



19<sup>th</sup>

**Annual Report**  
2015-2016



**Agri Business Finance Limited**



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## BOARD OF DIRECTORS



**Shri H R Dave**  
Chairman



**Shri V V V Satyanarayana**  
Director



**Dr P Radhakrishnan**  
Director



**Shri Vinay Kumar Verma**  
Director



**Dr N Muralidhar**  
Director



**Smt K S M Lakshmi**  
Director



**Shri K V Subrahmanyam**  
Director



**Shri K Dharmiah**  
Director



**Shri Srinath S. Mukherji**  
Independent Director



**Shri C Doraswamy**  
Independent Director



**Shri D Ramakrishna Reddy**  
Independent Director



**Shri H R Srivatsa**  
Managing Director

### Registered Office

10-1-128/4, III Floor, NABARD Quarters, Masab Tank, Hyderabad - 500 028

### Bankers

Punjab National Bank  
Saifabad Branch  
Saeed Plaza  
Lakdikapool  
Hyderabad – 500 004

Andhra Bank  
Saifabad Branch  
Hyderabad – 500 063

Syndicate Bank  
Somajiguda Branch  
6-3-666, Lumbini Towers  
Punjagutta  
Hyderabad – 500 082

Axis Bank  
Masab Tank Branch  
Hyderabad - 500 016

### Statutory Auditors

M/s Prakash & Srinivas, Chartered Accountants  
5-4-585, Behind Annapurna Hotel, Nampally, Hyderabad

### Internal Auditors

M/s SPAD & Associates, Chartered Accountants,  
6-3-609/195, Anand Nagar, Khairatabad, Hyderabad - 500 004

# NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **AGRI BUSINESS FINANCE LIMITED** will be held on 26th September 2016 at 11 a.m. at NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad-500020 to transact the following business:

## **ORDINARY BUSINESS**

### **1. ADOPTION OF AUDITED ACCOUNTS AND REPORTS**

To receive, consider, and adopt the Balance Sheet as on 31st March 2016, Profit and Loss Account for the year ended 31st March 2016 and the Directors Report and Auditors' Report thereon.

### **2. APPOINTMENT OF AUDITORS**

To consider and if thought fit to pass the following resolution with or without modification(s) as special resolution:

"RESOLVED THAT pursuant to Section 139(5) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder M/s Prakash & Srinivas, Chartered Accountants, be and are hereby appointed as the Auditors of the company until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors."

## **SPECIAL BUSINESS**

### **3. APPOINTMENT OF ADDITIONAL DIRECTOR AS DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

"RESOLVED THAT Sri K V Subrahmanyam (DIN: 07276862) who was appointed as an Additional Director of the company with effect from 4th September 2015 under Article 119 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

### **4. APPOINTMENT OF ADDITIONAL DIRECTOR AS DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

"RESOLVED THAT Sri H R Srivatsa (DIN: 07310388) who was appointed as an Additional Director of the company with effect from 1st October 2015 under Article 119 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

### **5. APPOINTMENT OF MANAGING DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

"RESOLVED THAT pursuant to Sections 196, 197 & Schedule and other applicable provisions of the Companies Act, 2013 Sri H R Srivatsa (DIN: 07310388), be and is hereby appointed as the Managing Director of the Company w.e.f. 1st October 2015 on the existing terms and conditions.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year the remuneration as detailed above including perquisites will be paid to Sri H R Srivatsa."

**6. APPOINTMENT OF ADDITIONAL DIRECTOR AS DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

"RESOLVED THAT Smt K S M Lakshmi (DIN:06933943) who was appointed as an Additional Director of the company with effect from 29th December 2015 under Article 119 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

**7. APPOINTMENT OF INDEPENDENT DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder Sri Srinath Mukherji (DIN:1893791), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on December 29, 2015 and holds office upto the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for a period of three years from the original date of appointment i.e. December 29, 2015 upto December 28, 2018."

**8. RE-APPOINTMENT OF INDEPENDENT DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder Sri C Doraswamy (DIN:06684926) be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of one year from the date of Annual General Meeting i.e. September 26, 2016 upto the next Annual General Meeting."

**9. RE-APPOINTMENT OF INDEPENDENT DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) a Special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder Sri D Ramakrishna Reddy (DIN: 07174644) be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of one year from the date of Annual General Meeting i.e. September 26, 2016 upto the next Annual General Meeting."

**10. APPOINTMENT OF ADDITIONAL DIRECTOR AS DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

“RESOLVED THAT Dr P.Radhakrishnan (DIN:01933211 ) who was appointed as an Additional Director of the company with effect from 23rd June 2016 under Article 119 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.”

#### **11. APPOINTMENT OF ADDITIONAL DIRECTOR AS DIRECTOR**

To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:

“RESOLVED THAT Sri Vinay Kumar Verma (DIN:07603237) who was appointed as an Additional Director of the company with effect from 5th August 2016 under Article 119 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.”

#### **12. CHANGE OF NAME OF THE COMPANY**

To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013, and subject to the approval of the shareholders in the Annual General Meeting and the Central Government, the name of the Company be changed from “**AGRI BUSINESS FINANCE LIMITED**” to “**NABSAMRUDDHI FINANCE LIMITED**” or such other name which is as approximate to the one suggested and made available by the authority concerned and that the name “AGRI BUSINESS FINANCE LIMITED”; wherever it appears in the Memorandum and Articles of Association of the Company, be substituted with the new name “**NABSAMRUDDHI FINANCE LIMITED**.”

**FURTHER RESOLVED THAT** Clause I and II of the Memorandum of Association of the Company be and is hereby altered by substituting the same with the following:

“I. The name of the company is NABSAMRUDDHI Finance Limited.”

“II. The registered office of the Company will be situated in the State of Telangana.”

#### **13. ALTERATION IN THE OBJECT CLAUSE OF THE COMPANY**

To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013 and the rules framed there under, consent of the shareholders of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies to append following sub clause (x) of clause III (A) of the Memorandum of Association of Company:

x) “To carry on and transact the business of providing loans and advances and other facilities in India to individuals, partnership firms, SHGs, NGOs, Voluntary Organisations, SHG Federations, Societies Registered under Societies Registration Act, 1860, Trusts Registered under Indian Trust Act, 1880 or any state enactment governing religious or charitable public trusts, Company registered under Companies Act, 2013, **Small Finance Banks**, Co-operative Society registered under MACS Act or Multi State Cooperative Societies Act, 2002 or under any other law relating to Cooperative Societies in force in India, Local Area Banks, Joint Liability Groups, Farmers' Clubs, Village



Watershed Committees, Producer Organizations, Producer Collectives for agriculture, allied activities and non-farm sector with focus on strengthening of livelihoods in general and for any other purpose not in the negative list of Government.

For the purpose of this clause and other clauses hereinafter appearing the expression "allied activities" shall include Horticulture, Plantation, Floriculture, Mushroom, Sericulture, Animal Husbandry (i.e., Dairy, Poultry, Piggery, Sheep Rearing, etc.), Forestry, Fisheries/Aquaculture and Farm Mechanization and Agricultural inputs. It shall also include Processing, Marketing, Storage, Refrigeration, Transportation and infrastructural support for the aforesaid activities."

RESOLVED FURTHER THAT Sri H R Srivatsa, Managing Director be and is hereby authorised to file necessary forms with Registrar and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

By the order of the Board  
For **AGRI BUSINESS FINANCE LIMITED**

Sd/-

**H R SRIVATSA**  
**MANAGING DIRECTOR**

Place: Hyderabad  
Date: 18.08.2016

**NOTES:**

- 1) In terms of Section 105 of the Companies Act, 2013, a member entitled to attend and vote at the General Meeting is entitled to appoint another person (whether a member or not) as his/ her Proxy to attend and vote instead of himself/ herself but a proxy so appointed shall not have any right to speak at the meeting.
- 2) The proxy need not be a member of the Company.
- 3) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed.
- 4) Should any member choose to exercise his right of appointing a Proxy, the Proxy Form attached herewith should be duly completed and should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.
- 5) Proxy in Form No.MGT.11 pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 is enclosed to this Notice.
- 6) Members are requested to bring their copy of the Annual Report for the meeting.
- 7) Members/Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
- 8) The members are requested to inform the change of address, if any, to the company.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No: 3**

Sri K V Subrahmanyam, nominee of Government of Andhra Pradesh, was appointed as an Additional Director on the Board of the Company w.e.f. September 4, 2015.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Sri KV Subrahmanyam holds office upto the date of this Nineteenth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri KV Subrahmanyam as a Director of the Company, along with the prescribed deposit of Rs.1,00,000/-.

Save and except Sri K V Subrahmanyam, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 3 of the notice.

Sri KV Subrahmanyam is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to be appointed as a Director.

The Board recommends appointment of Sri K V Subrahmanyam as Director and propose to pass the resolution set out in Item No. 3 of the notice as an Ordinary Resolution.

Brief profile of Sri K V Subrahmanyam is enclosed.

### **Item No: 4**

Sri H R Srivatsa was appointed as an Additional Director on the Board of the Company w.e.f. October 1, 2015.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Sri H R Srivatsa holds office upto the date of this Nineteenth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri H R Srivatsa as a Director of the Company, along with the prescribed deposit of Rs.1,00,000/-.

Save and except Sri H R Srivatsa, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the notice.

Sri H R Srivatsa is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to be appointed as a Director.

