

## **Corporate Information**

### **Registered Office**

34/1873, Mazhuvanchery Building  
 Mamangalam Kochi 682025  
 Telephone: 2341288, 2341289  
 Website : [www.agroindus.co.in](http://www.agroindus.co.in)  
 CIN NO.: U65910KL1997PLC011088  
 RBI REG NO. 16.00030

### **Directors and Committees**

#### **Board of Directors**

Mr. K.K.Vijayan  
 Mr. K. Muraleedharan  
 Mr. S. Jayakumar  
 Mr. C.R. Prasannan  
 Mr. P.B. Pradeep Kumar  
 Mr. V. Prakash Damodaran  
 Mr. T.C. Ramesh – Independent Director  
 Mr. Atul Bhargava – Independent Director

#### **Key Managerial Personnel**

Chief Executive Officer  
 Chief Financial Officer  
 Company Secretary

Mr. C.P. Sasidharan  
 Ms. Lakshmi P  
 Ms. Kavitha Shah

#### **Audit Committee**

Mr Pradeep Kumar PB - Chairman  
 Mr S Jayakumar  
 Mr TC Ramesh  
 Mr Atul Bhargava

#### **Nomination And Remuneration Committee**

Mr CR Prasannan - Chairman  
 Mr Prakash Damodaran V  
 Mr TC Ramesh  
 Mr Atul Bhargava

#### **Statutory Auditors**

Messers. Krishnamoorthy & Krishnamoorthy,  
 Chartered Accountants, Ernakulam

#### **Internal Auditors**

JGS & Associates  
 Chartered Accountants, Thrissur

#### **Bankers**

City Union Bank Limited  
 Dhanlaxmi Bank Limited  
 State Bank of India  
 Canara Bank  
 Catholic Syrian Bank Limited  
 Federal Bank Limited

From the CEO's Desk

Dear Shareholders,

The year 2016-'17 was a watershed year for the Indian financial sector. During the year Government of India undertook several landmark reforms that will drive sustainable growth in the years ahead. Reforms initiated by the government to improve the efficiency and performance of banks and other financial institutions, have given a big push to online and digital banking. It paved the way to a cashless economy. The demonetization of specified bank notes (SBN) gave a boost not only to banks but also to other segments of financial services. Reserve Bank of India's initiative for prompt corrective action (PCA) framework for weak PSU banks is one of such actions. At this juncture, I am pleased to share with you the performance of our company for the year 2016-'17, our company's financials remain on a firm footing, registering consistently strong growth across all parameters.

#### Global Scenario:

On bilateral front the Indian government has to adapt the new US government's more transactional approach rather than the strategic one that prevailed towards India in previous administration. US Presidential election was the major event of the world during the year under report. Mr. Donald Trump was elected as the President of United States followed by changes in UK and French administrations. On economic issues between India and US there continue to be differences on trade, investment and immigration policies. The US administration has already highlighted their concern over the trade deficit with India. Global economy has an effect on these changes including the major policy decisions like FED rate, job outsourcing etc. The recent Qatar diplomatic crisis began when several countries including SA, UAE, Bahrain and Egypt abruptly cut off their diplomatic relations with Qatar in June 2017. It is needless to say such development had aggravated the GCC crisis and became a matter of concern to all especially when OPEC countries decided to reduce the oil production.

#### Indian Economy:

The Indian economy is witnessing a transformation. The emergence of new entrepreneurs and start-ups coupled with rapid development in technology in shaping newer business models are some of the healthy trends. However our corporate sector witnessed only a slow progress in resolution of stressed assets. Followed by a successful income self-declaration scheme, the Government of India demonetized Rs 500 and Rs 1000 currency notes paving the way to arrest black money. The introduction of GST from 1st July 2017 is definitely the biggest tax reform in our country since independence. India has adapted a dual tax structure where there will be 2 levels of taxes that would be levied separately by Central and State governments. Both Centre and States will levy this concurrently. The shift from a production based tax system to a consumption based tax system will be more beneficial for the States. It will enable the States to reduce their fiscal deficit. The World Bank and financial analysts have predicted a GDP of 7.2% for the current fiscal. Hence Reserve Bank of India and monetary policy committee have kept the key rates unchanged. In view of the developments in our domestic economy performance of financial sector, both banks and NBFC's were not up to the expected level.

#### Our Performance:

During the period under review your company has increased the authorized share capital from Rs 40 Crores to Rs 50 Crores. The paid up equity share capital of the company has increased to Rs 41.50 Crores from Rs 40 Crores. The year under report was very significant for your company also. During the year company had to operate in a challenging environment coupled with volatile gold price movements, mounting up of arrears, high stressed asset etc. Besides, other regulatory norms such as restrictions on the life span of diesel vehicles etc had made a negative impact on our vehicle loan segment. However we have given more thrust to the other two portfolios, gold and mortgage loans. We are indeed happy to report that our company has migrated our technology operations to a more innovative and secured CBS platform. In order to achieve the desired results we have started IT and Legal departments in our corporate office. During the year under report we have opened a new branch in Tirupur, Tamil Nadu. Considering the low performance of some of our branches we have decided to close down two non performing branches and to relocate /merge one branch with another branch in Tamil Nadu. We have also identified new locations for opening three more branches in Tamil Nadu for which the interior design works are going on. We have already merged one of the non performing branches in Kerala with an urban branch and also identified five new locations in Trivandrum district to open new branches for marketing gold loans. Considering the viability and potentiality we are making arrangements to convert the remaining vehicle loan branches of Kerala to gold loan branches. During the year we have recruited a total number of 78 employees and thereby our staff strength as on 31-03-2017 was 114 employees. Against all these odds your company could improve the overall performance and profitability during the year. We are confident that we can successfully address the challenges and will grow into further heights during the coming days.

Thanks & Regards,

C P Sasidharan  
Chief Executive Officer

## **NOTICE**

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the Company will be held on **Saturday 02<sup>nd</sup> September, 2017 at 10.30 AM**, at the Registered Office of the Company situated at 34/1873, Mazhuvanchery Building, Mamangalam, Kochi- 682025 to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet as on 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss for the year ended on that date.
2. To appoint a Director in the place of Mr. CR Prasannan (DIN 02071650) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Mr. S Jayakumar (DIN 01974164) who retires by rotation and being eligible, offers himself for reappointment.
4. "**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time pursuant to the proposals of the Audit Committee of the Board and recommendation of the Board the members do be and hereby appoint Rejith & Maju, Chartered Accountants (Registration No. 007200S), as the Statutory Auditors of the Company from the conclusion of this Meeting to hold such office for a period of 5 consecutive years till the conclusion of the 25<sup>th</sup> Annual General Meeting, to conduct the audit from the financial year 2017-18, at a remuneration as may be fixed by the Board in consultation with the Auditors payable in one or more installments plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred."

### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass the following resolution for change in name of the Company, as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 13 of the Companies Act, 2013 (Act), and the rules made there under read with the Companies (Incorporation) Rules, 2014 and subject to the approval of the Registrar of Companies and Reserve Bank of India, the name of the Company be changed from 'Agro Indus Finance and Leasing India Limited' to 'Agro Indus Credits Limited' or such other name as may be approved.

**RESOLVED FURTHER THAT** Clause I (name clause) of the Memorandum of Association of the Company be altered so as to read as under:

The name of the Company is 'Agro Indus Credits Limited'.

**RESOLVED FURTHER THAT** to the extent name of the Company wherever appearing in the Memorandum and Articles of Association be replaced accordingly.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds or things as deemed necessary to give effect to the aforesaid resolution."

Ernakulam  
15<sup>th</sup> July 2017

For Agro Indus Finance and Leasing India Limited

By the order of the Board of Directors

Kavitha Shah

Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DULY COMPLETED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. For the convenience of Members, an Attendance Slip is annexed to the Proxy form. Members are requested to affix their signature as registered with the Company at the space provided therein and handover the Attendance Slip at the entrance to the place of the Meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members/Proxy are requested to bring their attendance slip to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

**EXPLANATORY STATEMENT AS REQUIRED U/S. 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO.:5****Explanatory Statement**

The Board of Directors of the Company at its meeting held on 15/04/2017 decided to change the name of the Company from Agro Indus Finance and Leasing India Limited to 'Agro Indus Credit Limited'. Pursuant to provisions of Section 4 and 13(2) of the Companies Act, 2013, any change in name of the Company and alteration in the name clause of the Memorandum of Association of the Company shall be made only after obtaining the consent of the shareholders by passing a Special Resolution and the approval of the Central Government, Registrar of Companies and all other statutory approvals. None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution, except as shareholders of the Company.

The Board of Directors recommend passing of the Special Resolution.

**Place: Kochi**  
**Date: 15/07/2017**

**by order of the Board of Directors**  
**for Agro Indus Finance and Leasing India Limited**

Kavitha Shah  
Company Secretary



## **DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure of presenting before you the Company's Twentieth Annual Report along with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017 and the Report of the Auditors thereon.

