Representatives

Manual for Panchayat Samiti Representatives

Manual for ZillaParishad Representatives

Manual on Planning Process of Gram Panchayat and NRM.

Manual on Panchayat Financial Management

Manual for Trainers of Panchayati Raj

Training Module for Trainers of Panchayati Raj.

(All these Manuals are available on the official website of Panchayati Raj Department, Government of Jharkhand, and Link: www.pri-resources.in)

- (ii) AFCL was also engaged by Government of Uttar Pradesh and GOI-UNDP-CDLG team in Uttar Pradesh to conduct Training Need Assessment (TNA) and develop Training Manual for the PRIs of UP. The task was completed with the Preparation of PRI training Modules for Government of Uttar Pradesh
- (iii) AFCL was engaged by Government of Jharkhand to organize Training and Capacity building Programs for PRI members in the district of Godda in the State of Jharkhand.
- (iv) The Government of Uttar Pradesh too availed the services of AFC for conducting Training & Capacity building Programs for the PRI members in Badhaun district of UP.

VIII. MONITORING & EVALUATION OF PROJECTS SANCTIONED BY NATIONAL MEDICINAL PLANT BOARD (NMPB)

The services of AFC have been availed by the National Medicinal Plant Board, Deptt. of Ayurveda, Yoga & Naturopathy, Unani, Siddha & Homeopathy (AYUSH), Ministry of Health & Family Welfare, Govt. of India for monitoring & evaluation of projects funded by NMPB under

commercial venture scheme and Central Sector Scheme for Conservation, and Sustainable Development of Medicinal Plants in different 32 States/ UTs of the country .

During the year 2011-12, AFC has completed M&E of 1794 projects viz. "Commercial venture scheme for Contractual farming projects, funded during the years 2002-03 to 2008-09 (1531 No.), Promotional Projects assigned to government organizations (relating to In-situ/ Ex-situ Conservation, Devt of Herbal



Garden, Training and Work Shops, Production of Quality Planting Material and Development of infrastructure for Processing/ warehousing (123 No.). Like-wise 100 Promotional Projects assigned to Non Government Organization were also evaluated.



Nursery of medicinal crops in Nagpur

In addition to above, Amla Campaign projects sanctioned to 19 State Medicinal Plants Boards

(SMPBs) and Capacity Building Project Sanctioned to 21 State Horticulture Missions (NHMs) across the country were also covered. Based on the AFC's reporting, the Board was able to withhold release of second installment to the tune of more than Rs. 250 million due to lack of proper utilization of the first installment released by NMPB/SMPBs. The consultancy fee for the assignment was in the order of Rs. 28 million.



Medicinal plants Nursery in north bengal forest dept.

IX. REGIONAL CENTERS OF NATIONAL AFFORESTATION AND ECO DEVT. BOARD

The Corporation is operating two Regional Centers for National Afforestation and Eco Development Board (NAEB), MoEF, GOI one each at New Delhi (established in 1988) and Mumbai (established in 1996). Through these centres, a wide range of services are provided to different stakeholders under forestry schemes in a number of Northern (Haryana, Uttar Pradesh, Rajasthan, Uttarakhand and NCT of Delhi) and Western (Maharashtra, Goa, Gujarat, Daman and Diu, and Dadra and Nagar Haveli) States. The work budget approved by NAEB for RC, Delhi and RC Mumbai was Rs. 9 million and Rs.7 million respectively during 2011-12.

The key activities taken up by both the Regional Centers of NAEB are compilation of "National Afforestation Programme (NAP) a Decadal Journey" of each RC serving States, Organize training & awareness programmes, organize workshops on current issues and compilation of success story based on innovative works carried out by the different Forest Division. Besides both the centers were also involved in monitoring and evaluation of sample FDAs of two state each during 2011-12.

On behalf of NAEB, MoEF, the Regional Center, Delhi has organized two workshops on Green India Mission, one State Forest Nodal officer meet, one RC Coordinator's meet and World Forestry Day 2012. The World Forestry Day workshop was inaugurated by the Honourable Minister of Forests & Environment Ms Jayanti Natrajan and chaired by the eminent environmentalist Dr R. K. Pachauri.





The year wise funds received by the Regional Centre, Delhi and Mumbai during the XII five year plan period (2007-2008 to 2011-12) are given below:

Sl. No.	Year	Approved work programme (Amount Rs. In Lakh)	
		RC Delhi	RC Mumbai
1.	2007-08	83.50	64.50
2.	2008-09	122.75	111.50
3.	2009-10	120.56	141.31
4.	2010-11	83.19	66.31
5.	2011-12	90.81	69.94
Total		500.81	453.56

X. Management Support Group (MSG) for National Vegetable Initiative for Urban Cluster (NVIUC) and Integrated Development of 60,000 Pulse Villages in Rainfed Areas Schemes