The Board recommends appointment of Sri H R Srivatsa as Director and propose to pass the resolution set out in Item No. 4 of the notice as an Ordinary Resolution.

Brief profile of Sri H R Srivatsa is enclosed.

### **Item No: 5**

Sri H R Srivatsa was appointed as Managing Director of the Company w.e.f. 1st October 2015 on the terms and conditions mentioned in NABARD's letter no. HRMD-PAD/3546/ST-34(ABFL)/2015-16 dated 14-09-2015. The terms and conditions of his appointment are laid down in the resolution proposed at Item no.5 which may be treated as the abstract of the contract of appointment under Section 196(4) of the Companies Act, 2013.

Save and except Sri H R Srivatsa, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 5 of the notice.

**Item No: 6**

Smt K S M Lakshmi, nominee of The Andhra Pradesh State Co-operative Bank Limited, was appointed as an Additional Director on the Board of the Company w.e.f. December 29, 2015.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Smt K S M Lakshmi holds office upto the date of this Nineteenth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Smt K S M Lakshmi as a Director of the Company, along with the prescribed deposit of Rs.1,00,000/-.

Save and except Smt K S M Lakshmi, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 6 of the notice.

Smt K S M Lakshmi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The Board recommends appointment of Smt K S M Lakshmi as Director and propose to pass the resolution set out in Item No. 6 of the notice as an Ordinary Resolution.

Brief profile of Smt K S M Lakshmi is enclosed.

**Item No: 7**

Sri Srinath Mukherji was appointed as an Additional Director on the Board of the Company w.e.f. December 29, 2015. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Sri Srinath Mukherji holds office upto the date of this Nineteenth Annual General Meeting.

In terms of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, it is proposed that Sri Srinath Mukherji be appointed as Independent Director for a term of three years from the original date of appointment.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri Srinath Mukherji as a Director of the Company, along with the prescribed deposit of Rs.1,00,000/- and he has submitted the declaration that they meet the criteria for independence as provided in Section 149(6) of the Act..

Save and except Sri Srinath Mukherji, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 7 of the notice.

Sri Srinath Mukherji has confirmed that he is not disqualified in terms of Section 164 of the Act and has given his consent to act as Director of the Company. In the opinion of the Board, the Independent Director proposed to be appointed fulfil all the conditions specified in the Companies Act, 2013 and the rules made thereunder and are independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the appointment of the Independent Director and propose to pass the resolutions set out in Item No.7 of the notice.

**Item No: 8 and 9**

In terms of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Shareholders of the Company, at their Eighteenth Annual General Meeting appointed Sri C Doraswamy and D. Ramakrishna Reddy as an Independent Director of the Company for a period of one year i.e. from March 5, 2015 and April 24, 2015 upto March 4, 2016 and April 23, 2016.

They were appointed as Additional Directors of the Company Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, they hold office upto the date of this Nineteenth Annual General Meeting.

It is proposed that the above directors may be appointed for second consecutive term for a period of one year i.e. from the date of this Annual General Meeting to the next Annual General Meeting of the Company.

The Company has received notices under Section 160 of the Companies Act, 2013 from a member proposing the candidature of the above referred Directors of the Company, along with the prescribed deposit of Rs.1,00,000/- for each director and they have submitted the declaration that they meet the criteria for independence as provided in Section 149(6) of the Act.

Save and except the directors, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no.8 and 9 of the notice.

The directors have confirmed that they are not disqualified in terms of Section 164 of the Act and have given their consent to act as Director of the Company.

**Item No: 10**

Dr P. Radhakrishnan was appointed as an Additional Director on the Board of the Company w.e.f. June 23, 2016.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Dr. P. Radhakrishnan holds office upto the date of this Nineteenth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Dr. P. Radhakrishnan as a Director of the Company, along with the prescribed deposit of Rs.1,00,000/-.

Save and except Dr. P. Radhakrishnan, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 10 of the notice.

Dr. P. Radhakrishnan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to be appointed as a Director.

The Board recommends appointment of Dr. P. Radhakrishnan as Director and propose to pass the resolution set out in Item No. 10 of the notice as an Ordinary Resolution.

Brief profile of Dr.P. Radhakrishnan is enclosed.

**Item No: 11**

Sri Vinay Kumar Verma was appointed as an Additional Director on the Board of the Company w.e.f. August 5, 2016.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 119 of the Articles of Association of the Company, Sri Vinay Kumar Verma holds office upto the date of this Nineteenth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri Vinay Kumar Verma as a Director of the Company, along with the prescribed deposit of Rs.1,00,000/-.

Save and except Sri Vinay Kumar Verma, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 11 of the notice.

Sri Vinay Kumar Verma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to be appointed as a Director.

The Board recommends appointment of Sri Vinay Kumar Verma as Director and propose to pass the resolution set out in Item No. 11 of the notice as an Ordinary Resolution.

Brief profile of Sri Vinay Kumar Verma is enclosed.

#### **Item No: 12**

The Board of Directors of the Company decided that the name of the Company may be changed so that the name reflects the association and support of NABARD to the company. In order to reflect the same it is proposed to change the name of the Company to NABSAMRUDDHI Finance Limited.

Since this required the Members approval in the General Meeting the said resolution is proposed by your directors.

None of the Directors is concerned or interested in the resolution set out in Item No. 12 of the notice.

#### **Item No: 13**

The Company is presently engaged in the business of providing credit facilities for promotion, expansion, commercialization and modernization of enterprises engaged in Agriculture and allied activities. The Company is currently transacting business of providing loans and advances in India to individuals, partnership firms, SHGs, Co-operative Societies, NBFCs, Private Limited Companies, Producer Organizations, Micro Finance Organisations etc.

The Company intends to finance Small Finance Banks as the aim of such banks is to provide for financial inclusion of the sections of the economy not being served by other banks, such as small business units, small and marginal farmers, micro and small industries and unorganised sector entities.

In order to enable the Company to undertake such business, it is proposed to amend the Main Object Clause of the Memorandum of Association of the Company. By virtue of Section 13 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; approval of members by way of Special Resolution is a pre requisite to amend the objects clause of the Company and thus your approval is sought for the same. The Directors recommend the resolution in the best interest of the Company for your approval.

None of the Directors is concerned or interested in the resolution set out in Item No. 13 of the notice.

By the order of the Board  
For **AGRI BUSINESS FINANCE LIMITED**

Sd/-  
**H R SRIVATSA**  
MANAGING DIRECTOR

Place: Hyderabad  
Date: 18.08.2016

## Profile of Directors seeking appointment/reappointment in forthcoming Annual General Meeting:

### (i) Sri K V Subrahmanyam

Name of Director	Sri K V Subrahmanyam
Date of Birth	14.06.1957
Date of Appointment	04.09.2015
Qualification	B.Com
Expertise	
Other Directorship	1. A P State Seeds Development Corporation Ltd, Hyderabad 2. A P State Agro Industries Development Corp Ltd. 3. New and Renewable Energy Development of AP Ltd
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

### (ii) Smt K S M Lakshmi

Name of Director	Smt K S M Lakshmi
Date of Birth	03.04.1960
Date of Appointment	29.12.2015
Qualification	M.Com, CAIIB
Expertise	Banking, Agriculture and Rural Development, Finance
Other Directorship	The Andhra Pradesh State Co-operative Bank Limited
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

### (iii) Sri H R Srivatsa

Name of Director	Sri H R Srivatsa
Date of Birth	01.02.1962
Date of Appointment	01.10.2015
Qualification	M.B.A, CAIIB
Expertise	Banking, Agriculture and Rural Development, Finance
Other Directorship	-
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

**(iv) Sri Srinath Mukherji**

Name of Director	Sri Srinath Mukherji
Date of Birth	16.05.1962
Date of Appointment	29.12.2015
Qualification	B.Tech, PGDM
Expertise	Management Consultant, Entrepreneur, Finance and Technology sector
Other Directorship	1. OrbitStar Consultants Private Limited 2. Exponent Consulting Private Limited 3. Sahatya Microfinance Private Limited 4. India Shelter Finance Corporation Limited 5. Orbis Financial Corporation Limited 6. Agryd Social Interactive Private Limited 7. Auto Smart Technologies Private Limited 8. Team Analytics Private Limited
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

**(v) Sri C. Doraswamy**

Name of Director	Sri C Doraswamy
Date of Birth	01.01.1955
Date of Appointment	05.03.2016
Qualification	B.Sc (Agri)
Expertise	Proficient in Banking, Agriculture, Rural Development and Financial Inclusion
Other Directorship	-
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

**vi.) Sri D Ramakrishna Reddy**

Name of Director	Sri D Ramakrishna Reddy
Date of Birth	01.07.1968
Date of Appointment	24.04.2015
Qualification	B.Com, F.C.A., DISA(ICA)
Expertise	Accounting, Banking and Finance Sectors
Other Directorship	-
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

**vii.) Dr. P. Radhakrishnan**

Name of Director	Dr. P.Radhakrishnan
Date of Birth	15.07.1958
Date of Appointment	23.06.2016
Qualification	M.Sc(Agri), PhD
Expertise	Banking, Agriculture and Rural Development, Finance
Other Directorship	-
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-

**viii.) Sri Vinay Kumar Verma**

Name of Director	Sri Vinay Kumar Verma
Date of Birth	29.06.1957
Date of Appointment	05.08.2016
Qualification	M.B.A, CAIIB 1
Expertise	Priority Sector Lending, Rural Planning & Development, Financial Inclusion
Other Directorship	-
Chairman/Members of the Committee in other Companies	-
No. of shares held in the Company	-



## Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Nineteenth Annual Report together with Audited Balance Sheet and Profit & Loss Account and Audit Report for the year ended 31<sup>st</sup> March 2016.