### **1. Business:**

Financial year 2016-17 was a year of turbulence for the financial sector world over. The situation was not much different in our country also. Economic sector had sustained domestic changes. Its implications are seen in the Banking & NBFC sector. Considering the negative environmental factors prevailing in the Vehicle loan segment your company has given thrust for gold and mortgage loan portfolio during the year.

### **2. Financial Results:**

During the year under review your Company has witnessed strategic changes. The details will be explained in the following pages under respective headings. The Company publishes its standalone accounts according to Indian Generally Accepted Accounting Principles (IGAAP).

#### **THE COMPANY'S FINANCIAL HIGHLIGHTS**

Particulars	As at 31.03.2017	As at 31.03.2016
	(In Rupees)	
Gross Revenue	10,65,27,900	8,67,74,989
Interest Expenses	40,16,834	5,29,898
Depreciation Expenses	33,91,999	39,31,689
Total Expenses	6,58,38,784	5,21,20,546
Profit Before Tax	4,06,89,116	3,46,54,444
Tax Expenses	1,46,62,275	1,25,12,777
<b>Profit for the year</b>	<b>2,60,26,842</b>	<b>2,21,41,667</b>

### **3. Dividend:**

Your Board has decided not to declare any dividend. Your company has opened a Branch at Tirpur- PN road and also another branch is opening shortly at Madurai Jaihindpuram along with two other branches at Coimbatore and many other proposals are in the working. Thus the company is trying to preserve its reserves in order to expand the business.

### **4. Share Capital:**

During the year, there was an increase in the Company's issued, subscribed and paid up Equity Share capital. On March 31, 2016 it stood at Rs. 40,00,00,000 (Forty Crores only) divided into 400,00,000 (Four Crores only) equity shares of Rs. 10/- each. However the company issued and allotted shares to the tune of Rs. 150,00,000 (15,00,000 shares of Rs 10/- each) by private placement which was approved by the shareholders by a special resolution vide the EGM held on 30.04.2016. The Authorised capital stands at Rs. 50,00,00,000 (Rupees Fifty Crores only)

### **5. General Reserve:**

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2017.

### **6. Transfer to Investor Education and Protection Fund:**

Since the Company has not declared dividend, no unclaimed dividend is due for transfer to Investor Education and Protection Fund.

## 7. Deposits:

Pursuant to Para 9(2) of the NBFC Public Deposits (RBI) Directions 1998, the Board confirms that the Company has not accepted Public Deposits during the financial year 2016-17. The Company has not accepted any deposits and as such, no amount of principal or interest outstanding, as on the balance sheet closure date.

## 8. Compliance with NBFC Regulations:

The Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Companies as on March 31, 2017.

## 9. Material changes and commitments affecting the financial position between the end of financial year and date of report after the balance sheet date:

No material changes have taken place for reporting.

## 10. Directors and Key Managerial Personnel Inductions, Re-appointments, Retirements & Resignations:

There is no change in the Directorship.

## 11. Declaration by Independent Directors:

The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013. The Independent Directors have also confirmed that they have complied with the Company's code of conduct. The independent Directors met during the year and held an Independent Directors Meeting.

## 12. Committees of Board, Number of Meetings of the Board and Board Committees:

The Board of Directors met Seven times during the previous financial year. As on March 31, 2017, the Board had two committees, namely, Audit Committee, Nomination and Remuneration Committee.

Sl.No	Date of Board of Director Meeting	Mr.KK Vijayan	Mr.K Muraleedharan	Mr Pradeep Kumar PB	Mr. Prakash DV	Mr. Prasannan CR	Mr. S. Jayakumar	Mr.TC Ramesh	Mr. Atul Bhargava
1	25/04/2016	✓	✓	✓	✓	✓	✓	✓	✓
2	07/05/2016	✓	✓	✓	-	-	-	-	✓
3	30/05/2016	✓	✓	✓	-	-	-	-	✓
4	29/06/2016	✓	✓	✓	✓	-	✓	-	✓
5	30/07/2016	✓	✓	✓	-	-	-	✓	✓
6	03/11/2016	✓	✓	✓	-	✓	✓	✓	✓
7	28/01/2017	✓	✓	-	-	✓	✓	✓	✓
Total	7	7	7	6	2	3	4	4	7

## 13. Audit Committee:

The Audit Committee is constituted in line with the requirements of Section 177 of the Companies Act, 2013.

### Audit Committee Meetings & Attendance

Sl.No	Date of Meeting	Mr. PB Pradeep Kumar	Mr. S Jayakumar	Mr.TC Ramesh	Mr. Atul Bhargava
1	29/06/2016	✓	✓	-	✓
2	03/11/2016	✓	✓	✓	✓
Total	2	2	2	1	2

The Board has accepted the recommendations made by the Audit Committee, from time to time.

#### **14. Nomination & Remuneration Committee:** **Nomination and Remuneration Committee Meetings & Attendance**

Sl.No	Date of Meeting	Mr. CR Prasannan	Mr Prakash Damodaran V	Mr.TC Ramesh	Mr. Atul Bhargava
1	25/04/2016	✓	✓	✓	✓
2	03/11/2016	✓	-	✓	✓
Total	2	2	1	2	2

#### **15. Auditors and Statutory Auditors Report:**

The current auditors, viz. Krishnamoorthy & Krishnamoorthy, Chartered Accountants (Firm Reg.No.001488S) were last re-appointed by the members at their annual general meeting held on 28<sup>th</sup> August 2014 to hold the office of auditor from the conclusion of the Seventeenth annual general meeting till the conclusion of this twentieth annual general meeting. As per the provisions of section 139 of the Companies Act, 2013, certain specified companies shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1<sup>st</sup> April 2014. The current auditors had completed a period of ten years at the commencement of the said Act, hence on their completing the additional transition period of three years provided under the Act, the term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board at its meeting held on 15<sup>th</sup> July 2017, based on the recommendation of the Audit Committee has recommended the appointment of Rejith & Maju, Chartered Accountants (Firm Registration No. 007200S), as the statutory auditors of the Company for approval by the members.

Rejith & Maju, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of section 143 of the Act. Rejith & Maju, Chartered Accountants will be appointed as the statutory auditors of the Company from the conclusion of Twentieth annual general meeting till the conclusion of Twenty fifth annual general meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening annual general meeting, on a remuneration, out-of-pocket expenses, etc. incurred in connection with the audit as may be decided by the Board in consultation with the auditors from year to year. The members are therefore requested to appoint Rejith & Maju, Chartered Accountants (Firm Registration No. 007200S), as auditors of the Company for a term of five years from the conclusion of the ensuing annual general meeting till the conclusion of the twenty fifth annual general meeting, to be scheduled in 2022, subject to ratification at each annual general meeting and to fix their remuneration for the year 2017-18.

The statutory audit report for the year 2016-17 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

#### **16. Director's Responsibility Statement:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- the director, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- 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

**17. Risk Management:**

The Company believes that minimized risks will maximize returns. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately mitigated. The company has appointed a Gold inspector to verify the Gold at the branches and to ensure that KYC norms as specified are strictly followed.

**18. Extract of Annual Return**

Extract of Annual Return in terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in form MGT-9 is annexed herewith as Annexure -1 to this report.

**19. Significant and material orders:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**20. Particulars of loans, guarantees or investments:**

Particulars of loans, guarantees and investments form part of Note to the financial statements provided in the Annual Report.

**21. Related Party Transactions:**

All arrangements / transactions entered by the Company with its related parties during the year were in ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC 2 is in Annexure -2.

**22. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Your Company is engaged in the financial service sector which give minimum scope for conservation of energy/technology absorption etc. However your company ensures the usage of equipment's which leave minimum carbon footsteps.

In respect of technology, your company has a centralized software system working through all its branches which creates a transparent and reliable working environment. Technology when optimized will in turn reduce the consumption or wastage of energy. During the year under review, the Company did not have any foreign exchange Earnings or outgo. The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed herewith as Annexure-3 to this report considering the nature of activities undertaken by the company during the year under review.

**23. Particulars of Employees:**

Disclosures relating to remuneration of Directors u/s 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as no remuneration is paid to the Directors except sitting fees for attending the meetings of the Board.

**24. Sexual Harassment Of Women At Workplace:**

Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a Policy on Prevention of Sexual Harassment at Workplace. There was no cases reported during the year under review under the said Policy.

**25. Subsidiaries, Joint Ventures and Associate Companies:**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**26. Details of establishment of vigil mechanism for directors and employees:**

The Company is not required to establish a vigil mechanism for directors and employees. However, the Company provides a free and conducive environment to its employees and is open to address their issues/grievances (if any).