Small Farmers Agri-business Consortium (SFAC), promoted by Ministry of Agriculture, Govt. of India, engaged Agricultural Finance Corporation Ltd. (AFCL) to deliver a range of technical and management services through the creation of a Management Support Group (MSG) from 1st

June 2011 to 31st March 2012. The MSG comprised experienced professionals with expertise in project management, horticulture, monitoring and evaluation and statistics to support the NHM Division in DAC in the roll out and monitoring of the program. AFCL provided technical support in coordination, supervision, technical backstopping and reporting inputs. Under two schemes being operationalised through SFAC namely National Vegetable Initiative for Urban Clusters and Integrated Development of 60,000 Pulse Village in Rainfed Areas, SFAC has acted as a nodal agency. Under NVIUC 28 States were covered to facilitate Baseline Survey as well as Promotion of Farmer Producer Organization (FPO). Similarly, 7 States (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh) were taken under Pulses programme. Baseline Survey and FPO promotion process got initiated through identification and selection of 9 Resource Institution for baseline survey and 21 Resource Institutions for FPO promotion in the month of July 2011. A total farmer to be mobilized in both the schemes is about 3 lakh through 200 Farmers Producer Organizations (FPOs). MSG has prepared material for Video Conferencing between GOI and State Governments to review progress of the schemes from time to time.

Details of Assignments Canvassed During 2011-12

	Project Title	Client	Fees (Rs. in Lakh)
I.	Monitoring & Evaluation		614.75
1	Assessment of Venture Capital Assistance Programme (SFAC)	Small Farmers Agri-Business Consortium, New Delhi	12.78
2	Concurrent Evaluation of Macro Management System for 2011-12 in Arunachal Pradesh	Director of Agriculture, Government of Arunachal Pradesh	4.00
3	Comprehensive Evaluation & Assessment Studies of Ken-Betwa Link Project (Phase I) - Additional TOR (Hyderabad)	National Water Development Agency, Gwalior (M.P.)	2.80
4	Mid term Third Party Evaluation Study of National Bamboo Mission	Ministry of Agriculture, Govt. of India, Department of Agriculture & Cooperation Horticulture Division, New Delhi	17.99
5	NMPB: Monitoring and Evaluation of NMPB projects funded during 2002-03 to 2004-05 for capacity building & training program	Govt. Of India, Ministry of Health & Family welfare, Department of AYUSH, National Medicinal Plants Board, New Delhi	7.90
6	NMPB:: Monitoring & Evaluation Projects sanctioned to State Horticulture Mission -(6 states during 2008-09 & 15 states during 2009-10)	Govt. Of India, Ministry of Health & Family welfare, Department of AYUSH, National Medicinal Plants Board, New Delhi	8.00
7	Evaluation Study of National Food Security Mission (NFSM) for majorly Rice, Wheat and Pulses	Ministry of Agriculture Krishi Bhavan, New Delhi	27.02
8	Monitoring & Evaluation of Aorla Campaign	National Medicinal Plants Board, New Delhi	16.47
9	Third Party Monitoring and Evaluation of Schemes Implemented under ATMA, Uttrakhand (Dehradun)	Directorate of Agriculture, Govt. of Uttarakhand, Dehradun-248007	10.00
10	Monitoring /Evaluation of FOREST DEVELOPMENT AGENCIES [FDA] Phase I - North Circle	Haryana Forest Department, State Forest Development Agency, Haryana, Panchkula	2.25
11	Third Party Monitoring and Evaluation of Schemes Implemented under ATMA, RAIPUR (CHATISGARH)	ATMA, Directorate of Agriculture, Government of Chhattisgarh, Raipur	9.96

	Project Title	Client	Fees (Rs. in Lakh)
12	Evaluation of NHM Programme being undertaken by National Horticulture Research and Development Foundation 2008-09	National Horticulture Research and Development Foundation, Maharashtra, Nashik	10.00
13	Conducting Evaluation and Impact Study of Command Area Development & Water Management (CADWM) Programme	Govt. Of India, Ministry of Water Resources, CADWM Division, Government Of India, New Delhi	54.00
14	Preparation of Evaluation Reports for justifying the land sanctioned by Karnataka State Cooperative Apex Bank Ltd., Bangalore	Karnataka State Cooperative Apex Bank Ltd., Bangalore	0.63
15	Monitoring & Evaluation of FDA's - Haryana Forest Department Phase -II - West Circle	Haryana Forest Department, State Forest Development Agency, Haryana, Panchkula	2.25
16	Crop Cutting Experiments (CCE) in the state of the Maharashtra (AIC)	Agriculture Insurance Company, New Delhi	10.00
17	Monitoring MPLAD works	Ministry of Statistic & Programme Implementation New Delhi.	400.00
18	Greening of Meat & Poultry Sector	Ministry of Food Processing, Govt. of India, New Delhi	18.70
II.	Plan Preparation		225.00
1	Preparation of District perspective Plans and Annual Plans under BRGF in 6 districts of UP	BRGF, Ministry of Panchayati Raj, Govt. Of India, New Delhi	135.00
2	Preparation of District perspective Plans and Annual Plans under BRGF in 4 districts of Jharkhand (Garhwa, Giridhi, Gumla & Chatra) (Rs.22,50,000/- per district)	District Planning Committee (DPC) AND Principal secretary, State Government-Giridhi, MoPR-UNDP-CDLG Project, Department of Panchayati Raj, Ranchi, Jharkhand	90.00
III.	Project Management		472.23
1	Setting up of Management Support Group (MSG) for Programme for Integrated National Vegetable Initiatives in Urban Clusters in (SFAC)for New Delhi	Small Farmers Agri-Business Consortium, New Delhi	120.90