### 1. Operations during the year

The summary of operations is as under:

(Rs. Lakh)

Particulars	2015-16	2014-15
Total Income	692.67	611.44
Less: Expenditure	513.23	423.29
Profit before Tax and depreciation	179.44	188.15
Less: Depreciation	2.59	3.62
Provision for Bad Debts	114.31	119.11
Provision for Standard Assets	7.77	8.27
Bad Debts written off	1.47	26.61
Operating Profit	53.30	30.54
Add: Excess Provisions reversed	23.42	55.86
Profit before Taxation	76.72	86.40
Less : Provision for Taxation	58.61	52.40
Add: Deferred Tax Asset	34.98	33.13
Profit/(Loss) after Deferred Tax	<b>53.09</b>	<b>67.13</b>
Add: Accumulated Losses as at the end of previous year	-	-
Less: Statutory Reserve Fund	10.62	13.50
Net Surplus / (Deficit)	42.47	53.63

### 2. Financial Results

The Company had a gross income of Rs.692.67 lakh from its operations and incurred Rs.639.37 lakh towards employee cost, financial cost, depreciation, provisioning and other administrative expenses. During 2015-16, while the operating profit has increased to Rs.53.30 lakh from Rs.30.54 lakh during 2014-15, the profit after accounting for taxes and reversal of excess provisions has come down to Rs.53.09 lakh from Rs.67.13 lakh. After creating the Statutory Reserve Fund of Rs.10.62 lakh as per the RBI guidelines U/s 45 IC of RBI Act (1934) for the financial year 2015-16, a Net Surplus of Rs.42.47 lakh has been achieved as at the end of 31<sup>st</sup> March 2016.

### 3. Number of Meetings of the Board of Directors

The Board of Directors met six times during 2015-16 to discuss various matters of concern.

### 4. Equity

As on 31st March 2016, the paid-up capital of the Company was at Rs.3132.46 lakh as against Rs. 1816.36 lakh on 31st March 2015. The increase in paid-up share capital was due to additional contribution of Rs. 1316.10 lakh by NABARD. The present status of share holding as on 31 March 2016 is depicted below -

Sl. No.	Name of the Shareholder	Shares held		% of Share capital
		No.	Amount (Rs. Lakh)	
1.	National Bank for Agriculture and Rural Development	2,63,22,000	2632.20	84.03
2.	Govt of Andhra Pradesh & Telangana	20,00,000	200.00	6.38
3.	Andhra Bank	20,00,000	200.00	6.38
4.	Andhra Pradesh State Co-operative Bank Limited	5,00,000	50.00	1.60
5.	Canara Bank	4,00,000	40.00	1.28
6.	IMC Limited	50,000	5.00	0.16
7.	KCP Sugars & Industries Ltd.	50,000	5.00	0.16
8.	Others	2,600	0.26	0.01
			<b>3132.46</b>	<b>100</b>

### 5. Deposits

The company has not accepted any deposits from the public during the year as also during the earlier years.

### 6. Investments

The total term deposits of the Company with Commercial Banks aggregated to Rs.2437.46 lakh as on 31.03.2016.

### 7. Borrowings

The borrowings of the Company were only from NABARD. The company has availed Rs.3145.24 lakh during the year 2015-16 as against Rs. 1863.23 lakh during the previous year. NABARD refinance outstanding under different products as on 31 March 2016 vis-a-vis the previous year is given below –

(Rs. Lakh)

Product	31 March 2016	31 March 2015
NABARD Refinance (Under GRA)	6464.38	4591.05
NABARD – WDF	94.23	144.95
Total	6558.61	4736.00

## 8. Loans and Advances

The sanctions touched Rs.3228.18 lakh in respect of 55 loan accounts, with an average loan size of Rs.58.69 lakh as on 31-03-2016. The share of different category of clients in the Loans and Advances is depicted below -

Agency	Proposals sanctioned (No.)	Loan Amount (Rs. Lakh)	% share
Individuals/Companies/Firms	4	322.29	9.99
CBOs (MACTS/ MMS/ NGOs)*	12	2791.89	86.47
SHGs/JLGs	39	114.00	3.54
Total	55	3228.18	

*\*Community based Organizations (Mutually Aided Cooperative Thrift Societies/Mandal Mahila Samakhyas/Non-Governmental Organizations)*

An amount of Rs.3247.17 lakh was disbursed during the year 2015-16 as against Rs.3404.02 lakh disbursed during the previous year. As at the end of 31 March 2016, the loans and advances outstanding stood at Rs.8633.66 lakh. The year wise sanctions, disbursements and outstanding for the last three years is presented below –

Year	Sanctions		Disbursements		Outstanding	
	No of Projects	Amount (Rs. Lakh)	No of Projects	Amount (Rs. Lakh)	No of Projects	Amount (Rs. Lakh)
2013-14	64	2885.21	79	2930.64	265	6033.40
2014-15	40	3548.58	44	3404.02	275	7527.79
2015-16	55	3228.18	38	3247.17	271	8633.66

## 9. NPA Accounts

The principal outstanding of Non – Performing Assets (NPAs) was of Rs.1586.82 lakh and provisions to the extent of Rs.294.85 lakh have been made against the NPAs as on 31st March 2016, as required under IRAC norms of RBI.

## 10. Dividend

In view of the inadequate surplus, your directors do not recommend any dividend to the shareholders of the company.

## 11. Directors

During the year, Sri KV Subrahmanyam, Deputy Secretary, Government of Andhra Pradesh, Sri H R Srivatsa, Managing Director, ABFL, Smt K S M Lakshmi, Managing Director, The Andhra Pradesh State Co-operative Bank Limited, Sri Srinath Mukherji, Management Consultant and Entrepreneur, Sri C Doraswamy, General Manager (Retired), Andhra Bank, Sri D Ramakrishna Reddy, Chartered Accountant, Dr. P. Radhakrishnan,

Chief General Manager, NABARD Telangana Regional Office and Sri Vinay Kumar Verma, General Manager, Andhra Bank joined the Board. Your directors would like to welcome them and place on record its appreciation for the excellent support and advice extended by Sri Ch V N Malleswara Rao, Deputy Secretary, Government of Andhra Pradesh, Sri S N A Jinnah, Chief General Manager, NABARD and Sri D Durga Prasad, General Manager (Retired), Andhra Bank.

## **12. Audit Committee**

The Audit Committee of the Board of Directors, comprising Sri S N A Jinnah, Sri V V V Satyanarayana, Dr. N Muralidhar, Sri Srinath Mukherji, Sri D Ramakrishna Reddy, Sri C. Doraswamy and Sri H R Srivatsa as members in the Audit Committee, has reviewed the accounts for the year 2015-16. The Audit Committee met four times during the year.

The Audit Committee of the Board was re-constituted on 03.08.2016 and following are the members of the Committee:

1. Sri V V V Satyanarayana, Director from NABARD, Andhra Pradesh RO
2. Sri C Doraswamy, Independent Director
3. Sri D. Ramakrishna Reddy, Independent Director
4. Sri Srinath Mukherji, Independent Director
5. Sri H R Srivatsa, Managing Director, ABFL

## **13. Repositioning of the Company**

The Company is embarking on a repositioning exercise. As a part of this, it is proposed to expand business operations pan India. For this purpose, it is proposed to open a corporate office at Mumbai. The focus will be primarily on wholesale/ semi wholesale/ bulk lending for agriculture, allied activities, microfinance, MSME Sectors. Further, it is also proposed to change the name to NABSAMRUDDHI Finance Limited subject to approval from Registrar of Companies and Reserve Bank of India. The changed name indicates that the organization stands for all round development and also the support available from NABARD.

## **14. Directors' Responsibility Statement**

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your directors' confirm the following –

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. That the directors had prepared the annual accounts on a going concern basis; and
- e. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **15. Auditors**

As the company is a deemed government company, CAG had appointed M/s Prakash & Srinivas, Chartered Accountants, Hyderabad as Statutory auditors of the company for the year 2015-16.

### **16. Conservation of energy and foreign exchange earnings**

The company had not undertaken any activity relating to conservation of energy or technology absorption during 2015-16. The company did not have any foreign exchange earnings or outgo during the year under review.

### **17. Risk Management Policy**

There is adequate system of risk management to identify (operational; financial; strategic & regulatory) elements of risk and deal with them. The Board takes responsibility for the overall process of risk management in the Organization through grabbing business opportunities approach aligned with the Company's main objects.

### **18. Corporate Social Responsibility**

As the Company does not fall under any of the criteria (Profit, Turnover, Net worth) hence provisions of Section 135 of Companies Act, 2013 is not applicable. Therefore, the company is not required to form a Corporate Social Responsibility Committee.

