

ANNUAL REPORT 2018-19



nafed

A Farmers' Cooperative



An Earnest Request

Finance & Accounts, Co-ordination & Public Relation Divisions have exercised due diligence and care while compiling and printing information/data in this Annual Report. However, if by any chance, mistake of any nature had escaped our notice, we request you to be magnanimous and treat the same as an act of human error.

Thanks
PR Division
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SENIOR EXECUTIVES

Shri Sanjeev Kumar Chadha
Managing Director

Shri Sunil Kumar Singh
Addl. Managing Director

Shri S.K. Verma
Executive Director

Shri A. K. Rath
Executive Director

Shri Ravi Kainth
Executive Director



Top 8 places to look in our Annual Report to save time

1. From the Desk of the Managing Director
2. An Overview
3. About Us
4. Business Highlights of 2018-19
5. Capacity Building
6. Serving the Nation with Wide Presence
7. Operation Greens
8. New Initiatives

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VISION 2024

To be a Global Cooperative leader with ISO Certification in providing marketing solution for agricultural commodities through efficient market linkage of Farmers, Government and Consumers.

GOAL



VISION



IDEA



TEAM
WORK



SUCCESS



FROM THE DESK OF THE MANAGING DIRECTOR



I am happy to share with you our Annual Report for FY 2018-19. We have ended yet another successful year with satisfactory results. Incidentally, NAFED has also completed sixty years of its eventful journey. Like any other organization, this journey has been full of ups and downs with numerous challenges on its path. It gives me immense pride to say that NAFED proved its mettle and emerged triumphant through all the tribulations. During the year we have achieved an all time record gross profit of ₹ 343 Crore, up by 36% in comparison to last year (₹ 252.14 Crore). The gross turnover of the federation has also increased from ₹ 3212.68 Crore in FY 2017-2018 to ₹ 20138.46 Crore in FY 2018-2019.

During the year, NAFED made an all time record procurement of oilseeds and pulses under PSS and PSF to the tune of 58.10 lakh MT valuing ₹27,352.79 Crore. During last five years, the federation purchased about 91.603 lakh MT of oilseeds and pulses under PSS valuing about ₹ 42931.94 Crore providing benefit of the scheme to a large number of farmers across the country. NAFED also supplied pulses to various states and Union territories at discounted price out of the buffer stock created under the Price Stabilization Fund Scheme of Govt. of India. The scheme received an overwhelming response and has been hugely successful in ensuring price stability of pulses post closure of procurement operation. The scheme will go a long way in achieving the objectives of self sufficiency in pulses, market stabilization as well as providing nutrition sufficiency to the poor. A sizable quantity of procured stock of pulses was also supplied to the Army and Central Para Military Forces to their complete satisfaction. NAFED also procured wheat and paddy valuing ₹ 154 Crore and ₹ 394 Crore respectively in the states of UP, West Bengal and Assam benefitting a large number of farmers in these states.

The Government has introduced "Operation Greens" to address price volatility in TOP (Tomato, Onion and Potato) crops. NAFED, being the nodal agency for implementation of short term price stabilization measures is all geared up for implementation of the scheme. The federation is also in the process of undertaking Organic Farming projects in the allocated 100 clusters in the states of Uttarakhand and Bihar under PKVY scheme of Govt. of India and has planned to set 100 Bio Diesel plants across the country. It has been the endeavor of NAFED to make sincere and best efforts towards improving the life conditions of the farmers and providing them remunerative prices for their produce.

The above achievements have been possible due to the inherent strength of the organization, its strong foundation and most importantly the dedicated efforts, hard work and resilience of the staff and officers of NAFED and also the relentless support of Govt. of India and the State Governments. On behalf of the management of NAFED, I wish to acknowledge and place on record the commitment and dedication on the part of the employees of the federation in achieving good results. We will continue to work towards providing an encouraging work culture to the employees where performance and innovation are encouraged and recognized. We will also continue to expose the employees to training programmes at leading institutions in and outside the country to develop their skills and also prepare them for future roles.