	Project Title	Client	Fees (Rs. in Lakh)
2	Appointment of Apex (Nodel) NGO for implementation of poverty alleviation of Asian Development assisted North Karnataka Urban Sector Improvement Programme	Karnataka Urban Infrastructure Development & Finance Corporation Ltd., Bangalore	190.58
3	RC NAEB Mumbai (2011-12)	Ministry of environment & forests, National Afforestation & Eco-Development Board, Govt. Of India, New Delhi	69.94
4	RC NAEB - NEW DELHI (2011-12)	Ministry of Environment & Forests, National Afforestation & Eco-Development, Govt. Of India, Board, New Delhi	90.81
IV.	Watershed Development		71.95
1	Comprehensive Post Project Study of Sujala - I Phase III, Watershed Project- for WDD, GOK districts (Bangalore)	Watershed Development Department, Govt. Of Karnataka, Bangalore	8.60
2	NABARD - Watershed Development Fund (5 Watershed projects in Kalahandi) Bhawanipatna	National Bank for Agriculture and Rural Development, Bhubaneswar	15.12
3	Implementation of NABARD/ JSPL Watershed program in 5 villages of Angul dist. (Maharashtra, Tubey, Kulei, Madhiamunda & Derjang)	National Bank for Agriculture and Rural Development, Bhubaneswar	6.76
4	Final Evaluation Study of DPAP Kalahandi 6th 7th & 8th Batch Watershed projects - Orissa Watershed Development Mission, Bhubaneshwar	Orissa Watershed Development Mission, Government of Orissa	0.48
5	Full Implementation of Mahijhor Watershed Project in Kalahandi Dist, Orissa State (4 years)	National Bank for Agriculture and Rural Development, Odisha Regional Office, Bhubaneswar	21.03
6	Full Implementation of Belgaon Watershed Project in Kalahandi Dist, Orissa State (3 years)	National Bank for Agriculture and Rural Development, Odisha Regional Office, Bhubaneswar	11.09
7	Full Implementation of Laxmipur Watershed Project in Kalahandi Dist, Orissa State (3 years)	National Bank for Agriculture and Rural Development, Odisha Regional Office, Bhubaneswar	8.87

	Project Title	Client	Fees (Rs. in Lakh)
V.	Inspection of Civil Works		73.63
1	3rd Party Inspection of Work, Quality and Quantity Audit of KRIDL Karnataka Rural Infrastructure Development Ltd. Govt. Of Karnataka for yr. 2010-2011 in Belgaum Division. Phase II	Karnataka Rural Infrastructure Development Ltd., Bangalore	60.00
2	Valuation of Structures under R&R Programme for 140 houses of Dahegaon village under Bazarhathnoor Irrigation Project	Joint Collector/ Project Administrator, Adilabad	1.40
3	Third Party Inspection & Evaluation work of MGNREGA works in Jagalur, Harihar and Honnali Talukas Davangere Districts of Karnataka	The Chief Executive Officer, Zilla Panchayat, Tumkur District, Tumkur	7.05
4	Valuation of 485 Structures in Karimnagar District, AP	Govt. of Andhra Pradesh, Revenue Department, Hyderabad.	4.51
5	Valuation of Structures of Cattleheds (268) Project under R & R Programme in the affected Villages	Govt. of Andhra Pradesh, Irrigation & CAD Department.	0.67
VI.	Capacity Building		105.56
1	Capacity Building & Training of Panchayati Raj Institution Functionaries - Godda District JHARKHAND.	MoPR-UNDP-CDLG Project, Department of Panchayati Raj, Ranchi, Jharkhand	18.00
2	PRI - UP Capacity Building Programme of elected in 2 Districts viz. Budaun & Pilbhit	Backward Region Grant Fund, Department of Panchayati Raj, Govt. Of Uttar Pradesh, Lucknow	84.50
3	Orientation and Training Program on DPP Presentation	National Bank for Agriculture and Rural Development, Odisha Regional Office, Bhubaneswar	3.06
VII.	Organic Farming		366.00
1	Adoption and certification of Organic Farming under NHM program with e traceability in Orissa for 1750 ha. @ Rs. 20,000	Director of Horticulture & Secretary, Orissa Horticulture Development Society	350.00