**27. Internal Financial Control:**

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

**28. Future Business Development Programs:**

The Directors are continuously working on to bring new branches in the states of Tamil Nadu & Kerala. Many branches in Kerala which were concentrating mainly on vehicle loan have also started Gold Loan. Two branches at Vaikom and Mettupalayam were closed and subsequently the company is closing two other branches Athikulam and Theni. A branch is being opened in Madurai and two branches in Coimbatore. Many more proposals are in pipeline.

**29. Change in Nature of business:**

There is no change in the nature of business of the Company.

**30. Disqualification of Directors:**

Pursuant to Section 164 of the Companies Act, 2013 none of your Directors are disqualified.

**31. Annual Evaluation of Directors, Committees and the Board:**

The evaluation of the Directors and the board was conducted as a whole. The outcome of the Board evaluation for the fiscal 2017 was discussed by the Nomination and Remuneration committee and the Board during their meeting held on 15<sup>th</sup> July 2017.

**32. Private placement**

During the EGM held on 03/11/2016 private placement of 85, 00,000 Shares was approved at a face value of Rs 10/- per share. The same is pending and the shares have not been allotted yet.

**33. Acknowledgement:**

Your company's management has immense pleasure in expressing our sincere thanks and gratitude to our shareholders for the continued support and patronage. We express our gratitude to the Reserve Bank of India, Government of India, State Government of Kerala and Tamil Nadu, Registrar of Companies, Kerala, various Government and regulatory authorities for their guidance and support. You Directors also place on record sincere thanks and gratitude to our bankers and customers for their support and guidance. Directors also wish to thank M/s Krishnamoorthy and Krishnamoorthy Chartered Accountants, Ernakulam, Statutory Auditors, M/s JGS & Associates, Chartered Accountants, Thrissur (Internal auditors), P. Dhanya & Associates, Practicing Company Secretaries, Ernakulam, Akshayam Corporate Advisors Private Limited, Chennai, CARE & Crisil- Credit rating agency, members of staff and other constituents for their continued support, active encouragement and co-operation.

Ernakulam  
15<sup>th</sup> July, 2017

For and on behalf of the Board of Directors

KK Vijayan  
Director

CR Prasannan  
Director

**ANNEXURE-1**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2016

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

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	<b>U65910KL1997PLC011088</b>
ii	Registration Date	<b>07/01/1997</b>
iii	Name of the Company	<b>Agro Indus Finance And Leasing India Limited</b>
iv	Category/Sub-category of the Company	<b>NBFC / Public Company</b>
v	Address of the Registered office & contact details	<b>34/1873,Muzhuvanchery,Building Mamangalam, Palarivattom Post, Cochin, Kerala, 682025</b>
vi	Whether listed company	<b>No</b>
vii	Name, Address & contact details of the Registrar & Transfer Agent	<b>NA</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company:

Sl. No	Name and Description of the main products/Services	NIC Code of the Product/ service	% to total turnover of the company
1.	To undertake all kinds of Financing operations including loan against movable and immovable properties of all kinds.	K64649	100%

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

Sl. No	Name and Address of Company	CIN/GLN	Holding/Subsidiary	% of shares held	Applicable Section
1.	NIL	NA	NA	NA	NA





#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	3,05,53,300	3,05,53,300	76.38		3,20,53,300	3,20,53,300	77.24	0.86
b) Central/State	-	-	-	-	-	-	-	-	-
c ) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	3,05,53,300	3,05,53,300	76.38		3,20,53,300	3,20,53,300	77.24	0.86
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Bodies Corp.	-	-	-	-	-	-	-	-	-
c) Banks / FI e) Any Other....	-	-	-	-	-	-	-	-	-
Sub -total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A) ( 2)	-	3,05,53,300	3,05,53,300	76.38	-	3,20,53,300	3,20,53,300	77.24	0.86



B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Co	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) FVCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		1,00,000	1,00,000	0.25		1,00,000	1,00,000	0.24	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals		93,46,700	93,46,700	23.37		93,46,700	93,46,700	22.52	0.85
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	94,46,700	94,46,700	23.62		94,46,700	94,46,700	22.76	0.86
Total Public Shareholding (B)=(B)(1)+(B)(2)		94,46,700	94,46,700	23.62		94,46,700	94,46,700	22.76	0.86
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-		-	-	-	-
Grand Total (A+B+C)	-	4,00,00,000	4,00,00,000	100	-	4,15,00,000	4,15,00,000	100	NIL

(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	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	% change in Shareholding during the year
1	Dr.KR Rajappan	7,11,300	1.78	3,23,100	0.81	0.97
2	Mr. PK Ramachandran	40,000	.01	40,000	.01	NIL
3	Mrs. TP Sasikala	51,400	.012	51,400	.012	NIL
4	Mr. PN Job	35,300	.088	35,300	.088	NIL
5	Mr.MS Hariharan	37,500	.093	37,500	.093	NIL
6	Mr.KK Kumaran	25,700	.064	25,700	.064	NIL
7	Mr.EV Krishnan	700	.001	700	.001	NIL
8	Mrs.PR Suguna	20,000	.05	20,000	.05	NIL
9	Mr.ME Vasu	7,100	.017	7,100	.017	NIL
10	Mr KC Sudhakaran	10,000	.025	10,000	.025	NIL
11	Mrs. Beena Muraleedharan	3,00,02,500	75	3,15,02,500	75.91	2.71

(iii) Change in Promoters' Shareholding- Shareholding

Sl.No.	Name	Shareholding at the beginning of the year		Cumulative shareholding	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the company
1.	Mrs. Beena Muraleedharan	3,00,02,500	75	15,00,000	3.61
		Shareholding at the end of the year			
		3,15,02,500	75.91		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Date	increase/decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Mrs. CK Nalini	1894700	4.56				1894700	4.56
2.	Ms. Nirmala Rajan	0	0	03.11.2016	1,539,350	Transfer	1,539,350	3.71
3.	Southern Funcity Pvt Ltd	80,000	0.19	Nil	Nil	Nil	80,000	0.19
4.	Mr. PR Sudhakaran	70,000	0.17	Nil	Nil	Nil	70,000	0.17
5.	Mr. Bharathan AC	50,000	0.12	Nil	Nil	Nil	50,000	0.12
6.	Mr. KD Venugopal	50,000	0.12	Nil	Nil	Nil	50,000	0.12
7.	Mr. PS Devadas	31,000	0.07	Nil	Nil	Nil	31,000	0.07
8.	Dr. R Vijayan	25,000	0.06	Nil	Nil	Nil	25,000	0.06
9.	KR Reena	22,000	0.05	Nil	Nil	Nil	22,000	0.05
10	Muralya Properties Pvt Ltd.	20,000	0.05	Nil	Nil	Nil	20,000	0.05

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. K K Vijayan	4000	0.1	4000	0.1
2	Mr K Muraleedharan	Nil	-	Nil	-
3	Mr CR Prasannan	1539350	3.71	0	0
4	Mr PB Pradeepkumar	1045900	2.52	1045900	2.52
5	Mr Prakash Damodaran	1363500	3.29	1363500	3.29
6	Mr S Jayakumar	2606200	6.28	2606200	6.28
7	Mr TC Ramesh	394600	0.95	394600	0.95
8	Mr Atul Bhargava	Nil	-	Nil	-
9	Mr. C P Sasidharan	Nil	-	Nil	-
10	Ms. P Lakshmi	Nil	-	Nil	-
11	Ms. Kavitha Shah	Nil	-	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
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	3,85,00,068	NIL	NIL	3,85,00,068
iii) Interest accrued but not due				
Total (i+ii+iii)	3,85,00,068			3,85,00,068
Change in Indebtedness during the financial year				
Addition				
Reduction	(2,41,36,311.11)			(2,41,36,311.11)
Net Change	(2,41,36,311.11)			(2,41,36,311.11)
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	1,43,63,756.89			1,43,63,756.89
iii) Interest accrued but not due				
Total (i+ii+iii)	1,43,63,756.89			1,43,63,756.89

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager

S.No	Particulars of Remuneration	Name of Managing Director/Whole Time Director/Manager	Total
1	Gross Salary	-	
	(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) Profit in lieu of salary under section 17(3) Income tax Act, 1961	-	
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission	-	
	- As % of profit	-	
	- Others		
5.	Others	-	
	Total (A)	-	
	Ceiling as per Act		



**B. Remuneration to other Directors:**

S.N	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Mr TC Ramesh			Mr Atul Bhargava			
	Fee for attending Board Committee meetings	80,000			140,000			
	Commission							
	Others – Travelling Expense							
	Total (1)	80,000			140,000			
2	Other Non-Executive Directors	Mr. KK Vijayan	Mr K Muraleedharan	Mr Pradeepkumar PB	Mr Prasannan CR	Mr S Jayakumar	Mr Prakash Damodaran V	-
	Fee for attending Board Committee Meetings	140,000	140,000	120,000	60,000	80,000	40,000	
	. Commission	Nil	Nil	Nil	Nil	Nil	Nil	
	. Others (Travelling)							
	Total (2)							
	Total (B)=(1+2)							
	Total Managerial Remuneration	140,000	140,000	120,000	60,000	80,000	40,000	580,000
	Ceiling as per Act	12000000						