### **19. Acknowledgement**

Your Directors wish to place on record their appreciation for the cooperation extended by National Bank for Agriculture and Rural Development, Government of Andhra Pradesh, Government of Telangana, Andhra Bank, Canara Bank, Andhra Pradesh State Co-operative Bank Limited, Telangana State Co-operative Apex Bank Limited, IMC Limited, KCP Sugars & Industries Limited and other shareholders, Auditors and Bankers. Your Directors also record their appreciation for the commitment shown by the members of the staff.

for and on behalf of the Board

Place: Hyderabad  
Date: 23.08.2016

Sd/-  
**H R DAVE**  
CHAIRMAN

Attachment :  
Extract of Annual Report (MGT-9)

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U65910TG1997PLC026442
2.	Registration Date	17/02/1997
3.	Name of the Company	Agri Business Finance Limited
4.	Category/Sub-category of the Company	Public Company/NBFC
5.	Address of the Registered office & contact details	10-1-128/4, 3rd Floor, NABARD Quarters, Masab Tank, Hyderabad- 500028
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, plot 3l-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Phone No: 040-33211500

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities except other insurance and pension funding activities viz. Term Loan & Working Capital loans to Agri & Allied activities, On lending to MACS/SHGs/ JLGs/producer companies for Income Generating Activities.	649	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

SN	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	National Bank for Agriculture and Rural Development	N.A.	Holding	84.03	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2015]				No. of Shares held at the end of the year [As on 31-03-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/	-	100	100	0	-	100	100	0	0
HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	2000000	2000000	11.01	-	2000000	2000000	6.38	4.63
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	16061000	16061000	88.42	13161000	16061000	29222000	93.29	4.87
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	-	18061100	18061100	99.43	13161000	18061100	31222100	99.67	0.24
<b>(2) Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	-	18061100	18061100	99.43	13161000	18061100	31222100	99.67	0.24
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-

## 2. Non-Institutions

a) Bodies Corp.									
i) Indian	-	100000	100000	0.55	-	100000	100000	0.32	0.23
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	2500	2500	0.01	-	2500	2500	0.01	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	<b>102500</b>	<b>102500</b>	<b>0.56</b>	-	<b>102500</b>	<b>102500</b>	<b>0.33</b>	<b>0.23</b>
Total Public Shareholding (B)= (B)(1)+ (B)(2)	-	102500	102500	0.56	-	102500	102500	0.33	0.23
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>102500</b>	<b>102500</b>	<b>0.56</b>	-	<b>102500</b>	<b>102500</b>	<b>0.33</b>	<b>0.23</b>



## B) Shareholding of Promoter-

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	NABARD	13161000	72.46	-	26322000	84.03	-	11.57
2	Govt of Andhra Pradesh	2000000	11.01	-	2000000	6.38	-	4.63
3	Andhra Bank	2000000	11.01	-	2000000	6.38	-	4.63
4	Andhra Pradesh State Cooperative Bank	500000	2.75	-	500000	1.60	-	1.15
5	Canara Bank	400000	2.20	-	400000	1.28	-	0.92
6	Secretary(IF)	100	Negligible	-	100	Negligible	-	-

## C) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares shares of the company	% of total	No. of shares	% of total shares of the company
1	NABARD				
	At the beginning of the year	13161000	72.46		
	Datewise Increase in Promoters Shareholding during the year due to : Allotment of shares (15th March 2016)			13161000	42.01
	At the end of the Year			26322000	84.03

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M/s. IMC Limited	50,000	0.275	50,000	0.159
2	M/s KCP Sugars and Industries Corporation Limited	50,000	0.275	50,000	0.159
3	Sri K S Rao	100	0.001	100	Negligible
4	Sri J Sri Krishna Murthy	2,000	0.011	2,000	0.006
5	Sri M Venkataratnam	100	0.001	100	Negligible
6	Sri M Purushothama Chary	100	0.001	100	Negligible
7	Sri V Jalma Rao	100	0.001	100	Negligible
8	Sri A Krishna Moorthy	100	0.001	100	Negligible

**E) Shareholding of Directors and Key Managerial Personnel: NIL**

**V. INDEBTEDNESS-** Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	47,36,00,500	-	47,36,00,500
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	58,85,201	-	58,85,201
<b>Total (i+ii+iii)</b>	-	<b>47,94,85,701</b>	-	<b>47,94,85,701</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
* Addition	-	31,45,24,000	-	31,45,24,000
* Reduction	-	13,22,63,459	-	13,22,63,459
<b>Net Change</b>	-	<b>18,22,60,541</b>	-	<b>18,22,60,541</b>
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	65,58,61,041	-	65,58,61,041
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	76,66,392	-	76,66,392
<b>Total (i+ii+iii)</b>	-	<b>66,35,27,433</b>	-	<b>66,35,27,433</b>

## I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		K S M Lakshmi	H R Srivatsa	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,26,052	19,39,780	36,65,832
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	17,26,052	19,39,780	36,65,832
	Ceiling as per the Act	-	-	-

### B. Remuneration to other directors-NIL

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		C Doraswamy	D Ramakrishna Reddy	
1	Independent Directors	C Doraswamy	D Ramakrishna Reddy	
	Fee for attending board committee meetings	27,500	27,500	55,000
	Commission	-	-	-
	Others, please specify (Travelling allowance)	12,769	-	12,769
	Total (1)	40,269	27,500	67,769
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	40,269	27,500	67,769
	Total Managerial Remuneration			67,769
	Overall Ceiling as per the Act	-	-	-

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		2,38,151	4,08,236	6,46,387
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total		2,38,151	4,08,236	6,46,387

### VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

# AUDITOR'S REPORT

To  
The MEMBERS OF  
M/S. AGRI BUSINESS FINANCE LIMITED,

## **Report on the Financial Statements.**

We have audited the accompanying financial statements of M/s AGRI BUSINESS FINANCE LIMITED ('the Company') which comprise the Balance Sheet as at 31st March 2016, the statement of Profit and Loss for the year ended and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements.**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting standards referred to in sub-section (1) of section 129 of the companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to note no 11 of notes on Accounts.

- (i) In the case of the Balance Sheet, of the state of affairs of the Company's affairs as at 31st March 2016.
- (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

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

- 1) As required by the Company's (Auditors Report) Order, 2015 issued by the Central Government, in terms of Section 143(11) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(5) of the Act, with regard to the directives issued by the Comptroller Audit General of India.
  - 1. The Company has not been selected for disinvestment. Hence, the said direction is not applicable to the company.
  - 2. During the year the company has written off loan amounting to Rs.1.47 Lakh (Against which a Provision of Rs.3.34 Lakh is available as on 31.03.2015) and the reasons as follows:

Sl. No.	Name of the Borrower	Outstanding (Rs. in Lakhs)	Reasons for Write off
1.	Boyapally Ramdas	1.47	This account has been classified as NPA as on 31.03.2014. As per the OTS proposal approved, the outstanding amount of Rs.21,17,886/- includes unrealized interest of Rs.1,46,809/-. The Committee of Board for OTS has approved waiving of interest of Rs.4,18,951/- which includes of Rs.1,46,809/-. Hence, this amount of Rs.1,46,809/- has been written off.

- 3. There are no inventories lying with third parties and no assets received as gift from Government or other Authorities and hence this clause is not applicable.
- 4. Details of Age wise analysis of pending legal cases:

Age of the Suit	No. of Cases	Suit filed Amount (Rs. in Lakhs)
Less than One year	22	308.62
One to Two years	9	128.12
Two to Three years	24	626.58
More than Three years	6	82.51

All these cases are pursued regularly and attended by the Advocates appointed by the company and also reviewed by the company from time to time and all the legal expenses are monitored and approved by the Managing Director.

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account, as required by law have been kept by the company; so far as appears from our examination of those books.
- c) Company is not having any branches
- d) The Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- e) In our opinion, the financial statement comply with accounting standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- f) There are no financial transactions or matters which have any adverse effect on the functioning of the company.
- g) On the basis of written statement of disclosure received from the director of the company, none of the directors are disqualified from being appointed as director under sub section (2) of section 164
- h) There are no adverse remarks relating to the maintenance of the account and other matter connected there with.
- i) The company has adequate internal financial control system in place
- j) The company did not have any material foreseeable losses on long-term contracts including derivative contracts.

**For PRAKASH & SRINIVAS**  
**Chartered Accountants, FRN. 02723S**

Place: Hyderabad  
Date: 05-05-2016

Sd/-  
(CA. M. SRINIVAS RAO)  
PARTNER (M.No. 023797)

## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of M/s AGRI BUSINESS FINANCE LIMITED ('the Company') for the year ended 31 March 2016. We report that:

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. There is no material disposal of fixed assets during the year.
- (b) The Company does not have any inventory due to nature of its business of financing for Agriculture and allied activities.
- (c) The company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 189 of the Act other than a sum of **Rs.31.45 Crore** taken from NABARD towards Refinance against advances made by the company to its customers in the course of its business. The rate of interest paid to NABARD is reasonable.
- (d) There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and company has no purchase or sale of goods.
- (e) The company has not accepted any deposits from the public during the period under audit.
- (f) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business by independent professional Chartered Accountants appointed by the management to carry out audit function.
- (g) Central Government has not prescribed maintenance of any cost records in respect of the business of the Company.
- (h) The company is regular in depositing undisputed statutory dues including Income Tax and other statutory dues with the appropriate authorities.
- (i) In our opinion and according to information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, Excise Duty and cess were in arrears as at March for a period of more than six months from the date they became payable. However, demands raised by the Income Tax Department amounting to Rs.8,33,605/- pertaining to earlier years have not been deposited by the company on account of disputes.