Each one of us has to continue the dedicated efforts and hard work to attain new heights and sustain the success in the long run so as to make NAFED a financially robust organization. We have to learn from the errors of the past and move on with the promise to not repeat those mistakes.

My hearty congratulations and compliments to every member of the NAFED family for their contributions to achieving the significant milestones as well as the spirit behind the arduous and successful journey of NAFED during these years.

Sanjeev Kumar Chadha

Managing Director

CHAPTER 1

AN OVERVIEW

Indian economy is predominantly agrarian by practice and 58% of the population is engaged in agriculture and allied activities. More so, many of the big industrial houses find their inputs from agriculture and therefore industrial growth is directly and partly indirectly cohesively linked with agriculture. All this will sustain and fructify only with the combined efforts of Central Government, State Governments and the sincere efforts put in by the entire farming community which jointly results record production year after year. Given the importance of agriculture sector, Government of India took several steps for its sustainable development. Steps have been taken to improve soil fertility on a sustainable basis through the soil health card scheme, to provide improved access to irrigation and enhanced water efficiency through Pradhan Mantri Krishi Sinchai Yojana (PMKSY), to support organic farming through Paramparagat Krishi Vikas Yojana (PKVY) and to support for creation of a unified national agriculture market to boost the income of farmers. Further, to mitigate risk in agriculture sector a new scheme “Pradhan Mantri Fasal Bima Yojana (PMFBY)” was launched.

The stimulus to improvement in production and quality is mainly contributed to development of production technology and its implementation through farming community as a whole under various schemes and policies designed by the Government of India for the benefits of farmers which is further supported with remunerative prices of their produce under Minimum Support Prices enhanced by it for different crops year after year.

Government's policy initiatives have led to record foodgrain production. The total food grain production in the country stood at 275.68 million tonnes in 2017-18, which is about 10.64 million tonnes (or 4 percent) more than what was produced in 2013-14. The production is 19 million tonnes more than the average production between 2011-12 and 2015-16.

In order to help the farmers in getting remunerative prices for their produce with a view to encourage higher investment and also to increase production, Government of India declares Minimum Support Price (MSP) for 25 notified agricultural commodities for each Kharif and Rabi crop season. NAFED is one of the Central Nodal Agencies for 16 notified agricultural commodities of Oilseeds, Pulses and Cotton under Price Support Scheme (PSS) and continues to be the sole Central Nodal Agency for procurement of Milling and Ball Copra under Price Support Scheme.

Apart from providing support to the farmers by way of implementing various schemes of Central Government/ State Governments such as PSS, PSF, MIS etc., NAFED also procures various agricultural commodities directly from farmers at mandi level through cooperative network in its outright/commercial account.



CHAPTER 2

PATH AHEAD: THREE YEAR ROAD MAP OF GOVT. OF INDIA FOR AGRICULTURE

The Hon'ble Prime Minister of India has set a vision of doubling of farmers' income by 2022. To realize this vision, the Ministry of Agriculture, Cooperation and Farmers Welfare, Government of India has chalked out the following plan of action for implementation over the period 2017-18 to 2019-20.

- Irrigation- "Per Drop, More Crops"
- Quality seeds-Improving seed replacement rate
- Soil test based nutrient management- Distribution of soil health cards
- Post-harvest crop losses- Large investments in warehousing and cold chains Value addition to farmers
- Creation of a national agricultural market, removing distortions and e-platform across 585 markets.
- Apart from the above, organic farming is also one of the key thrust areas of Govt. of India and in order to promote organic farming, the Government has launched Paramparagat Krishi Vikas Yojana (PKVY) & Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) schemes aimed at supporting the production and marketing of organic produce in the country to reduce their costs and prices. As on 31st March 2018, total area under organic certification process (registered under National Programme for Organic Production) is 3.56 million Hectare. This includes 1.78 million ha (50%) cultivable area and another 1.78 million Hectare (50%) for wild harvest collection. The current position of organic farming w.r.t. area covered across the country is 23.02 lakh hectares under PKVY, MOVCDNER and National Programme of Organic Production (NPOP).