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
1	Gross Salary	CEO	CFO	CS	
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	6,64,839	5,04,182	5,92,659	17,61,680
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-			
	(c) Profit in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Others	-	-	-	-
5.	Others (Consultant Fee)				
	Total (A)	6,64,839	5,04,182	5,92,659	17,61,680




**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any
a. Company	-	-	-	-	-
Penalty					
Punishment					
Compounding					
b. Directors	-	-	-	-	-
Penalty					
Punishment					
Compounding					
c. Other Officers In Default	-	-	-	-	-
Penalty					
Punishment					
Compounding					

**ANNEXURE -2**  
**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis: N.A**

- (a) Name(s) of the related party and nature of relationship: -
- (b) Nature of contracts/arrangements/transactions: -
- (c) Duration of the contracts / arrangements/transactions: -
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: -
- (e) Justification for entering into such contracts or arrangements or transactions -
- (f) Date(s) of approval by the Board: -
- (g) Amount paid as advances, if any: -
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: -

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No	Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances , if any
1.	Ultima Builders & Developers Pvt Ltd	Director Mr. S. Jayakumar is the Managing Director of the said Company	Mortgage Loan	60 months	67,00,000	12/02/2016	-

### ANNEXURE-3

A. Conservation of energy			
Sl.No	PARTICULARS		
(i)	the steps taken or impact on conservation of energy;	Nil	
(ii)	the steps taken by the company for utilising alternate sources of energy;	Nil	
(iii)	the capital investment on energy conservation equipment;	Nil	
B. Technology absorption			
(i)	the efforts made towards technology absorption;	Nil	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	NA	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	(a) the details of technology imported;	Nil
		(b) the year of import;	Nil
		(c) whether the technology been fully absorbed;	Nil
		(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Nil
(iv)	the expenditure incurred on Research and Development. Referencer on Board's Report 17	Nil	
C. Foreign exchange earnings and Outgo			
(i)	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	Nil	
(-) Proposed Dividend		-	-
(-) Transfer to Reserves		(41,59,139)	(15,66,740)
Closing Balance		2,94,98,380	1,29,79,198
Total		3,81,03,193	1,74,24,872

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Agro Indus Finance and Leasing India Limited**

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

We have audited the accompanying financial statements of Agro Indus Finance and Leasing India Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### **Auditor's Responsibility**

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position, Refer note 33 to the financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note 34 to the financial statements.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) The company has provided requisite disclosures of the direct receipts and payments, in cash, made by the company, in the financial statements, as to holdings as well as dealings in Specified Bank Notes, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. However attention is invited to note No. 39 with regard to the collection amounts remitted in the Company's bank account by customers /borrowers/collection agencies/company executives in cash, the particulars regarding the returns, if any, made in Specified Bank Notes.

Place: Cochin – 16  
 Date: 15/07/2017

For Krishnamoorthy and Krishnamoorthy  
 Chartered Accountants  
 FRN: 001488S

K T Mohanan  
 Partner (M No. 201484)

**ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

(i) a) The Company has maintained records showing full particulars of fixed assets including quantitative details and situation of fixed assets;

b) We are informed that these fixed assets have been physically verified by the management at reasonable intervals in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets and that no material discrepancies have been noticed on such verification.

c) Company does not own any immovable property hence disclosure under this clause is not applicable to the Company.

ii) The nature of the Company's activities during the year has been such that clauses (ii) of the paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013 except for the mortgage loan sanctioned in the ordinary course of business in respect of which we report that:

a) The terms and conditions of the loan are not prejudicial to the companies' interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments/receipts are regular.

c) There is no overdue amount remaining outstanding as at the Balance Sheet date.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees and securities provided by it, as applicable.

v) The Company has not accepted deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.

vi) As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for the business of the company.

vii) (a) According to the information and explanations furnished to us and according to our examination of the records, the company has been generally regular in depositing undisputed statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations furnished to us and based on the records of the company examined by us there are no disputed amounts of sales tax, income tax, service tax which are outstanding as at 31<sup>st</sup> March 2017.

viii) Based on our audit procedures performed for the purpose of reporting the true and fair view, of the financial statements and according to the information and



explanations given to us and based on the records of the Company examined by us, the company has not defaulted in repayment of dues to financial institution or bank or to debenture holders.

ix) According to the information and explanations given to us and based on the records of the Company examined by us, the company has not taken any term loan, or raised moneys by way of initial offer and any other further public offer (including debt instruments) during the year.

x) According to the information and explanations given to us and based on the records of the company examined by us, no fraud either on or by the Company by its officers/ employees, has been noticed or reported during the year, nor have we been informed of any such case by the Management.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, except for the issue of equity shares to the existing share holder through private placement complying with the requirements of section 42 of the Companies Act, 2013.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The Company has obtained registration under section 45-IA of the Reserve Bank of India Act 1934.

Place: Cochin – 16  
Date: 15/07/2017

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
FRN: 001488S

K T Mohanan  
Partner (M No. 201484)

## **ANNEXURE B TO OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AGRO INDUS FINANCE AND LEASING INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

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

We have audited the internal financial controls over financial reporting of Agro Indus Finance and Leasing India Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Cochin – 16

Date: 15/07/2017

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants

FRN: 001488S

K T Mohanan

Partner (M No. 201484)

**REPORT TO THE BOARD OF DIRECTORS OF AGRO INDUS FINANCE AND LEASING INDIA LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

1. We audited the attached Balance Sheet of Agro Indus Finance and Leasing India Limited ('the company') as at March 31<sup>st</sup> March 2017, and the Statement of Profit and Loss and Cash Flow statement for the year ended on that date annexed thereto and issued our audit opinion dated 15/07/2017 thereon.
2. As required by the Non- Banking Financial Companies Auditors Report (Reserve Bank) Direction, 2008, based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report below on the matters specified therein:
  - i) The Company is engaged in the business on Non-banking financial institutions and it has obtained a Certificate of Registration (COR) from the Reserve Bank of India.
  - ii) Based on pattern of assets and income of the Company as on 31<sup>st</sup> March, 2017, we report that the Company is entitled to continue to hold the Certificate of Registration (COR).
  - iii) According to the information and explanations given to us and based on the review of the business carried out by the Company. We report that the Company has not been classified as an Asset Finance Company as defined in Non-Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998.
  - iv) According to the information and explanations given to us and based on the review of records, we report that the Board of Directors have passed a resolution for non-acceptance of any public deposit.
  - v) According the information and explanations given to us and based on the review of records, we report that the Company has not accepted any public deposit during the relevant year.
  - vi) According to the information and explanation given to us and based on the review of records, we report that the Company has complied with prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non – deposit accepting and holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For Krishnamoorthy and Krishnamoorthy  
Chartered Accountants  
(Firm Reg. No. : 001488S)

K T Mohanan  
Partner  
Membership No.:201484



**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**34/1873, MAZHUVANCHERY BUILDING, MAMANGALAM, PALARIVATTOM, PIN 682025**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

(Amount in Rupees)

Particulars		Note No.	As at 31st March	
			2,017	2,016
<b>I. EQUITY AND LIABILITIES</b>			₹	₹
<b>1 Shareholders' Funds</b>				
(a) Share Capital	2		41,50,00,000	40,00,00,000
(b) Reserves and Surplus	3		8,62,71,702	6,02,44,861
<b>Sub-Total</b>			<b>50,12,71,702</b>	<b>46,02,44,861</b>
<b>2 Non-Current Liabilities</b>				
(a) Long Term Provisions	4		36,69,878	12,92,381
<b>Sub-Total</b>			<b>36,69,878</b>	<b>12,92,381</b>
<b>3 Current Liabilities</b>				
(a) Short-Term Borrowings	5		1,43,63,757	3,85,00,068
(b) Other Current Liabilities	6		27,34,912	27,77,569
(c) Short-Term Provisions	7		1,06,13,053	96,56,115
<b>Sub-Total</b>			<b>2,77,11,722</b>	<b>5,09,33,752</b>
<b>TOTAL</b>			<b>53,26,53,302</b>	<b>51,24,70,993</b>
<b>II. ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Fixed Assets:				
(i) Property Plant and Equipments	8a		76,97,035	93,01,631
(ii) Intangible Assets	8b		1,67,334	1,48,455
(b) Non-Current Investments			0	0
(c) Deferred Tax Assets (Net)	9		57,90,791	55,95,901
(d) Long-Term Loans and Advances	10		14,62,85,945	20,07,86,229
<b>Sub-Total</b>			<b>15,99,41,105</b>	<b>21,58,32,215</b>
<b>2 Current Assets</b>				
(a) Current Investments	11		0	1,000
(b) Trade Receivables	12		1,63,72,742	73,27,987
(c) Cash and Cash Equivalents	13		5,25,25,172	72,46,765
(d) Short-Term Loans & Advances	14		30,38,14,283	28,20,63,026
<b>Sub-Total</b>			<b>37,27,12,197</b>	<b>29,66,38,778</b>
<b>TOTAL</b>			<b>53,26,53,302</b>	<b>51,24,70,993</b>
<b>Significant Accounting Policies</b>	<b>1</b>			