	Project Title	Client	Fees (Rs. in Lakh)
2	Preparation of Policy on Organic Farming and Market Linkage in Arunachal Pradesh	Govt. of Arunachal Pradesh, Dept. of Agriculture, Arunachal Pradesh	16.00
VIII.	Project Implementation		3763.33
1	Customized Farmers Trainings & Extension and Online Agriculture Monitoring through Application of ICT at block level under RKVY	Department of Agriculture, Government of Uttar Pradesh	3644.00
2	Bring Green Revolution of Eastern India (15 districts)	Department of Agriculture, Government of Uttar Pradesh	119.33
IX.	Physical Verification		43.98
1	Physical verification of PMEGP units for the year 2008-09 & 2009-10 (Tripura)	Khadi and Village Industries Commission (Govt. Of India Ministry of MSME), Guwahati, Assam.	3.46
2	Physical verification of PMEGP units in Mizoram finance under 2008-09	Aizawal, Mizoram	5.04
3	Physical verification of PMEGP in Meghalaya	Khadi and Village Industries Commission, Shillong, (Meghalaya)	7.70
4	KVIC - Physical Verification of PMEGP Units in Gujarat, Daman & Diu	Khadi and Village Industries Commission (Govt. Of India Ministry of MSME), Ahmadabad	9.57
5	Physical Verification of PMEGP Units finance under 2009-10 in Goa	Khadi and Village Industries Commission, Ministry of micro, small and Medium Enterprises, Panaji, Goa	1.61
6	KVIC - Physical verification of PMEGP units in Bihar	Khadi and Village Industries Commission, (Ministry of Micro, Small and Medium Enterprises, GOI), Patna, Bihar.	8.73
7	KVIC- Physical Verification of PMEGP units in Tripura - 2010-11	Khadi and Village Industries Commission, (Ministry of Micro, Small and Medium Enterprises, Tripura	7.87



कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-IV, नई दिल्ली.
Office of the Principal Director of Commercial
Audit & Ex-officio Member, Audit Board-IV, New Delhi.

No.60-PDCA/HS/MABIV/AFCL/IV136/2012-12/ 1476

Dated: 18.09.12

To,

The Managing Director,
Agricultural Finance Corporation Limited,
Dhanraj Mahal, First Floor,
C.S.M. Marg
Mumbai-400001.

Sub: Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Agricultural Finance Corporation Limited for the year ended 31st March 2012.

Sir,

I am to enclose herewith the comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Agricultural Finance Corporation Limited, Mumbai for the year ended 31st March 2012.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

Encl: As above

(John K. Sellate)

Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF AGRICULTURAL FINANCE CORPORATION LIMITED, MUMBAI FOR THE YEAR ENDED 31ST MARCH 2012.

The preparation of financial statements of **Agricultural Finance Corporation Limited, Mumbai** for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **24.07.2012**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **Agricultural Finance Corporation Limited, Mumbai** for the year ended 31st March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

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


(John K. Sellate)

Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place: New Delhi.
Date:18.09.2012

AUDITORS REPORT

To,

The Members,

AGRICULTURAL FINANCE CORPORATION LIMITED

We have audited the attached Balance Sheet of **AGRICULTURAL FINANCE CORPORATION LTD.** as at 31st March, 2012 and the attached Profit and Loss Account of the Company 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, 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, profit and loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts;
- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, 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,2012, from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

...2...

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 required by the Companies Act, 1956 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. 75,09,396/- (Previous Year Rs. 1,41,98,491 /-). If the provision would have been made, the profits would have been reduced by Rs. 75,09,396/-.

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 31st March, 2012.
- b. In the case of the profit and loss account, of the Profit for the year ended on that date.
- c. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

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

(S. S. SHETTY)

PLACE: MUMBAI

PARTNER

DATE : 10.09.2012

MEMBERSHIP NO. 012165

ANNEXURE TO AUDITOR'S REPORT ON THE ACCOUNTS FOR
THE YEAR ENDED 31ST MARCH, 2012.

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 4 (ii) of the Companies (Auditor's Report) (Amendment) Order, 2003 ('the Order') 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 301 of the Companies Act, 1956 or from companies under the same management as defined under section 370 (1B) of the said Act.
5. The Company has granted unsecured loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to companies under the same management as defined under section 370 (1B) of the said Act amounting to Rs. 98,02,798/- (P.Y. Rs. 1,81,51,913/-).
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 301 of the Companies Act, 1956.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
9. The Company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under.

10. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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 31st March, 2012 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:

Nature of dues	Amount of Dues(in Rs)	Repayment of dues	To which Related	Forum where dispute is pending
Income Tax	27,05,446	27,05,446	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, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

15. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

16. The Company has maintained proper records of transactions and contracts in respect of dealing in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

-
17. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions during the year.
 18. The Company has not raised any term loan during the year. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
 19. According to the information and explanations given to us and on an overall examinations of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
 20. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 21. The Company has not raised any monies by way of issue of debentures during the year. Therefore, the provisions of clause 4(xix) of the Order are not applicable to the Company.
 22. The Company has not raised any money by public issue during the year. Therefore, the provisions of clause 4(xx) of the Order are not applicable to the Company.
 23. 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

(S. S. SHETTY)

PLACE: MUMBAI

PARTNER

DATE : 10.09.2012

MEMBERSHIP NO.012165

AGRICULTURAL FINANCE CORPORATION LIMITED

BALANCE SHEET AS AT 31st March 2012

(Amt. in Rs.)

Particulars	Note	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	150,000,000	150,000,000
(b) Reserves & Surplus	4	75,867,259	57,105,379
(2) Non current Liabilities			
(a) Long term provisions	5	6,871,496	-
(3) Current Liabilities			
(a) Trade Payables	6	442,243,838	194,895,048
(b) Other current liabilities	7	12,790,555	628,871
(c) Short term provisions	8	310,402,181	26,552,944
TOTAL		998,175,330	429,182,242
II. Assets			
(1) Non current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	6,182,453	3,713,058
(ii) Intangible Assets	9	138,895	153,518
(b) Non Current Investments	10	52,888,889	52,488,889
(c) Deferred Tax Assets (Net)	11	3,880,066	4,943,420
(d) Long-term loans & advances	12	11,941,016	15,009,779
(2) Current Assets			
(a) Other current assets	13	518,990,000	194,612,892
(b) Trade Receivables	14	27,486,459	23,604,476
(c) Cash and Cash Equivalents	15	359,878,050	107,523,695
(d) Short-term loans & advances	16	16,789,502	27,132,515
TOTAL		998,175,330	429,182,242

Notes on Financial Statements
Significant Accounting Policies

1 to 27

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

For an on behalf of the Board

(S. S. Shetty)
Partner
M. No. 012165

A K Garg Dr. C D Mayee
Managing Director Director

Mamta Sahal
Head (Finance & Accounts)

Place : Mumbai
Date : 10th September, 2012

AGRICULTURAL FINANCE CORPORATION LIMITED

Statement of Profit And Loss for the year ended 31st March, 2012

(Amount in Rupees)

Particulars	Note	2011-2012	2010-2011
INCOME			
Revenue from Operations	17	564,310,138	497,795,361
Other Income	18	16,401,046	21,774,693
Total Revenue		580,711,184	519,570,054
EXPENDITURE			
Project Expenses	19	431,522,338	413,535,356
Employees Benefits Expense	20	64,094,903	69,483,366
Finance Costs	21	2,107,535	1,814,871
Depreciation and Amotisation Expense	9	1,186,612	1,206,800
Other Expenses	22	34,887,239	16,455,444
Total Expenses		533,798,627	502,495,837
Profit before Tax		46,912,557	17,074,217
Tax Expense :			
Current Tax Expense		17,218,436	5,672,055
Tax Expense for earlier years		1,152,198	(2,681,451)
Deferred Tax		1,063,354	827,272
Profit for the year		27,478,568	13,256,341

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

Basic and Diluted (in Rupees) **23** **1,832** **884**

Notes on Financial Statements
Significant Accounting Policies

1 to 27

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

For an on behalf of the Board

(S. S. Shetty)
Partner
M. No : 012165

A K Garg Dr.C D Mayee
Managing Director Director

Mamta Sahal
Head(Finance & Accounts)

Place : Mumbai
Date : 10th September,2012

Notes on Financial Statements for the Year Ended 31st March, 2012.

1. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified, wherever necessary to conform to the current year's classification / disclosure.

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING:

The financial statements are prepared under the historical cost basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

b. USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting policies requires estimates and assumptions to be made 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. 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.

e. DEPRECIATION:

- i) The company provides for depreciation on its fixed assets on the written down method at the rate specified in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions to assets or on sale / disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

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.

i. EVENTS OCCURRING AFTER BALANCE SHEET DATE:

No significant events which could affect the financial position as on 31.03.2012 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. 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. 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, 2012 Rupees	As at 31st March, 2011 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 31/03/2012	No. of Shares As At 31/03/2011
NABARD	1000	1000
Export Import Bank of India	750	750
Central Bank of India	1608	1608
Bank of Baroda	1603	1603
Bank of India	1261	1261
Punjab National Bank	1089	1089
UCO Bank	803	803
Standard Chartered Bank	950	950

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

Particulars	As at 31st March, 2012 No. of shares	As at 31st March, 2011 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, 2012 Rupees	As at 31st March, 2011 Rupees
Profit And Loss Account		
As per last Balance Sheet	57,105,379	43,849,038
Add : Profit for the year	27,478,568	13,256,341
	84,583,947	57,105,379
Less : Appropriation		
Proposed Dividend on Equity Shares	7,500,000	-
Tax on Dividend	1,216,688	-
Total	75,867,259	57,105,379

5. Long term provisions

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Provision for Employees Leave Encashment	6,871,496	--
TOTAL	6,871,496	-

6. TRADE PAYABLES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Micro, Small and Medium Enterprises @		
Creditors For Project Expenses	9,897,336	27,071,899
Advances from Customers	432,346,502	167,823,149
TOTAL	442,243,838	194,895,048

@ 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.