CHAPTER 3

ABOUT US

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) is an apex organization of marketing cooperatives for agricultural produce in India. It was established on the auspicious day of Gandhi Jayanti on 2nd October 1958 and is registered under the Multi State Co-operative Societies Act. NAFED was founded with the objective to promote the trade of agricultural produce and forest resources across the nation. Agricultural farmers are the main members of NAFED, who have a say in the working of NAFED in the form of members of the General Body. NAFED has three tier-structure with NAFED at the top of the tier, primary cooperative marketing / processing societies at the bottom and state level marketing/tribal/commodity federations at the middle. Some national /apex level marketing / consumer cooperative federations are also members of NAFED.

The activities of NAFED add to the betterment of agriculture and post harvest of the produce. NAFED procures stocks directly from the farmers in regulated mandies in open auction through the cooperative infrastructure thereby providing them a ready market, fair price and preventing their exploitation at the hands of private traders. Also, whenever there is a glut in market due to bumper production when prices tend to crash, NAFED undertakes procurement at the Minimum Support Price under the Price Support Scheme in case of 16 notified commodities (pulses, oilseeds, copra, dehusked coconut, cotton) thereby providing remunerative prices to farmers for their produce.

There are 907 members of NAFED as on 31.03.2019 represented by chief executives of apex level marketing/consumer cooperative/other national level federations, state level marketing / tribal/commodity federations, primary cooperative marketing / processing societies and Govt. of India.



BUSINESS HIGHLIGHTS OF 2018-19

TOTAL PROCUREMENT (PSS/PSF/OR)

INR 29,473.91 crore

Net Profit after tax
INR 279.31 Crore

Gross Profit
INR 343.00 Crore



58.10 lakh MT Record Procurement of Pulses & Oilseeds under PSS/PSF



₹ 54.69 Crore of Seed Business turnover



₹ 20.63 Crore of Retail Business turnover



907 Member Societies as on 31.03.2019.
Share Capital increased from ₹ 24.67 Crore to ₹ 25.41 Crore



₹ 43.38 Crore of Humanitarian Aid to different countries



₹ 11.12 Crore of Bio Fertilizers turnover

NAFED'S ARMS TO SUCCESS




 Government of India
PM AASHA
 Pradhan Mantri Annadata Aay
 Sanrakshan Abhiyan



PRICE SUPPORT
SCHEME (PSS)

SEEDS SUPPLY TO
FARMERS



PRICE STABILISATION
FUND (PSF)



SUPPLY TO
GOVERNMENT
INSTITUTIONS



RETAIL BUSINESS



INTERNATIONAL TRADE

MEETINGS OF THE BOARD OF DIRECTORS AND ANNUAL GENERAL BODY

NAFED convened various important meetings of Annual General Body, Board of Directors, Executive Committee, Business Committee and Finance, Accounts & Audit Committee from time to time to lay down the policies and to conduct and review the affairs of the Federations as per details given below:

Meetings	Number of meetings held	Date
Annual General body	1	21.09.2018
Board of Directors	6	26.04.2018 13.07.2018 23.08.2018 21.09.2018 03.12.2018 22.02.2019
Business Committee	5	26.04.2018 13.07.2018 23.08.2018 03.12.2018 22.02.2019
Executive Committee	6	26.04.2018 13.07.2018 23.08.2018 03.12.2018 22.02.2019
Finance, Accounts & Audit Committee	2	26.04.2018 23.08.2018
Project Committee	-	-





BOARD OF DIRECTORS (2018-19)