As per our Report of even date attached

**For Krishnamoorthy & Krishnamoorthy**

Chartered Accountants

Firm Reg. No.: 001488S

K.T. Mohanan

Partner

Membership No. 201484

Place: Ernakulam

Date: 15-07-2017

**For Agro Indus Finance and Leasing India Limited**

(K. K Vijayan)

Director

(C R Prassanan)

Director

(Lakshmi P)

Chief Financial Officer

(Kavitha Shah)

Company Secretary



**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31st MARCH 2017**

*(Amount in Rupees)*

Particulars	Note No.	Year Ended	
		42,825	31-Mar-2016
		₹	₹
<b>INCOME:</b>			
i Revenue from Operations	15	10,62,38,155	8,38,36,999
ii Other Income	16	2,89,745	29,37,991
<b>Total Income</b>		<b>10,65,27,900</b>	<b>8,67,74,990</b>
<b>EXPENSE:</b>			
i Employee Benefit Expenses	17	2,40,68,272	2,10,39,821
ii Finance Costs	18	40,16,834	5,29,898
iii Depreciation and Amortization expenses	19	33,91,999	39,31,689
iv Other Expenses	20	2,32,89,619	2,22,26,498
v Provisions and Write offs	21	1,10,72,059	43,92,639
<b>Total Expenses</b>		<b>6,58,38,784</b>	<b>5,21,20,546</b>
<b>Profit Before Tax</b>		4,06,89,116	3,46,54,444
Tax Expenses:			
(1) Current year		1,46,12,715	1,32,03,435
(2) Tax relating to previous years		2,44,450	5,31,260
(3) Deferred Tax		-1,94,890	(12,21,918)
		<b>1,46,62,275</b>	<b>1,25,12,777</b>
<b>Profit for the year</b>		<b>2,60,26,842</b>	<b>2,21,41,668</b>
Earnings per equity share of face value of ₹ 10/- each:			
(1) Basic		1	0.55
(2) Diluted		1	0.55
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes on Financial statements</b>	<b>2 to 41</b>		

As per our Report of even date attached  
**For Krishnamoorthy & Krishnamoorthy**  
 Chartered Accountants  
 Firm Reg. No.: 001488S

K.T. Mohanan  
 Partner  
 Membership No.201484  
 Place: Ernakulam  
 Date: 15-07-2017

**For Agro Indus Finance and Leasing India Limited**

(K. K Vijayan) Director	(C R Prassanan) Director
(Lakshmi P) Chief Financial Officer	(Kavitha Shah) Company Secretary




**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	4,06,89,116	3,46,54,444
Adjustments for		
Depreciation	33,91,999	39,31,688
Interest paid	40,16,834	5,29,898
Miscellaneous Income	(2,89,745)	(6,68,741)
Interest on Bank deposits	-	(14,52,575)
Provisions (Net)	36,76,123	28,64,638
Dividend Income	-	(23,905)
Profit/Loss on Sale of Fixed Asset	29,959	3,903
Loss on sale of Investment	-	2,63,140
Asset scrapped	-	11,773
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5,15,14,286</b>	<b>4,01,14,263</b>
Income Taxes Paid	1,63,09,695	1,59,42,238
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3,52,04,591</b>	<b>2,41,72,025</b>
Adjustments for:		
(Increase)/Decrease in Trade & Other receivables	(2,50,06,038)	4,35,24,856
Increase / (Decrease) in Trade Payable	(42,657)	6,34,514
Increase /(Decrease) in Long term provisions	8,554	3,52,887
Increase /(Decrease) in Short Term provision	(1,99,478)	3,07,856
(Increase)/Decrease in Investments	1,000	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>5,99,78,048</b>	<b>(1,80,57,574)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of investments	-	7,36,860
Purchase of Fixed Assets	(19,25,242)	(25,11,092)
Sale of Fixed Assets / Adjustment	89,000	14,000
Interest received	-	14,52,575
Miscellaneous Income	2,89,745	6,68,741
Dividend received	-	23,905
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,46,496)</b>	<b>3,84,989</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	1,50,00,000	-
Proceeds from issue of Compulsory Convertible Debentures	-	-
Proceeds from Short Term Borrowings	(2,41,36,311)	2,36,08,672
Interest paid	(40,16,834)	(5,29,898)
<b>NET CASH USED/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(1,31,53,145)</b>	<b>2,30,78,774</b>
<b>NET (DECREASE) /INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>4,52,78,406</b>	<b>54,06,190</b>
Cash & Cash equivalents at the beginning of the year	72,46,765	18,40,575
Cash & Cash equivalents at the end of the year	5,25,25,172	72,46,765

As per our Report of even date attached  
**For Krishnamoorthy & Krishnamoorthy**  
 Chartered Accountants  
 Firm Reg. No.: 001488S

K.T. Mohanan  
 Partner  
 Membership No.201484  
 Place: Ernakulam  
 Date: 15-07-2017

**For Agro Indus Finance and Leasing India Limited**

(K.K.Vijayan)  
 Director

(Lakshmi P)  
 Chief Financial Officer

(CR Prassanan)  
 Director

(Kavitha Shah)  
 Company Secretary

**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of Financial Statements**

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the mandatory Accounting Standards under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Reserve Bank of India as applicable to a Non Banking Finance Company. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**1.2 Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

**1.3 Revenue Recognition**

- i. Interest income is accounted on accrual subject to the prudential norms for income recognition prescribed by the Reserve Bank of India.
- ii. Interest accrued on investments in Government Securities are accounted for on accrual basis and that of other investments are accounted on cash basis.

**1.4 Prudential Norms**

The Company has followed prudential norms for income recognition, Asset classification and provisioning for loans and advances, as prescribed by the Reserve Bank of India for Non Banking Financial Companies to the extent those are applicable to the companies not accepting public deposits.

**1.5 Property Plant and Equipments**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use.

**1.6 Depreciation**

Depreciation on Fixed assets has been calculated under Written Down Value Method over the Useful life of assets as prescribed under Part "C" of Schedule II Companies Act, 2013.

**1.7 Intangible Assets**

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

**1.8 Investments**

Non-Current investments are carried at cost less provision for permanent diminution, if any in value of such investments. Current Investments are carried out lower of cost or fair value.

**1.9 Earnings per Share**

- i. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii. For computing the Diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.10 Income Tax**

Tax expense comprises of current tax and deferred tax. Provision for current tax is based on the assessable profit as computed by the company in accordance with the Income Tax Act, 1961. Deferred Tax Assets and Liabilities representing timing differences between accounting income and taxable income are recognized to the extent considered capable of being reversed in subsequent years and are accounted using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward if there is virtual certainty that they will be realized.

**1.11 Employee Benefits**

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Defined Contribution Plans -Contributions made to the Recognised Provident Fund, Pension Fund & Employee State Insurance Corporation on behalf of its employees in accordance with the relevant statutes are charged to the Statement of Profit and Loss as and when due. The Company's obligation is limited to the amount to be contributed by it.
- iii) Defined Benefit Plans - The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost, if any, is recognised in the books of account. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

**1.12 Provisions, Contingent Liabilities and Contingent Assets**

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on available evidence. A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