6.1 Advances from customers include an amount of Rs. 69.94 lakhs (Previous Year Rs. 149.50 lakhs) received by the Company by way of Grants in Aid from the Government of India, Ministry of Environment & Forests National Afforestation & Eco-Development Board towards expenditure under Support to Regional Centre Scheme for F.Y. 2011-12.

7. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Provision for Taxation (A.Y. 12-13) (Net)	4,844,753	--
Others	7,945,802	628,871
TOTAL	12,790,555	628,871

8. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Provision for Project Expenses	283,729,032	5,212,963
Provision for Employee Benefits		
For Employees' Incentive	3,095,000	-
For Employees' Gratuity	8,500,000	9,800,000
For Employees' Leave Encashment	2,627,965	11,184,971
For VRS Compensation	2,662,632	-
Proposed Dividend	7,500,000	-
Tax on Dividend	1,216,688	-
Provision for Other Expenses	1,070,864	355,010
TOTAL	310,402,181	26,552,944

8.1 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. 1,60,09,396/- is to be made for Gratuity as per present value of past service benefit. However, provision of Rs. 85,00,000/- only is made for gratuity.

AGRICULTURAL FINANCE CORPORATION LIMITED

9. FIXED ASSETS

(In Rupees)

Fixed Assets	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Deductions / Adjustments	As at 31/03/2012	As at 01.04.2011	For the Year	Deductions / Adjustments	Upto 31/03/2012	As at 31/03/2012	As at 31/03/2011
(A) TANGIBLE										
Building	246,597	0	0	246,597	197,586	2,451	0	200,037	46,561	49,011
Furniture & Fixtures	7,954,412	1,350,684	825,573	8,479,523	7,331,478	218,526	782,602	6,767,402	1,712,121	622,934
Office Equipment	6,411,872	325,068	129,699	6,607,241	4,991,671	217,214	97,052	5,111,833	1,495,407	1,420,201
Air Conditioners	1,046,278	346,612	37,200	1,355,690	746,411	52,348	29,736	769,023	586,666	299,867
Vehicles	1,088,405	1,134,413	900,000	1,322,818	787,367	112,677	672,149	227,895	1,094,923	301,038
Computers	10,324,955	753,459	250,971	10,827,443	9,304,948	521,366	245,646	9,580,668	1,246,775	1,020,007
Total (A)	27,072,519	3,910,236	2,143,443	28,839,312	23,359,461	1,124,582	1,827,185	22,656,858	6,182,453	3,713,058
(B) INTANGIBLE										
Software	1,420,106	47,407	0	1,467,513	1,266,588	62,030	0	1,328,618	138,895	153,518
Total (B)	1,420,106	47,407	0	1,467,513	1,266,588	62,030	0	1,328,618	138,895	153,518
Total (A+B)	28,492,625	3,957,643	2,143,443	30,306,825	24,626,049	1,186,612	1,827,185	23,985,476	6,321,348	3,866,576

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

9.2 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. NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees	
Other than Trade :			
i) Equity Instruments - Quoted			
Investment in Other Companies			
250 (250) Equity shares of Rs. 10/- each fully paid up of Gujarat State Petronet Ltd.	6,750	6,750	
ii) Equity Instruments, Unquoted			
Investment in Subsidiaries			
50000 Equity Shares of AFC Finance Services Pvt Ltd of Rs.10/-each fully paid up	500,000	--	
Investment in Other Companies			
30,000 (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			
20 (20) 13.5% MSRDC (2015) Bonds (SeriesIII) of Rs. 1,00,000/- each fully paid up #	2,024,000	2,024,000	
40 (40) 13.5% MSRDC (2015) Bonds (Series V) of Rs. 1,00,000/- each fully paid up #	4,048,000	4,048,000	
300 (300) 11.75% Dena Bank Bonds (2008) (SeriesV) of Rs. 1,00,000/- each fully paid up	-	-	
18 (18) 10.25% IDBI Omni 2002/A (2012) Bonds IV of Rs. 1,00,000/- each fully paid up	1,797,300	1,797,300	
50(50) 10.65% APPFCL (2013) Bondsof Rs1,00,000/- each fully paid up	-	-	
25(25)7.5% IDBI Omni (2013) Bonds of Rs 1,00,000/- each fully paid up	2,478,839	2,478,839	
4(4) 12% GEB (2007/8/9) Bonds of Rs 10,00,000/- each fully paid up.	-	-	
2(2) 7.25% IDBI Bonds 2015 of Rs 10,00,000/- each fully paid up	1,982,000	1,982,000	
10(10) 7.10% Bank of India 2014 of Rs 10,00,000/- each fully paid up #	9,795,000	9,795,000	
5(5) 7.40% Syndicate Bank 2015 of Rs 10,00,000/-each fully paid up #	5,000,000	5,000,000	
4(4) 7.40% Syndicate Bank 2015 of Rs 10,00,000/- each fully paid up #	3,974,000	3,974,000	
11(11) 7.45% Bank of Baroda 2015 of Rs 11,00,000/- each fully paid #	10,989,000	10,989,000	
10(10) 7.50% Bank of India 2015 of Rs 10,00,000/- each fully paid #	9,994,000	9,994,000	
iv) Other Investments			
Corpus with AFC Foundation	--	100,000.00	
Total	52,888,889	52,488,889	400,000