The demand raised by the Tax authorities is not provided in the books, since the tax deducted at source was not considered by the tax authority. The company has made representations to Tax authorities to rectify the above demand and it is hopeful of withdraw of demands by the Tax authorities.

The company has sought rectification for the A.Y. 2013-14, 2014-15 and 2015-16 for the release of refund and contested the adjustment of demands against refund (Ref. Note No.12 to notes on accounts).



- (j) The company has not defaulted in repayment of dues to any financial institutions or bank.
- (k) Company has maintained adequate documents and records for the loans and advances granted by it on the basis of security by way of Immovable properties, and other securities. However insurance for stocks and other asset are not on record for the current year.
- (l) The company is not engaged in the business of any Chit Fund / Nidhi / Mutual benefit Fund or Society.
- (m) As per the information and explanations given to us, there are no amounts to be transferred to investor education and protection fund in accordance with the provision of companies act, 1956.
- (n) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (o) The Company has not raised funds by way of term loans during the year other than a sum of **Rs.31.45 Crore** taken from NABARD towards Refinance under General Refinance Agreement against advances made by the company to its customers in the course of its business. The Funds raised are deemed to have been utilised for the intended purpose of raising the term loan from NABARD since the loan raised is under General Refinance Agreement.
- (p) The company does not have any accumulated losses as at the end of the year and has not incurred any cash losses during the current year.
- (q) The company has made preferential allotment of 1,80,61,000 equity shares of Rs.10/- each at par shares during the year against which the company received subscriptions for 1,31,61,000 equity shares from NABARD and allotted shares on 15.03.2016.
- (r) The company has not issued any Debentures during the year.
- (s) The company has not raised any money by way of public issues during the year.
- (t) As explained to us no fraud on or by the company has been noticed or reported during the year.
- (u) The company is mainly engaged in the business of Agriculture Finance and is administered by NABARD and confirm that the company has not used its short term funds in long term investment.

**For PRAKASH & SRINIVAS**  
**Chartered Accountants, FRN. 02723S**

Place: Hyderabad  
Date: 05-05-2016

Sd/-  
(CA. M. SRINIVAS RAO)  
PARTNER (M.No. 023797)

## Addendum to Audit Report for the year 2015-16 dated 05.05.2016

To  
The MEMBERS OF  
M/S. AGRI BUSINESS FINANCE LIMITED,

In furtherance to our Audit Report dated 24.04.2015, We further report that we reported the 5 points as per the directions of C&AG for the year 2014-15 instead of the 3 points (out of this point 2&3 already covered under 2014-15 directions) required to be reported as per the directions for the year 2015-16 under Section 143(5) of Companies Act 2013 issued by the Controller Audit General of India.

1. The Company is not having any freehold and leasehold land and hence this clause is not applicable to the company.
2. During the year the company has written off loans amounting to Rs.1.47 Lakhs (Against which a Provision of Rs.3.34 Lakhs is available as on 31.03.2015) and the reasons as follows:

Sl. No.	Name of the Borrower	Outstanding (Rs. in Lakhs)	Reasons for Write off
1.	Boyapally Ramdas	1.47	This account has been classified as NPA as on 31.03.2014. The outstanding amount of Rs.21,17,886/- includes unrealized interest of Rs.1,46,809/-. The Committee of Board for OTS has approved waiving of interest of Rs.4,18,951/- which includes of Rs.1,46,809/-. Hence, this amount of Rs.1,46,809/- has been written off.

3. There are no inventories lying with third parties and no assets received as gift from Government or other Authorities and hence this clause is not applicable.

**For PRAKASH & SRINIVAS**  
**Chartered Accountants**  
FRN.02723S

Sd/-

**(CA. M. SRINIVAS RAO)**  
PARTNER  
M.No.023797

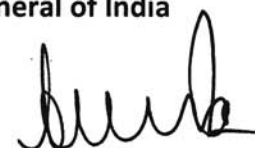
Place : Hyderabad  
Date : 04-06-2016

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF AGRI BUSINESS FINANCE LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of Agri Business Finance Limited, Hyderabad for the year ended on 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Agri Business Finance Limited, Hyderabad for the year ended on 31 March 2016. 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 Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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



**(Arabinda Das)**

**Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad**

**Place: Hyderabad  
Date: 08 June 2016**

## AGRI BUSINESS FINANCE LIMITED

### BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016

(Amount in Rs.)

Particulars	Note. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period	
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Funds</b>				
(a) Share Capital	1	313,246,000	181,636,000	
(b) Reserves and Surplus	2	49,386,795	45,146,388	
(c) Reserve Fund		14,113,000	13,051,000	
<b>(2) Share Application money pending allotment</b>		-	-	
<b>(3) Non-Current Liabilities</b>				
(a) Long-Term Borrowings	3	655,861,041	473,600,500	
(b) Deferred Tax Liabilities (Net)		-	-	
(c) Other Long Term Liabilities	4	47,385,261	67,550,800	
(d) Long Term Provisions		-	-	
<b>(4) Current Liabilities</b>				
(a) Short-Term Borrowings		-	-	
(b) Trade Payables		-	-	
(c) Other Current Liabilities	5	7,560,240	6,326,676	
(d) Short-Term Provisions	6	51,799,551	39,581,135	
<b>Total</b>		<b>1,139,351,888</b>	<b>826,892,499</b>	
<b>II. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Fixed Assets	7			
i) Tangible Assets				
Gross Block		2,703,837	2,608,419	
Depreciation		2,094,088	1,835,460	
Net Block		609,749	772,959	
ii) Intangible Assets		-	-	
iii) Capital work-in-progress		-	-	
iv) Intangible assets under development		-	-	
		609,749	772,959	
(b) Non-current investments		-	-	
(c) Deferred tax assets (net)		19,519,045	16,020,907	
(d) Long term loans and advances	8	863,544,720	752,878,333	
(e) Other non-current assets	9	7,179,957	6,688,678	
<b>(2) Current Assets</b>				
(a) Current investments		-	-	
(b) Inventories		-	-	
(c) Trade receivables		-	-	
(d) Cash and cash equivalents	10	246,388,079	48,129,369	
(e) Short-term loans and advances		-	-	
(f) Other current assets	11	2,110,339	2,402,253	
<b>Total</b>		<b>1,139,351,888</b>	<b>826,892,499</b>	
Significant Accounting Policies	19			
Notes on Accounts	20			
For and on behalf of the Board				
<b>As per our Report of Even Date for PRAKASH &amp; SRINIVAS</b> Chartered Accountants F R N 027235  Sd/- <b>M Srinivas Rao</b> Partner M.No.023797  Place: Hyderabad Date : 05.05.2016		Sd/- <b>H R Dave</b> Chairman  Sd/- <b>D Durga Prasad</b> Director  Sd/- <b>K Dharmiah</b> Director  Sd/- <b>D Ramakrishna Reddy</b> Independent Director		Sd/- <b>K S M Lakshmi</b> Director  Sd/- <b>K V Subrahmanyam</b> Director  Sd/- <b>H R Srivatsa</b> Managing Director
Sd/- <b>V V V Satyanarayana</b> Director  Sd/- <b>Dr N Muralidhar</b> Director  Sd/- <b>Srinath Mukerji</b> Independent Director				

**AGRI BUSINESS FINANCE LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Amount in Rs.)

Particulars	Note. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I Revenue from operations	12	63,114,803	55,815,928
II Other Income	13	6,152,919	5,327,852
<b>III Total Revenue (I +II)</b>		<b>69,267,722</b>	<b>61,143,780</b>
<b>IV Expenses:</b>			
Employee Benefit Expense	14	6,670,356	5,431,546
Financial Costs	15	42,690,777	34,429,890
Depreciation and Amortization Expense	16	258,627	361,978
Other Administrative Expenses	17	1,962,122	2,469,374
Other Expenses	18	12,209,261	12,737,485
Bad Debts Written Off		146,809	2,660,955
<b>Total Expenses (IV)</b>		<b>63,937,952</b>	<b>58,091,228</b>
V Profit before exceptional and extraordinary items and tax (III - IV)		<b>5,329,770</b>	<b>3,052,552</b>
Add: Excess Provision reversed		2,008,320	4,034,568
Provision for Written off Debts written back		333,817	1,551,464
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		<b>7,671,907</b>	<b>8,638,584</b>
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		<b>7,671,907</b>	<b>8,638,584</b>
<b>X Tax expense:</b>			
(1) Current tax		5,861,000	5,240,000
(2) Deferred tax Asset		3,498,138	3,314,394
XI Profit/(Loss) for the period from continuing operations (IX-X)		5,309,045	<b>6,712,978</b>
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		<b>5,309,045</b>	<b>6,712,978</b>
Less: Reserve Fund		1,062,000	1,350,000
<b>Surplus/(Deficit) carried to Balance Sheet</b>		<b>4,247,045</b>	<b>5,362,978</b>
XVI Earning per equity share:			
(1) Basic		0.23	0.30
(2) Diluted		0.23	0.30
Significant Accounting Policies	19		
Notes on Accounts	20		
<b>As per our Report of Even Date for PRAKASH &amp; SRINIVAS</b> Chartered Accountants F R N 027235		For and on behalf of the Board	
Sd/- <b>M Srinivas Rao</b> Partner M.No.023797	Sd/- <b>V V V Satyanarayana</b> Director	Sd/- <b>H R Dave</b> Chairman	Sd/- <b>K S M Lakshmi</b> Director
Place: Hyderabad Date : 05.05.2016	Sd/- <b>Dr N Muralidhar</b> Director	Sd/- <b>D Durga Prasad</b> Director	Sd/- <b>K V Subrahmanyam</b> Director
	Sd/- <b>Srinath Mukerji</b> Independent Director	Sd/- <b>K Dharmiah</b> Director	Sd/- <b>H R Srivatsa</b> Managing Director
		Sd/- <b>D Ramakrishna Reddy</b> Independent Director	