AGRO INDUS FINANCE AND LEASING INDIA LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017		
Particulars	(Amount in Rupees)	
	As at 31st March	
	2017	2016
	₹	₹
<b>3. RESERVES AND SURPLUS</b>		
<b>A. Capital Redemption Reserve</b>		
Opening Balance	1,40,000	1,40,000
Closing Balance	<b>1,40,000</b>	<b>1,40,000</b>
<b>B. Other Reserves</b>		
Statutory Reserve:		
Opening balance	1,28,93,146	84,64,813
Add: Amount transferred from surplus in the statement of Profit and Loss	52,05,368	44,28,333
Closing Balance	<b>1,80,98,514</b>	<b>1,28,93,146</b>
<b>C. Surplus</b>		
Opening balance	4,72,11,715	2,94,98,381
(+) Net Profit/(Net Loss) for the current year	2,60,26,842	2,21,41,667
(-) Transfer to Statutory Reserves	(52,05,368)	(44,28,333)
Closing Balance	<b>6,80,33,188</b>	<b>4,72,11,715</b>
<b>Total</b>	<b>8,62,71,702</b>	<b>6,02,44,861</b>
<b>4. LONG TERM PROVISIONS</b>		
<b>A. Provision for Advances:</b>		
Provision for Standard Assets	3,97,960	4,75,457
Provision for diminution in value of Security	29,10,477	4,64,037
<b>Sub Total(A)</b>	<b>33,08,437</b>	<b>9,39,494</b>
<b>B. Provision for Employee Benefits:</b>		
For leave encashment	3,61,441	3,52,887
<b>Sub Total (B)</b>	<b>3,61,441</b>	<b>3,52,887</b>
<b>Sub Total (A+B)</b>	<b>36,69,878</b>	<b>12,92,381</b>
<b>5. SHORT TERM BORROWINGS</b>		
<b>Loans Repayable on Demand</b>		
a) Over Draft From City Union Bank Ltd (Secured by Gold Loan Receivable, with 40% margin with interest rate 13.25 %)	-	1,18,86,639
b) Over Draft From Dhanalaxmi Bank (Pari-passu charge with City Union Bank Ltd. on book debts, actionable claim, receivables with 25% margin with interest rate 12.25 %)	1,43,63,757	2,66,13,429
<b>Total</b>	<b>1,43,63,757</b>	<b>3,85,00,068</b>
<b>6 OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued and due on borrowings (4th year)	9,286	9,286
(b) Other Payables:		
- Statutory Dues	4,45,932	4,49,835
- Creditors for Expenses	6,50,551	9,50,488
- Other Liabilities	16,29,143	13,67,960
<b>Total</b>	<b>27,34,912</b>	<b>27,77,569</b>
<b>7. SHORT TERM PROVISIONS</b>		
<b>A. For Advances:</b>		
Provision for Standard Assets	5,58,139	6,49,726
Provision for Non-Performing Assets	99,46,535	85,47,768
<b>sub-total</b>	<b>1,05,04,675</b>	<b>91,97,495</b>
<b>B. For Employee Benefits:</b>		
Leave Encashment	1,08,378	3,07,856
<b>C, Provision for Income Tax</b>	-	1,50,764
<b>Total</b>	<b>1,06,13,053</b>	<b>96,56,115</b>



**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

(Amount in ₹ )

Particulars	As at 31st March	
	2017	2016
<b>9. DEFERRED TAX ASSESTS</b>	₹	₹
<b>Deferred tax asset on account of:-</b>		
a) Depreciation difference	31,15,922	27,69,752
b) Provision for Advances	26,74,869	28,26,149
<b>Total</b>	<b>57,90,791</b>	<b>55,95,901</b>
<b>10. LONG TERM LOANS AND ADVANCES</b>		
i) Retail Loans - VL and Mortgage Loans ( Secured, considered good )	14,18,31,606	19,66,81,890
ii) Security Deposits (Unsecured, considered good)	41,29,339	41,04,339
iii) Capital advance	3,25,000	-
<b>Total</b>	<b>14,62,85,945</b>	<b>20,07,86,229</b>
<b>11. CURRENT INVESTMENTS</b>		
(a) Investments in Government or Trust securities (Matured)	-	1,000
<b>Total</b>	<b>-</b>	<b>1,000</b>
<b>12. TRADE RECEIVABLES</b>		
<b>Proceeds from sale of Investments</b>		
Outstanding for a period not exceeding six months from the date they are due for payment	-	-
Secured, considered good	1,63,72,742	73,27,987
Unsecured, considered good	-	-
Unsecured, considered doubtful		5,60,150
	1,63,72,742	78,88,137
<u>Less: Provision for doubtful debts</u>		5,60,150
<b>Total</b>	<b>1,63,72,742</b>	<b>73,27,987</b>
<b>13. CASH AND CASH EQUIVALENTS</b>		
Balance with City Union Bank Ltd	3,88,67,706	-
Balances with Banks current a/c	1,20,98,966	14,82,437
Cash on hand	15,57,316	57,64,328
Stock on hand- Stamps and Stamp papers	1,184	
<b>Total</b>	<b>5,25,25,172</b>	<b>72,46,765</b>
<b>14. SHORT TERM LOANS AND ADVANCES</b>		
<b>i) Retail Loans</b>		
<u>a) Secured, Considered good</u>		
Gold Loan	22,17,94,140	19,22,92,488
VL and Mortgage Loans	7,12,07,990	7,56,75,806
<u>b) Unsecured, Considered good</u>		
Demand Loans	1,200	1,60,137
c) Unsecured, Considered Doubtful	85,85,223	1,24,65,751
<b>Sub Total</b>	<b>30,15,88,553</b>	<b>28,05,94,182</b>
<b>ii) Other deposits and advances:</b>		
Advance Tax/TDS (Net of Provision)	13,01,766	-
Tax (other than income tax)	1,37,498	-
Others	7,86,467	14,68,843
<b>Sub-total</b>	<b>22,25,730</b>	<b>14,68,843</b>
<b>Total</b>	<b>30,38,14,283</b>	<b>28,20,63,026</b>

**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**8 FIXED ASSETS**

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 31st March 2016	Additions	(Disposals)	Balance as at 31st March 2017	Balance as at 31st March 2016	Depreciation charge for the year	On disposals	Balance as at 31st March 2017
<b>a) Property Plant and Equipments</b>								
Furniture and Fixtures	2,03,98,070	8,63,406	4,55,075	2,08,06,401	1,39,99,127	19,12,976	3,36,116	1,55,75,987
Vehicles	7,52,417	-	-	7,52,417	6,29,140	43,301	-	6,72,441
Office Equipments	53,85,323	4,63,667	-	58,48,990	34,84,784	9,12,299	-	43,97,083
Computer & Accessories	27,70,156	2,26,060	-	29,96,216	24,65,585	2,18,504	-	26,84,089
Electrical Fittings	17,02,882	2,49,900	-	19,52,782	11,28,582	2,01,590	-	13,30,172
<b>Total</b>	<b>3,10,08,848</b>	<b>18,03,033</b>	<b>4,55,075</b>	<b>3,23,56,806</b>	<b>2,17,07,218</b>	<b>32,88,670</b>	<b>3,36,116</b>	<b>2,46,59,772</b>
<b>b) Intangible Assets</b>								
Computer Software	7,38,920	1,22,209	2,91,959	5,69,170	5,90,465	1,03,330	2,91,959	4,01,836
<b>Total</b>	<b>7,38,920</b>	<b>1,22,209</b>	<b>2,91,959</b>	<b>5,69,170</b>	<b>5,90,465</b>	<b>1,03,330</b>	<b>2,91,959</b>	<b>4,01,836</b>
<b>Grand Total</b>	<b>3,17,47,768</b>	<b>19,25,242</b>	<b>7,47,034</b>	<b>3,29,25,976</b>	<b>2,22,97,684</b>	<b>33,91,999</b>	<b>6,28,075</b>	<b>2,50,61,608</b>
<b>Previous Year</b>	<b>2,93,90,941</b>	<b>25,11,092</b>	<b>1,54,265</b>	<b>3,17,47,768</b>	<b>1,84,90,585</b>	<b>39,31,689</b>	<b>1,24,591</b>	<b>2,22,97,683</b>
								<b>94,50,086</b>
								<b>1,09,00,356</b>



**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**  
 (Amount in ₹)

Particulars	Year ended 31st March	
	2017	2016
	₹	₹
<b>15. REVENUE FROM OPERATIONS</b>		
Interest income on retail loans	10,38,10,044	8,10,46,775
Loan Processing fees	18,61,556	25,90,216
Other operating Income	5,66,555	2,00,008
<b>Total</b>	<b>10,62,38,155</b>	<b>8,38,36,999</b>
<b>16. OTHER INCOME</b>		
Dividend Income	-	23,905
Interest on Bank Deposits	-	14,52,575
Other Income	2,89,745	6,68,741
Recovery of bad debts written off		7,92,770
<b>Total</b>	<b>2,89,745</b>	<b>29,37,991</b>
<b>17. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salaries and Allowances	2,16,09,129	1,88,97,566
(b) Contributions to Provident Fund & ESI	18,74,738	16,33,715
(c) Staff Welfare Expenses	5,84,405	5,08,540
<b>Total</b>	<b>2,40,68,272</b>	<b>2,10,39,821</b>
<b>18. FINANCE COSTS</b>		
Interest on Bank Overdraft	40,16,834	5,29,898
<b>Total</b>	<b>40,16,834</b>	<b>5,29,898</b>
<b>19. DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation on Tangible Assets	32,88,670	38,06,851
Amortization of Intangible Assets	1,03,330	1,24,838
<b>Total</b>	<b>33,91,999</b>	<b>39,31,689</b>
<b>20. OTHER EXPENSES</b>		
Rent	58,62,132	55,73,649
Rates & Taxes	16,58,782	7,86,026
Printing and Stationery	3,62,295	3,46,508
Postage and Telephone	16,98,461	12,43,956
Power Charges	6,54,069	5,58,514
Insurance	1,49,804	2,51,425
Advertisement & Business Promotion Expenses	7,51,680	10,58,322
Repairs and Maintenance	6,63,805	5,50,064
Travelling and Conveyance	48,46,910	46,19,705
Legal and Professional Charges	29,55,538	26,32,502
Payments to Auditors - For Audit (Refer Note 20.1)	2,15,000	1,50,000
Loss on Sale of Investment	-	2,63,140
Security Service Charges	13,26,273	13,71,904
Bank Charges	6,24,557	5,36,948
Office expense	6,94,662	8,48,783
Other administrative expenses	8,25,651	14,35,052
<b>Total</b>	<b>2,32,89,619</b>	<b>2,22,26,498</b>
<b>20.1 Payment to Auditors:</b>		
Audit fee	1,60,000	1,20,000
Tax Audit Fee	30,000	30,000
Other services	25,000	-
<b>Total</b>	<b>2,15,000</b>	<b>1,50,000</b>
<b>21. Provisions and Write offs</b>		
Provision for retail loans (Refer Note 27)	82,15,881	28,64,639
Bad debts Write Offs (Refer Note 28)	28,56,178	15,28,000
<b>Total</b>	<b>1,10,72,059</b>	<b>43,92,639</b>