indicate pledged with bank for facilities granted to the Company, cost aggregating to Rs. 4,58,24,000/- (P.Y. Rs. 4,58,24,000/-)

Long term investment are stated at cost

Aggregate amount of quoted investments

6,750

Market value of quoted investments

19087.5

Aggregate amount of unquoted investments

52,882,139

11.Deferred Tax Assets

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Deferred Tax Assets	4,943,420	5,770,692
Add: Addition / (Deletion) for the year	(1,063,354)	(827,272)
Total	3,880,066	4,943,420

11.1 The component of Deffered Tax balances as on 31st March,2012 accounted in accordance

with AS-22 " Accounting for taxes on Income" issued by ICAI are as under:

Deffered Tax Assets arising on account of timing difference on

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Brought forward losses	412,979	1,206,410
Expenses allowable on payment basis	3,228,867	3,629,492
Depreciation	238,220	107,518
Total	3,880,066	4,943,420

	As on 31st March 2012	As on 31st March 2011
Net Deferred Tax Assets	3,880,066	4,943,420

**AGRICULTURAL FINANCE CORPORATION
LIMITED**

12. LONG-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
(Unsecured Considered Good)		
Advance Tax (2004-05) (Net of Provision)	456,530	--
Advance Tax (2006-07) (Net of Provision)	477,463	477,463
Advance Tax (2007-08) (Net of Provision)		1,556,208
Advance Tax (2008-09) (Net of Provision)	2,049,118	2,049,118
Advance Tax (2010-11) (Net of Provision)	1,819,495	1,819,495
Advance Tax (2011-12) (Net of Provision)	1,310,730	1,310,730
Others		
- Deposits	5,827,680	7,796,765
Total	11,941,016	15,009,779

13. Other Current Assets

Particulars	As At 31/03/2012 Rupees	As At 31-03/2011 Rupees
Jobs in Progress	518,990,000	194,612,892
Total	518,990,000	194,612,892

14. TRADE RECEIVABLES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
(Unsecured)		
Outstanding for a period exceeding six months		
Considered Good	14,688,513	10,186,263
Considered Doubtful	4,214,090	-
	18,902,603	10,186,263
Less: Provision for Doubtful Debts	4,214,090	-
	14,688,513	10,186,263
Others, considered good	12,797,946	13,418,213
Total	27,486,459	23,604,476

15. CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Cash on Hand	--	12,576
Balances with Banks		
In Current Account	3,225,842	4,359,826
In Overdraft Account	244,952,208	12,451,293
Fixed Deposits with banks	111,700,000	90,700,000
Total	359,878,050	107,523,695

15.1 The Overdraft Account balance reflected above includes cheques on hand amounting to Rs. 26,08,38,149/-.

15.2 Bank Deposits with more than 12 months maturity aggregates to Rs. 7,22,00,000/-.

15.3 Fixed Deposits figure includes Fixed Deposits pledged with bank for facilities granted to the Company,
cost aggregating to Rs. 6,65,00,000/- (P.Y. Rs. 4,21,76,000/-)

15.4 Bank Balance with HDFC Bhubaneswar - 0199 having balance of Rs. 96,934/- is subject to confirmation.

16. SHORT-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
(Unsecured Considered Good) Others #	16,789,502	27,132,515
Total	16,789,502	27,132,515

Includes loans and advances given to Companies under the same management:

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
AFC Foundation	9,802,798	18,151,913
AFCL Finance Services Pvt. Ltd.	473,300	458,300
Total	10,276,098	18,610,213

AGRICULTURAL FINANCE CORPORATION LIMITED**17. REVENUE FROM OPERATIONS**

Particulars	2011-2012 Rupees	2010-2011 Rupees
Consultancy Income	564,220,138	497,795,361
AMC Charges of FMIS for Venture Capital Scheme	90,000	--
Total	564,310,138	497,795,361

17.1 CONSULTANCY INCOME

Particulars	2011-2012 Rupees	2010-2011 Rupees
Projects completed during the year	239,843,030	690,083,469
Add : Value of Closing Jobs in Progress	518,990,000	194,612,892
Less : Value of Opening Jobs in Progress	(194,612,892)	(386,901,000)
Total	564,220,138	497,795,361