## AGRI BUSINESS FINANCE LIMITED

### Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

**Note : 1 Share Capital**

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
	<b>AUTHORIZED CAPITAL</b> 5,00,00,000 Equity shares of Rs.10/- each	500,000,000	500,000,000
		500,000,000	500,000,000
	<b>Issued, Subscribed &amp; Called up Capital</b> 3,13,24,600 Equity shares of Rs.10/- each	313,246,000	181,636,000
	Paid up Capital 3,13,24,600 Equity shares of Rs.10/- each (Previous year 18163600 Equity Shares of Rs.10/- each)	313,246,000	181,636,000
	Less: Allotment Money unpaid	-	-
	Calls unpaid	-	-
	<b>Total</b>	<b>313,246,000</b>	<b>181,636,000</b>

**Reconciliation of No. of shares outstanding at the beginning and end of the year:**

Sr. No.	Particulars	Current Year	Previous Year
	Number of shares outstanding at the beginning of the year	18,163,600	18,163,600
	Add : Equity shares issued during the year	13,161,000	-
	<b>Number of shares outstanding at the end of the year</b>	<b>31,324,600</b>	<b>18,163,600</b>

**Reconciliation of equity share capital outstanding at the beginning and end of the year :**

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
	Equity share capital outstanding at the beginning of the year	181,636,000	181,636,000
	Add : Equity share capital issued during the year	131,610,000	-
	<b>Equity share capital outstanding at the end of the year</b>	<b>313,246,000</b>	<b>18,163,600</b>

**Details of shareholders holding more than 5% shares in the company**

Sr. No.	Particulars	Current Year % of holding	Previous Year % of holding
	National Bank for Agriculture and Rural Development (No of shares 26322000) (Pr.Yr.13161000)	84.03	72.46
	Government of Andhra Pradesh (No of shares 2000000) (Pr.Yr. 2000000)	6.38	11.01
	Andhra Bank (No of shares 2000000) (Pr.Yr. 2000000)	6.38	11.01

**Note : 2 Reserve & Surplus**

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
	Surplus (Profit & Loss Account)	49,386,795	45,146,388
	Balance brought forward from previous year	45,146,388	39,835,560
	Less: Income Tax (Dr Balance) pertaining to F.Y. 2014-15	6,638	52,150
	Add: Profit for the period	4,247,045	5,362,978
	<b>Total</b>	<b>49,386,795</b>	<b>45,146,388</b>

## AGRI BUSINESS FINANCE LIMITED

### Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

#### Note : 3 Long Term Borrowings

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Bonds / Debentures	-	-
2	Term Loan		
	- From NABARD (Refinance)	646,438,441	459,105,200
	- From NABARD (Refinance - WDF)	9,422,600	14,495,300
	<b>Total</b>	<b>655,861,041</b>	<b>473,600,500</b>

#### Note : 4 Other Long Term Liabilities

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Subsidy Reserve Fund	47,385,261	67,550,800
	<b>Total</b>	<b>47,385,261</b>	<b>67,550,800</b>

#### Note : 5 Other Current Liabilities

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Accrued Interest on Refinance	7,529,043	5,254,016
2	Accrued Interest on Refinance - WDF	137,349	631,185
3	Interest received in Advance	896	5,181
4	Grant - Livelihood Consultant & Livelihood Specialist	-132,048	386,294
5	Synoptic Systems	25,000	50,000
	<b>Total</b>	<b>7,560,240</b>	<b>6,326,676</b>

#### Note : 6 Short Term Provisions

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Income Tax	5,861,000	5,240,000
2	Interest Suspense	13,704,990	11,255,681
3	Provision for Expenses	1,021,113	1,740,129
4	Provision for Standard Assets	1,727,504	1,499,962
5	Provision for Sub-Standard Assets	3,673,760	6,475,982
6	Provision for Doubtful Assets	25,811,184	13,369,381
	<b>Total</b>	<b>51,799,551</b>	<b>39,581,135</b>

**AGRI BUSINESS FINANCE LIMITED**  
**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

**Note : 7 Fixed Asset**  
**I. Fixed Assets**

(Amount in Rs.)

Sr. No	Particulars	Gross Block			Depreciaton			Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end at the end	Value at the beginning	Addition during the year	Deduction during the year	as on 31.3.2016	as on 31.03.2015	
<b>I</b>	<b><u>Tangible Assets</u></b>										
1	Furnitures & Fixtures	98,567	47,518	-	146,085	25,644	10,596	-	36,240	109,845	72,923
2	Vehicles (Cars)	488,022	-	-	488,022	382,494	30,093	-	412,587	75,435	105,528
3	Office Equipment	195,714	47,900	-	243,614	107,945	27,633	-	135,578	108,036	87,769
4	Computer	635,134	-	-	635,134	297,458	174,790	-	472,248	162,886	337,676
5	Interiors	1,190,982	-	-	1,190,982	1,021,919	15,516	-	1,037,435	153,547	169,063
	<b>SUB TOTAL (A)</b>	<b>2,608,419</b>	<b>95,418</b>	<b>-</b>	<b>2,703,837</b>	<b>1,835,460</b>	<b>258,628</b>	<b>-</b>	<b>2,094,088</b>	<b>609,749</b>	<b>772,959</b>
<b>II</b>	<b><u>Intangible Assets</u></b>	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (B)</b>	-	-	-	-	-	-	-	-	-	-
<b>III</b>	<b><u>Capital Work-in-progress</u></b>										
1	Building Under Construction	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (C)</b>	-	-	-	-	-	-	-	-	-	-
<b>IV</b>	<b><u>Intangible Assets Under Development</u></b>	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (D)</b>	-	-	-	-	-	-	-	-	-	-
	<b>Total [A + B + C + D] (Current Year)</b>	<b>2,608,419</b>	<b>95,418</b>	<b>-</b>	<b>2,703,837</b>	<b>1,835,460</b>	<b>258,628</b>	<b>-</b>	<b>2,094,088</b>	<b>609,749</b>	<b>772,959</b>
	(Previous Year)	2,797,988	471,254	660,823	2,608,419	2,113,186	361,978	639,704	1,835,460	772,959	684,802



## AGRI BUSINESS FINANCE LIMITED

### Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

#### Note : 8 Long Term Loans and Advances

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
	<b>a) Secured, Considered Good :</b>		
	<b><u>Term Loans &amp; Working Capital</u></b>		
	Standard	691,002,028	608,157,470
	Sub-Standard	43,296,534	74,497,540
	Doubtful	129,090,328	70,123,793
		863,388,890	752,778,803
	<b>b) Unsecured, Considered Good :</b>		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Salary Advance	94,500	35,000
	Vehicle Loan to Employees	61,330	59,530
	Advances	-	5,000
	<b>Total</b>	<b>863,544,720</b>	<b>752,878,333</b>

#### Note : 9 Other Non Current Assets

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	<b>Income tax</b>		
	Prepaid Taxes	4,200,000	3,800,000
2	<b>TDS</b>		
	TDS on Interest from Deposits	2,749,048	2,655,833
	TDS on Front end Fee	11,250	-
	TDS on Interest on Loans and Advances	213,859	227,045
3	<b>Deposits</b>		
	Telephone Deposits	4,700	4,700
	Cylinder Deposit	1,100	1,100
	<b>Total</b>	<b>7,179,957</b>	<b>6,688,678</b>

#### Note : 10 Cash & Cash Equivalent

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	<b>Cash-in-Hand</b>		
	Cash Balance	6,950	2,001,912
	<b>Sub Total (A)</b>	<b>6,950</b>	<b>2,001,912</b>
2	<b>Bank Balance</b>		
	1. In Current Account	2,634,548	441,911
	2. In Deposit Accounts	243,746,581	45,685,546
	<b>Sub Total (B)</b>	<b>246,381,129</b>	<b>46,127,458</b>
	<b>Total [ A + B]</b>	<b>246,388,079</b>	<b>48,129,369</b>

**AGRI BUSINESS FINANCE LIMITED**  
**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

**Note : 11 Other Current Assets**

(Amount in Rs.)

Sr. No.	Particulars		Current Year	Previous Year
1	<b>Accrued Interest</b>			
	On Deposits	1,454,732		
	On Term Loans	593,787		
	On Working Capital Loans	16,858	2,065,377	2,358,173
2	Prepaid Expenses		44,962	44,080
	<b>Total</b>		<b>2,110,339</b>	<b>2,402,253</b>

**Note : 12 Revenue from Operations**

(Amount in Rs.)

Sr. No.	Particulars		Current Year	Previous Year
1	Interest on Term Loan		57,746,213	51,897,059
2	Interest on Working Capital		3,725,546	1,800,426
3	Interest on WDF		505,376	872,497
4	Front end fee		1,082,612	1,179,446
5	Ledger Folio Charges		55,056	66,500
	<b>Total</b>		<b>63,114,803</b>	<b>55,815,928</b>

**Note : 13 Other Income**

(Amount in Rs.)