**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

- 22** A) The Company contributes to Gratuity Fund (LIC) as defined benefit retirement plan for its employees. Disclosures as required by Revised AS-15 for the year ended 31st March 2017 are as under:

		Gratuity	
		2016-2017	2015-2016
		₹	₹
i) The amounts recognised in the balance sheet are as follows:			
Present value of the obligation as at the end of the year		10,94,094	8,34,665
Fair value of plan assets as at the end of the year		14,00,857	11,66,066
Net liability / (asset) recognised in the balance sheet		(3,06,763)	(3,31,401)
ii) The amounts recognised in the Profit and Loss Account are as follows:			
Service cost		4,82,191	4,48,341
Premium Cost /Interest Cost		98,291	1,18,053
Expected Return on Plan Assets		(1,12,086)	(1,07,307)
Net actuarial (gain) / loss recognised in the year		(4,21,701)	(7,26,474)
Expense recognised in the Profit and Loss Account of the year		46,695	(2,67,387)
iii) Changes in the present value of defined benefit obligation			
Defined benefit obligation as at 1st April 2016		8,34,665	10,27,323
Service cost		4,82,191	4,48,341
Benefits Paid		(72,145)	(16,154)
Premium Cost/Interest Cost		98,291	1,18,053
Actuarial losses / (gains)		(2,48,908)	(7,42,898)
Defined benefit obligation as at 31st March 2017		10,94,094	8,34,665
iv) Changes in the fair value of plan assets			
Fair value as at 1st April 2016		11,66,066	10,91,337
Expected return on plan assets		1,12,086	1,07,307
Actuarial / (loss) / gains		1,72,793	(16,424)
Contributions		22,057	-
Benefits paid		(72,145)	(16,154)
Fair value as at 31st March 2017		14,00,857	11,66,066
Assumptions used in the above valuations are as under:			
Discount rate (%)		7.25	7.55
Future salary increase (%)		7.00	7.00

**B Defined Contribution Plan**

The Company makes contribution towards Employees Provident Fund and Employees State Insurance. These are defined contribution plans as per the Revised AS - 15. Contribution made during the year ended 31st March 2017 towards the above are Rs 13,17,605/- and Rs 5,36,590.86/- respectively.

- 23** Current assets, Loans and Advances are subject to confirmation.
- 24** In the opinion of the Management, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.
- 25** As per the information available with the management there are no dues to micro and small enterprises which are overdue and required to be disclosed under the MSMED Act, 2006.
- 26** Details of provisions during the year :

Particulars	2016-17	2015-16
Provision for Standard Assets	-169084	80,947
Provision for Non Performing Assets (Total during the year)	5938525	23,19,656
Provision for diminution in value of securities	2446440	464037
Total	<b>8215881</b>	<b>2864640</b>

- 27** Details of Write Offs during the year:

Particulars	2016-17 ₹	2015-16 ₹
Bad Debts written off during the year:		
Against provision made in previous year	4539758	-
Relating to accounts become bad during the year having no provision in earlier years	28,56,178	15,28,000

- 28** Contingent liabilities and commitments to the extent not provided for: Nil

- 29** Interest accrued and due under Current Liabilities of Rs.9286 represents the interest payable on convertible debentures to a debenture holder who is no more and is outstanding for more than four years and will be transferred to Investor Education and Protection Fund after the specified period, if no claim is received legally till such time.



**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**30 Related Party Disclosures:**

a) Related parties and nature of relationship

i) Key Management Personnel:

- 1 Mr. C.P Sasidharan -Chief Executive Officer
- 2 Mrs. Lakshmi P - Chief Financial Officer
- 3 Mrs. Kavitha Shah - Company Secretary.

ii) Other Related Parties (Enterprise owned or significantly influenced by key management personnel): Nil

Mr. K K Vijayan  
 Mr. K Muraleedharan  
 Mr. C R Prasannan  
 Mr. P B Pradeep Kumar  
 Mr. Sreedharan Jayakumar  
 Mr. Prakash Damodaran

b) Transactions with Related Parties

PARTICULARS	2016-17 ₹	2015-16 ₹
Sitting Fee	1,60,000	-
Remuneration to Directors	-	1,25,000

c) Loans and advances :

Category	Secured	Unsecured	Total
1. Related parties			
(a ) Subsidiaries	-	-	
(b )Companies in the same group	-	-	
(c ) Other related parties	57,96,008	-	57,96,008
2. Other than related parties	43,76,24,151	-	43,76,24,151
	<b>44,34,20,159</b>	<b>-</b>	<b>44,34,20,159</b>

Particulars	Amount
Gross Non performing Assets	
a) Related parties	-
b) Other than related parties	6,09,80,416
Net Non performing assets	
a) Related parties	-
b) Other than related parties	5,10,33,881
Assets acquired on satisfaction of debt	

**31 Segment Reporting**

The Company is operating only in one segment, ie,Financing .Hence, requirement of disclosure of different segments does not Apply.

**32** The Company has made efforts to identify the components of each of assets which are having cost significant to the total cost of the asset and having different useful life than that of the asset. Based on a technical evalation, it is confirmed that there are no component of an asset having cost which is significant to the total cost of the asset having useful life that is materially different from that of the asset and there fore the componetisation of assets for the purpose of deprecation is not having any material impact at present.

**33** Pending Litigation: the company is not subject to any legal proceedings and claims ,which have arisen in the ordinary course of

**34** The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses

**35 Share holding pattern as on the date of Balance Sheet**

	Current Year		Previous Year	
	Number of Shares	Percentage	Number of Shares	Percentage
Directors and Relatives	3,69,32,700	88.99	36972050	92.43
Others	45,67,300	11.01	3027950	7.57
	4,15,00,000	100.00	4,00,00,000	100.00




**AGRO INDUS FINANCE AND LEASING INDIA LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

- 36** Retail loan represents Gold loan, Vehicle loan, Mortgage loan and demand loan disbursed by the company. The Company follows Income recognition and Asset classification norms in terms Non banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions 2007 issued by Reserve Bank of India. As on 31/03/2017, the Retail loan consist of the of the following:

Loans	Current Year	Previous Year
Gold Loan	23,00,21,970	20,05,31,079
Vehicle Loan	12,61,16,778	15,68,55,539
Mortgage Loan	8,71,11,832	11,76,55,435
Others	1,69,579	22,34,019
<b>Total</b>	<b>44,34,20,159</b>	<b>47,72,76,072</b>

- 37** Doubtful assets represents assets classified as doubtful as per IRAC norms as prescribed by the Reserve Bank of India and provision in accordance with such norms has been provided and disclosed as Provision for Retail loans.