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

18. OTHER INCOME

Particulars	2011-2012 Rupees	2010-2011 Rupees
Interest Income	14,360,679	11,761,966
Dividend Income	75,250	75,250
Profit on sale of fixed assets (Net)	104,661	54,659
Recovery of Bad Debts	498,500	85,150
Foreign Exchange Difference	3,019	-1,230
Other non operating income	1,358,937	9,798,898
Total	16,401,046	21,774,693

19. PROJECT EXPENSE		
Particulars	2011-2012 Rupees	2010-2011 Rupees
Project Expenses		395,654,882
	409,953,006	
Consultancy Charges		12,374,388
	15,369,141	
Other Expenses	6,200,191	5,506,086
Total	431,522,338	413,535,356
20. EMPLOYEE BENEFITS EXPENSE		
Particulars	2011-2012 Rupees	2010-2011 Rupees
Salaries, Allowances, Bonus		36,168,147
	33,372,632	
Contribution to Provident and other funds		21,123,577
	14,250,199	
Staff Welfare Expenses	1,686,495	1,592,963
RESS Compensation to Employees		10,598,679
	14,785,577	
Total	64,094,903	69,483,366
20.1 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	1,531,200	1,387,200
Performance Incentive	995,000	-
Contribution to PF	183,072	166,464
Medical Expenses	264,138	65,132
Perquisites as per Income Tax Rules	25,835	23,410
Total	2,999,245	1,642,206
21. FINANCE COSTS		
Particulars	2011-2012 Rupees	2010-2011 Rupees
Interest On Overdraft	1,256,837	1,098,611
Bank Charges	849,498	715,060
Demat & Incidental Expenses	1,200	1,200
Total	2,107,535	1,814,871

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2012

Project Receipts	476,199,842
Sundry Receipts	1,835,885
Refund of EMD and other Deposits	6,805,935

Project expenses	(151,059,702)
Payments to and on behalf of staff	(38,918,874)
Payment of Taxes	(9,786,206)
Administrative expenses	(49,861,470)

Net Cash Flow from Operating Activities(A) **235,215,410**

(B) Cash Flow From Investing Activities:-

Sale of Fixed Assets	432,837
Maturity of Long term deposits with bank	49,000,000
Repayment of loan taken by sister concern	8,388,000
Interest on Investments	12,010,469
Interest from AFC Foundation	1,186,716
Dividend	75,250

Advances to companies under same management	(48,885)
Purchase of Fixed Assets	(2,410,727)
Investment in Equity Shares of AFC Fin Services Pvt. Ltd.	(500,000)
Investment in Long term deposits with bank	(70,000,000)

Net Cash Flow from Investing Activities(B) **(1,866,340)**

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

Bank Charges	(737,878)
Interest on Bank OD	(1,256,837)

Net Cash Flow from Financing Activities(C) **(1,994,715)**

Net Cash & Cash Equivalent(A-B-C) **231,354,355**

Cash at the Beginning 16,823,695

Cash at the end **248,178,050**

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

(S. S. Shetty)
Partner
M. No. 012165

Place : Mumbai
Date : 10th September,2012

For an on behalf of the Board

A K Garg Dr.C D Mayee
Managing Director Director

Mamta Sahal
Head (Finance & Accounts)

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS:

Registration No. State Code

Balance Sheet Date
Date Month Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue	Rights Issue
<input type="text" value="-"/>	<input type="text" value="-"/>
Bonus Issue	Private Placement
<input type="text" value="-"/>	<input type="text" value="-"/>

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

Total Liabilities	Total Assets
<input type="text" value="998175"/>	<input type="text" value="998175"/>

Sources of Funds

Paid - up Capital	Reserves & Surplus
<input type="text" value="150000"/>	<input type="text" value="75867"/>

Secured Loans	Unsecured Loans
<input type="text" value="-"/>	<input type="text" value="-"/>

Application of Funds

Net Fixed Assets	Investments
<input type="text" value="6321"/>	<input type="text" value="52889"/>

Net Current Assets	Deferred Tax Assets
<input type="text" value="162777"/>	<input type="text" value="3880"/>

Accumulated Losses	
<input type="text"/>	<input type="text"/>

IV PERFORMANCE OF COMPANY (AMOUNT IN RS.THOUSAND)

Turnover/Total Income		Total Expenditure	
580711		533799	
+ / -	Profit/Loss Before Tax	+ / -	Profit/Loss After Tax
+	46912	-	27478

(Please tick Appropriate box + for Profit - for Loss)

Earning per share in Rs.	Dividend
1832	NIL

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)	-
Product Description	Consultancy Service Organization
Item Code No. (ITC Code)	-
Product Description	-
Item Code No. (ITC Code)	-
Product Description	-