Sr. No.	Particulars		Current Year	Previous Year
1	Interest on FDR's		6,106,687	5,303,588
2	Other Receipts		42,185	15,000
3	Interest on Vehicle Loan		4,047	9,264
	<b>Total</b>		<b>6,152,919</b>	<b>5,327,852</b>

**Note : 14 Employment Benefit Expenses**

(Amount in Rs.)

Sr. No.	Particulars		Current Year	Previous Year
1	Salaries, Wages, PF		5,449,335	4,457,163
2	Staff Welfare Expenses		47,140	49,987
3	Conveyance Allowance		610,880	471,102
4	Gratuity		174,099	150,502
5	Leave Salary & Leave Fare Concession		388,902	302,792
	<b>Total</b>		<b>6,670,356</b>	<b>5,431,546</b>

**Note : 15 Financial Cost**

(Amount in Rs.)

Sr. No.	Particulars		Current Year	Previous Year
1	Interest Rebate		-	2,055
2	Interest on Refinance		42,066,083	33,514,334
3	Interest on Refinance - WDF		624,694	913,091
4	Interest on Refinance - WRF		-	-
5	Interest on TDS		-	410
	<b>Total</b>		<b>42,690,777</b>	<b>34,429,890</b>

**AGRI BUSINESS FINANCE LIMITED**  
**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

**Note : 16 Depreciation & Amortised Cost**

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	258,627	361,978
	<b>Total</b>	<b>258,627</b>	<b>361,978</b>

**Note : 17 Other Administrative Expenses**

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Rent	-	585,839
2	Directors sitting fee	55,000	-
3	Travelling expenses	424,284	327,128
4	Electricity charges	48,325	103,631
5	Insurance Premium	74,721	67,366
6	Repairs and Maintenance	28,430	13,835
7	Printing & Stationery	91,107	61,158
8	Postage & Telegrammes	26,168	31,602
9	Telephone Expenses	59,633	47,616
10	Rates & Taxes	2,500	2,500
11	ROC Fee	23,291	32,100
12	Office Maintenance	137,631	188,373
13	News Papers & Subscriptions	95,959	9,596
14	Bank Charges	15,034	8,940
15	Maintenance of Vehicles	134,930	100,964
16	Entertainment Expenses	35,241	89,379
17	Professional fees	249,550	241,800
18	General expenses	155,770	220,250
19	Audit fee	100,000	75,000
20	Advertisement Expenses	8,900	11,418
21	Board Meeting Expenses	55,518	29,668
22	Donations	-	25,000
23	Service Tax	12,150	9,398
24	Honararium	127,980	135,383
25	Income Tax 2011-12	-	36,050
26	Loss on Discarded Assets	-	15,380
	<b>Total</b>	<b>1,962,122</b>	<b>2,469,374</b>

**Note : 18 Other Expenses**

(Amount in Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Provison for Non Performing Assets	11,431,299	11,910,790
2	Provison for Standard Assets	777,962	826,695
	<b>Total</b>	<b>12,209,261</b>	<b>12,737,485</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### Note - 19

#### **Nature of Business**

Agri Business Finance Limited (ABFL) is a subsidiary of NABARD and incorporated under Companies Act, 1956 on 17 February 1997. The Company is registered as a non-deposit accepting Non Banking Financial Company (NBFC- ND) with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934 and is engaged in lending for Agriculture and allied Activities.

#### **Significant Accounting Policies**

##### **1. Basis of preparation of Financial Statements:**

The accompanying financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as per the provisions of Companies Act, 2013 and conform to the statutory requirements, circulars and guidelines issued by RBI from time to time to the extent they have an impact on the financial statements. The financial statements have been prepared on accrual basis under the historical cost convention method and as a going concern. The accounting policy adopted in the preparation of the financial statements is consistent with those of the previous years.

##### **2. Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **3. Cash Flow Statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3.

##### **4. Revenue Recognition:**

- a) Interest on Loans & Advances is recognized on accrual basis except in the case of non-performing advances, where in interest is accounted on realization and any interest income recognized before the asset became NPA and remaining unrealized income if any, is reversed as per guidelines for prudential norms issued by RBI.
- b) Interest income on bank deposits is recognised on accrual basis on a time proportions taking into account the amount outstanding and rate applicable.
- c) All other incomes are recognized on accrual basis, except in case of bad debts recovered, which are accounted as and when received.

##### **5. Advances and Provisions for doubtful debts:**

All the advances have been classified into performing and Non-performing Advances and Provision for probable loan losses has been made as per the guidelines issued by the Reserve Bank of India.

## **6. Fixed Assets & Depreciation**

Fixed Assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price, duties, taxes, freight and any other incidental cost bringing the asset to its working condition for its intended use.

The Depreciation has been provided as per the Companies Act, 2013.

## **7. Retirement Benefits:**

Provision for gratuity has been calculated as per the Deputation terms and conditions communicated by the respective organizations.

## **8. Taxation:**

### **Current Tax**

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

### **Deferred tax**

Deferred tax expenses or benefits are recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable or virtually certain to be realized.

## **9. Earnings Per Share**

Basic and diluted earnings per share are computed in accordance with Accounting Standard (AS) – 20 Earnings per Share.

Basic earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted earning per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year if any.

## Note - 20

### **Notes on Accounts:**

1. The Nineteenth Year of accounts of the Company consists of the period from 01.04.2015 to 31.03.2016.
2. The name of the company has since been changed to Agri Business Finance limited from Agri Business Finance (AP) Limited during the year 2014-15.

### **3. Auditors Remuneration**

Administrative expenses include Auditors remuneration towards:

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Statutory Audit fee	Rs.1,00,000	Rs.75,000
Tax Audit Fee	Rs. 20,000	Rs.20,000
Certification fee	Rs. 25,000	--
Expenses Reimbursed	Rs. 7,905	--
Professional charges (Income Tax matters)	Rs. 20,000	--

4. Contingent Liabilities as on 31st March 2016 is nil.

### **5. Provision for Taxation:**

Provision for taxation has been calculated on the basis of income recognized as per the RBI guidelines for Non Banking Finance Companies. The tax on the income from Non Performing Assets will be provided as and when actually received.

6. There are no SSI units to whom the Company owes a sum exceeding Rs.1.00 lakh which is outstanding for more-than 30 days as on 31.03.2016.
7. Subsidy Reserve Fund represents the direct subsidy received from Govt of India (through NABARD) in respect of Seventy One Dairy Projects, Three Rural Godown projects, Twenty Sheep projects and Two Horticulture projects respectively.
8. As per the Accounting Standard 22 "Accounting for Taxes on Income" the Company has recorded the Deferred Tax Asset as at 31st March 2016. The Deferred Tax Asset of Rs.1,95,19,045/- includes Deferred Tax Asset of Rs. 34,98,138/- for the year ended 31st March 2016 provided at the applicable rate for the Assessment Year 2016-17 by credit to profit and loss account.

**Deferred Tax Asset (Net) :**

A) Deferred tax asset	Rs.
i) On account of provision for NPAs –	2,89,22,522
ii) On account of others -	35,91,160

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**Total Deferred Tax Asset** **3,25,13,682**

B) Deferred Tax Liabilities	Rs.
i) On account of difference between book and tax depreciation –	12,35,629
ii) On account of difference between written off preliminary and Pre-operative expenses as per book and tax provision -	7,12,333
iii) On account of reversal of provision for NPAs -	108,34,250
iv) On account of others -	2,12,425

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**Total Deferred Tax Liability** **1,29,94,637**

=====  
*Deferred Tax Asset (Net) :* *Rs.1,95,19,045/-*

9. The Company has made a provision for Rs.114.31 lakh during the current year (Previous year Rs.119.11 lakh) towards provision for NPA and Rs. 7.78 Lakh (Previous year Rs.8.27 lakh) towards provision for Standard Assets at the applicable rates as per prudential norms.
10. During the year the company has written off Bad debts amounting to Rs.1,46,809/- against the provision made in earlier years for these accounts amounting to Rs.3,33,817/- has been written back.
11. During the year, the company has rescheduled two loan accounts amounting to Rs.86.24 lakh. These accounts have been classified as Standard Assets, due to the genuine difficulties faced by the units in the respective sectors. The restructuring has been approved by the Loan Committee of the Company.
12. Other non-current assets includes amounts shown as TDS on interest from Deposits and Loans and advances amounting to Rs.21,42,398/- representing the excess of Income tax paid after adjusting the tax payable pertaining to earlier years and against this during the year the IT Dept. allowed refunds amounting to Rs.3,52,731/- and adjusted the same against the demands raised by the Department for earlier years amounting to Rs.8,33,605/-. These refunds are not adjusted in the books of accounts as the appeals are pending.

13. Remuneration to Managing Director

Year ended 31.03.2016 Rs.36,65,832/-	Year ended 31.03.2015 Rs.29,57,517/-
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14. Lease Rental Payments

During March 2015 the company has shifted its office premises to the present premises taken on lease from NABARD. The Company is paying only maintenance charges of Rs.7000/- (Rupees Seven thousand only) per month and the same is booked under Office Maintenance.