**38 Asset quality and credit concentration**

	Current Year	Previous Year
<b>a)</b> Percentage of net NPA to net loans and advances		
Total loans and advances	43,34,73,625	46,87,28,304
Total NPA	5,10,33,881	1,86,55,024
Total NPA (in %)	11.77	3.98
<b>b)</b> NPA under Various Categories		
Vehicle Loans and Others	4,72,50,181	80,97,884
Gold Loan	37,83,700	1,05,57,140
	5,10,33,881	1,86,55,024
<b>c)</b> Amount of provision made during the year (NPA)	59,38,525	27,24,380
<b>d)</b> Percentage of Gold Loans to Total Advances	52%	45%

**e)** Movement in NPA

(Amount ₹)

	Current Year		Previous year	
	NPA	Provision	NPA	Provision
Opening NPA	2,72,02,792	85,47,768	2,43,44,608	62,28,113
Addition to NPA	4,66,01,170	67,46,904	1,53,50,005	59,62,934
Recovery /Adjustment	1,28,23,546	53,48,137	1,24,91,821	36,43,279
<b>Closing balance</b>	<b>6,09,80,416</b>	<b>99,46,534</b>	<b>2,72,02,792</b>	<b>85,47,768</b>

- f)** Percentage of gold loans to Total assets 43% 38%

**g)** Details of Auction conducted during the year:

Particulars	
Number of loan accounts	449
Outstanding amounts-Principal	1,02,65,797
Value fetched (Net of VAT)	1,20,35,246
Whether any sister concern participated in the auction	No

- 39** Disclosure in accordance with notification dated 30.03.2017 ,details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016 are as follows:

	SBN	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	1691000	1911427	3602427
(+) Permitted receipts	-	67588857	67588857
(-) Permitted payments	-	68076463	68076463
(-) Amount deposited in banks	1691000	-	1691000
Closing cash in hand as on 30.12.2016	-	1423821	1423821

With regard to the Collection amounts remitted in the Company's bank account by customers/ borrowers/ collection agencies / company executives in cash, the particulars regarding the remittance, if any, made in specified bank notes were not furnished by the bank. Hence the information is not readily available, however the Management had given instruction to all concerned not to collect SBN's subsequent to 8th Novemeber 2016 and management is of the opinion that such instances, if any are negligible.

- 40** Previous year figures have been regrouped wherever necessary.

As per our Report of even date attached

**For Krishnamoorthy & Krishnamoorthy**  
 Chartered Accountants  
 Firm Reg. No.: 001488S

K.T. Mohanan  
 Partner  
 Membership No.201484  
 Place: Ernakulam  
 Date: 15/07/2017

**For Agro Indus Finance and Leasing India Limited**

(K.K.Vijayan)  
 Director

(Lakshmi P)  
 Chief Financial Officer

(CR Prassanan)  
 Director

(Kavitha Shah)  
 Company Secretary

## BRANCHES

### BRANCHES- KERALA:

#### PALARIVATTOM

Anand Towers, Mamangalam  
Kochi-682 025, Ph: 0484-2340078  
Email:pvtm21@agroindus.co.in

#### CHALAKKUDY

230L, MaliackalMuyalan Buildings,  
Near SBI,  
South Jn., Chalakkudy-680 307, Ph:0480-  
2703100  
Email:chalakuddy35@agroindus.co.in

#### THRISSUR

1st Floor, Friends Mall, Shoranur Road,  
Thrissur-680 022, Ph:0487-2322605  
Email:thrissur43@agroindus.co.in

#### KOTTAYAM

2nd Floor, Payyil Kohinoor Arcade,  
Samkranthi Jn.,  
Perumaikkad P.O, 686 028,  
Ph:0491-2590760  
Email:kottayam44@agroindus.co.in

#### CALICUT

1st Floor, Anugraha Arcade,  
Pavamani Road,  
Opp.Coronation Theatre, Calicut-4,  
Ph:0495-2727055  
Email:calicut46@agroindus.co.in

#### TRIVANDRUM

TC No:15/1926,  
Near Ganapathy Temple,  
Vazhuthacaud, Trivandrum-695 014,  
Ph:0471-2323288  
Email:tvm45@agroindus.co.in

### BRANCHES- TAMILNADU:

#### DINDIGUL BUS STAND

1st Floor, Meenatchi Plaza,  
Thiruvalluvar Salai,  
Dindigul-624 001, Ph:0451-2424833  
Email:busstand22@agroindus.co.in

#### SAMADANAPURAM

201/2, 1st Floor, Thiruchendur Road,  
Samadanapuram, Tirunelveli-627 002,  
Ph:0462-2584733  
Email:smpuram23@agroindus.co.in

#### MADURAI ATHIKKULAM

KB Towers, New Natham Road,  
Narayanapuram, Madurai-625 014,  
Ph: 0452-2568333  
Email:athikulam24@agroindus.co.in

#### MADURAI SOUTH GATE

Door No:83, South Veli Street,  
Madurai-625 001  
Ph:0452-2330333  
Email:southgate25@agroindus.co.in

#### DINDIGUL PALANI ROAD

Pensioner Street, Palani Road,  
Dindigul-624 001  
Ph:0451-2424830  
Email:dpr26@agroindus.co.in

#### VEDASANDUR

ABK Complex, Market Road, Vedasandur-  
624 710  
Ph:04551-260050  
Email:vedasandur27@agroindus.co.in

#### POLLACHI

Door No:54/26, Nachiyar Complex, Police  
Station Road, Pollachi-642 001,  
Ph:04259-220845  
Email:pollachi28@agroindus.co.in

#### UDUMALPET

Door No:115/11, Palani Road,  
Udumalpet-642 126, Tirupur Dist.  
Ph:04252-220611  
Email:udumalpet29@agroindus.co.in

#### BODINAYAKKANNUR

Central Theatre Complex,  
Periyandavar High Road,  
Bodinayakkannur-625 513,  
Ph:04546-283699  
Email:bodi30@agroindus.co.in

#### COIMBATORE RS PURAM

Door No:432/46, R S Puram,  
Coimbatore-641 001  
Ph:0422-2200051  
Email:cbe31@agroindus.co.in

#### PERIYAKULAM

17/1F, Thenkarai, VarthagaSangam,  
Cumbum Road  
Periyakulam-625 601  
Theni Dist Ph:04546-232274  
Email:periyakulam32@agroindus.co.in

#### THENI

Door No:66/1, Ward No:2,  
Opp:Krishna Theatre,  
Cumbam Main Road Theni-625 501,  
Ph:04546-232274  
Email: theni33@agroindus.co.in

#### ODDANCHATRAM

KRS Complex, Opp:Bus Stand,  
DindigulPalani Main  
Road, Oddanchatram-624 619,  
Ph:04553-240183  
Email:oddanchatram34@agroindus.co.in

#### TIRUPUR

5/2, Mangalam Road,  
Tirupur-641 604  
Ph:04212235444  
Email:tirupur37@agroindus.co.in

#### TUTICORIN

93/1B, Ward No:37, Devapuram Road,  
Near Indian Bank,  
Tuticorin-628 003, Ph:0461-233055  
Email:tuticorin39@agroindus.co.in

#### UTHAMAPALAYAM

15.6.1/1A, Uthamapalayam,  
Theni Dist: 625 533  
Ph: 04552-265707  
Email:upalayam40@agroindus.co.in

#### PERIYANAICKENPALAYAM

No:23/5, HariPriya Complex, LMW Pirivu,  
Periyanaickenpalayam-641 020,  
Ph:0422-2697080  
Email:pnpalayam41@agroindus.co.in

#### BATLAGUNDU

Ward No:13, Main Road  
Batlagundu,Dindigul Dt-624 202,  
Ph:04543-262142  
Email:batlagundu42@agroindus.co.in

#### P.N. ROAD, TIRUPUR

Agro Indus Finance & Leasing India Ltd,  
451/B, sathiyam plasha,  
P.N.Road, Tirupur - 641 602.  
Ph: 0421-2245315  
Email: pnroad47@agroindus.co.in

#### JAIHIND PURAM

Agro Indus Finance & Leasing India Ltd,  
Door No: 41, 1st Floor,  
2nd Maind Road, Jaihind Puram,  
Madurai – 625001  
Ph: 0452-2670024  
Email: jprm48@agroindus.co.in



Registered Office : 34/1873, Mazhuvanchery Buildings, Mamangalam, Kochi-682025  
 CIN - U65910KL1997PLC011088  
 ANNUAL GENERAL MEETING -02<sup>ND</sup> SEPTEMBER, 2017 AT 10:30AM

### **ATTENDANCE SLIP**

(Please complete the slip and hand it over at the entrance to the meeting hall)

Name and address of the member	Folio No.
--------------------------------	-----------

I hereby record my presence at the 20th Annual General Meeting of the company at the registered office, at 10:30AM

Number of shares held	Signature of the Member / Proxy

Shareholders who come to attend the meeting are requested to bring their copies of Annual Report with them.



Registered Office : 34/1873, Mazhuvanchery Buildings, Mamangalam, Kochi-682025  
 ANNUAL GENERAL MEETING -02<sup>ND</sup> SEPTEMBER, 2017 AT 10:30AM

### **PROXY FORM**

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

I/We .....  
 of ..... in the district of ..... being a  
 member/members of AGRO INDUS FINANCE AND LEASING INDIA LIMITED hereby  
 appoint ..... of ..... in the district of  
 ..... or falling him .....  
 of ..... in the district of ..... as  
 my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of  
 the Company to be held on ..... and at any adjournment thereof.  
 Signed this ..... day of ..... 2017

Client ID.....  
 No. of shares .....

Signature

Affix a 1  
 Rupee 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.