15. Names of Related parties and Nature of Relationship

Description of Relationship	As at 31st March 2016	As at 31st March 2015
Holding Company Managing Director (upto 7th October 2015)	NABARD Smt. K S M Lakshmi (Deputed by NABARD)	NABARD Sri K V Satyanarayana/ Smt K S M Lakshmi (Deputed by NABARD)
Managing Director (from 28th September 2015)	Sri H R Srivatsa (Deputed by NABARD)	

Transactions with the Related Parties

(Rs. in Lakh)

Transaction	Related Party	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>Other Transactions</b>			
Issue of Shares	NABARD	1316.10	--
Loan Received	NABARD	3145.24	1863.23
Loan Repaid	NABARD	1322.63	1099.33
<b>Expenses</b>			
Interest Payment	NABARD	426.91	344.27
Managerial Remuneration	Sri H R Srivatsa	19.40	--
Managerial Remuneration	Smt. K S M Lakshmi	17.26	21.91
Managerial Remuneration	Sri K V Satyanarayana	--	7.66

16. Licensed Capacity and installed Capacity's

Licensed Capacity : Not Applicable

17. Value of Imports calculated on CIF basis

Capital Assets :- Nil-

Raw Materials :- Nil-



## 18. Contribution to Statutory Reserve Fund

Statutory Reserve Fund of Rs.10,62,000/- has been created under Section 45IC of RBI Act, 1934 for the Financial year 2015-16 @ 20% on Profit as per Profit and Loss Account, which is in addition to the existing Statutory Reserve Fund of Rs.1,30,51,000 created for the Financial Years from 2006-07 to 2015-16.

## 19. Earnings per Share

(Rs. in Lakh)

Particulars	2015-16	2014-15
Net Profit after Tax as per Profit & Loss Account	53.09	67.13
Less: Transfer to Statutory Reserve Fund	10.62	13.50
Profit available to Equity Share Holders	42.47	53.63
Weighted Average No. of Equity Shares	187.77	181.63
Basic Earnings per share	0.23	0.30
Diluted Earnings per share	0.23	0.30

### 20. Expenditure in Foreign Currency:

Travel	: -	Nil-
Others	: -	Nil-

21. Personal balances of the parties are subject to confirmation.

22. Previous year's figures have been regrouped wherever necessary.

23. Figures have been rounded off to the nearest rupee.

**Notes 1 to 20 referred to above form part of the Balance Sheet and Profit & Loss Account.**

### As per our Report of Even Date for PRAKASH & SRINIVAS

Chartered Accountants  
F R N 027235

Sd/-  
**M Srinivas Rao**  
Partner  
M.No.023797

Place: Hyderabad  
Date : 05.05.2016

### For and on behalf of the Board

Sd/-  
**H R Dave**  
Chairman

Sd/-  
**V V V Satyanarayana**  
Director

Sd/-  
**Dr N Muralidhar**  
Director

Sd/-  
**Srinath Mukerji**  
Independent Director

Sd/-  
**D Durga Prasad**  
Director

Sd/-  
**K Dharmaiah**  
Director

Sd/-  
**D Ramakrishna Reddy**  
Independent Director

Sd/-  
**K S M Lakshmi**  
Director

Sd/-  
**K V Subrahmanyam**  
Director

Sd/-  
**H R Srivatsa**  
Managing Director

**Agri Business Finance Limited**  
**Cash flow statement for the year ended 31 March 2016**

(Rs. in lakh)

Particulars	2015-16	2014-15
(a) Cash flow from Operating Activities		
Net profit as per Profit and Loss a/c before tax	76.72	86.39
Adjustment for:		
Depreciation	2.59	3.62
<b>Operating profit before working capital changes</b>	<b>79.31</b>	<b>90.01</b>
Adjustment for net change in:		
Current Assets	(2.00)	25.88
Current liabilities	(67.14)	(15.45)
Increase / Decrease in Loans and Advances	(1,106.67)	(1,425.31)
<b>Cash generated from operating activities</b>	<b>(1,096.50)</b>	<b>(1,324.87)</b>
Payment towards Income tax	(58.61)	(52.40)
Taxes of earlier years provided	(0.07)	(0.52)
<b>Net cash flow from operating activities (A)</b>	<b>(1,155.18)</b>	<b>(1,377.79)</b>
(b) Cash flow from Investing Activities		
Purchase of Fixed Assets	(0.95)	(4.71)
Sale of Fixed Assets	-	0.21
<b>Net cash used in Investing activities (B)</b>	<b>(0.95)</b>	<b>(4.50)</b>
(c) Cash flow from Financing Activities		
Proceeds of Bonds / Shares	1,316.10	
Increase / Decrease in Borrowings	1,822.60	763.90
Share Application money refunded	-	(1.00)
<b>Net cash raised from financing activities (C)</b>	<b>3,138.70</b>	<b>762.90</b>
<b>Net increase in cash and cash equivalent (A)+(B)+(C)</b>	<b>1,982.57</b>	<b>(619.39)</b>
Cash and cash equivalent at the beginning of the period	481.29	1,100.68
<b>Cash and cash equivalent at the end of the period</b>	<b>2,463.86</b>	<b>481.29</b>
<b>Cash and cash equivalent at the end of the period includes :</b>		
Cash in hand	0.07	20.02
Balances with other Banks in India	2,463.79	461.27
<b>Total</b>	<b>2,463.86</b>	<b>481.29</b>

**As per our Report of Even Date  
for PRAKASH & SRINIVAS**

Chartered Accountants  
F R N 027235

Sd/-  
**M Srinivas Rao**  
Partner  
M.No.023797

Place: Hyderabad  
Date : 05.05.2016

For and on behalf of the Board

Sd/-  
**H R Dave**  
Chairman

Sd/-  
**D Durga Prasad**  
Director

Sd/-  
**K Dharmiah**  
Director

Sd/-  
**D Ramakrishna Reddy**  
Independent Director

Sd/-  
**K S M Lakshmi**  
Director

Sd/-  
**K V Subrahmanyam**  
Director

Sd/-  
**H R Srivatsa**  
Managing Director

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE OF AGRI BUSINESS FINANCE LIMITED

### I. Registration Details

<b>Registration No.</b>	<b>State Code</b>		
26442	01		
Balance Sheet Date:	Date	Month	Year
	31	03	2016

### II. Capital Raised During the Year (Amount in Rs. thousands)

Public Issue —	Rights Issue —
Bonus Issue —	Private Placement —

### III. Position of Mobilization and Deployment of Funds: (Amount in Rs. thousands)

Total Liabilities 1139352	Total Assets 1139352
------------------------------	-------------------------

#### Sources of Funds:

Paid-up Capital 313246	Reserves & Surplus 49387	Reserve Fund 14113
Secured Loans 655861		Other Liabilities & Provisions 106745

#### Application of Funds:

Net Fixed Assets 610	Investments —
Non Current Assets 870725	Current Assets 248498
Accumulated Losses —	Deferred Tax Asset 19519

### IV. Performance of Company (Amount in Rs. thousands)

Turnover 69268	Total Expenditure 63938
Profit/(Loss) Before tax 7692	Profit/(Loss) after tax 4247
Earnings per share in Rs. 0.23	Dividend (%) —

### V. Generic Names of Three Principal Products/ services of company (As per monetary terms)

Item code no. (ITC code)	:	N.A.
Product Description	:	Term Loans, Working Capital Loans

**AGRI BUSINESS FINANCE LIMITED**  
**Registered Office: 10-1-128/4, III Floor, NABARD Quarters,**  
**Masab Tank, Hyderabad - 500 028**

**Form No. MGT-11**  
**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** U65910TG1997PLC026442

**Name of the Company:** Agri Business Finance Limited

Registered Office: #10-1-128/4, 3rd Floor, NABARD Quarters, Behind Paradise Takeaway, Masab Tank, Hyderabad-500028

Name of the Member:

Registered Address:

E-mail ID:

Folio No.

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name:  
Address:  
E-mail ID:  
Signature:

or failing him

2. Name:  
Address:  
E-mail ID  
Signature:

as my proxy to attend and vote (on a poll) for me and on my behalf at the 19th Annual General Meeting of the company, to be held on the 26th day of September 2016 at 11.00 A.M. at 2nd floor, Conference hall, NABARD Regional office, Hyderabad -500020 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder

Signature of Proxy holders

Affix  
Revenue  
Stamp

**Note :** This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

**AGRI BUSINESS FINANCE LIMITED**  
**Registered Office: 10-1-128/4, III Floor, NABARD Quarters,**  
**Masab Tank, Hyderabad - 500 028**

**ATTENDANCE SLIP**

Nineteenth Annual General Meeting – September 26<sup>th</sup> 2016

Regd.Folio No. \_\_\_\_\_

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Nineteenth Annual General Meeting of the Company at NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad - 500 020 at 11.00 AM on Monday the 26<sup>th</sup> September 2016.

\_\_\_\_\_  
**Member's/ Proxy name in  
BLOCK LETTERS**

\_\_\_\_\_  
**Member's/ Proxy's  
Signature**

**NOTE:** Please fill in this attendance slip and hand it over at the MEETING HALL.







## **Agri Business Finance Limited**

10-1-128/4, III Floor, Nabard Quarters, Masab Tank,  
Hyderabad - 500 028. Ph : 040-23241155 • Fax : 040-23241156  
Website : [www.abfl.org.in](http://www.abfl.org.in) • E-mail: [abfl\\_hyd@yahoo.com](mailto:abfl_hyd@yahoo.com)