SHRI V. R. PATEL
CHAIRMAN



SHRI DILEEP SANGHANI
VICE CHAIRMAN



DR. SUNIL KUMAR SINGH
VICE - CHAIRMAN

LIST OF OTHER DIRECTORS

- | | |
|--|---|
| 4. Dr. Bijender Singh, Ex - MLA | 16. Shri Ellapatty M. Murugan
(up to 03.09.2018) |
| 5. Dr. Chandra Pal Singh Yadav, MP | Shri M. Antonysami Peter
(from 04.09.2018 to 01.03.2019) |
| 6. Shri Bhanwar Singh Shekhawat | Shri M. Murgan (w.e.f. 29.03.2019) |
| 7. Shri R.S Joon | 17. Shri K.V. Suryanarayan Raju |
| 8. Shri Jagjit Singh Sangwan | 18. Shri Harvinder Kalyan, MLA |
| 9. Shri Nana Sahib Dattagi Patil | 19. Shri Ramakant Bhargava
(upto 27.09.2018) |
| 10. Shri Siby J. Monipally | Shri P.C. Meena (w.e.f. 28.09.2018) |
| 11. Shri Vishal Singh | 20. Shri Virendra Singh |
| 12. Shri Gurchet Singh | 21. Shri Ashok Thakur, Govt. Nominee |
| 13. Shri Ranjit Pandey | 22. Shri Sanjeev Kumar Chadha, IFS, Managing
Director |
| 14. Shri Patangay Jayavanth Rao
(w.e.f. 04.01.2018) | |
| 15. Shri Aditya Yadav | |

CO-OPTED DIRECTORS

Shri Vithal Bhai Bodar

FUNCTIONAL DIRECTORS

- | | |
|---------------------------|---------------------|
| 1. Shri Sunil Kumar Singh | 3. Shri A.K. Rath |
| 2. Shri S.K. Verma | 4. Shri Ravi Kainth |

NAFED'S MANAGING TEAM



SHRI SANJEEV KUMAR CHADHA, IFS
MANAGING DIRECTOR



SHRI SUNIL KUMAR SINGH
ADDL. MANAGING DIRECTOR



SHRI SK VERMA
EXECUTIVE DIRECTOR



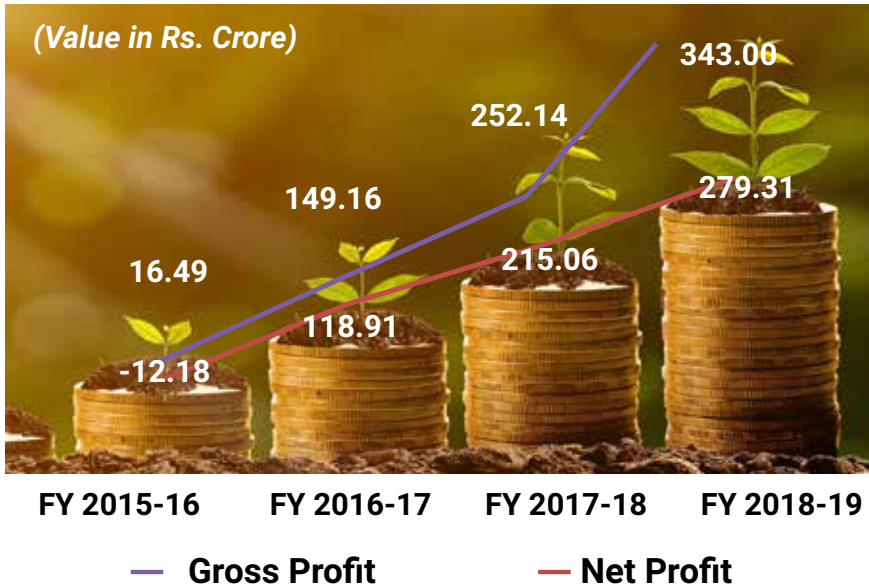
SHRI AK RATH
EXECUTIVE DIRECTOR



SHRI RAVI KAINTH
EXECUTIVE DIRECTOR



CAPACITY BUILDING



Manpower Strength of 360, out of which 36 are professionals

Purchased 5 properties across India .i.e. Mumbai, Chhattisgarh, Chandigarh, Bhopal and Bhubaneswar

CONNECTING TO THE WORLD



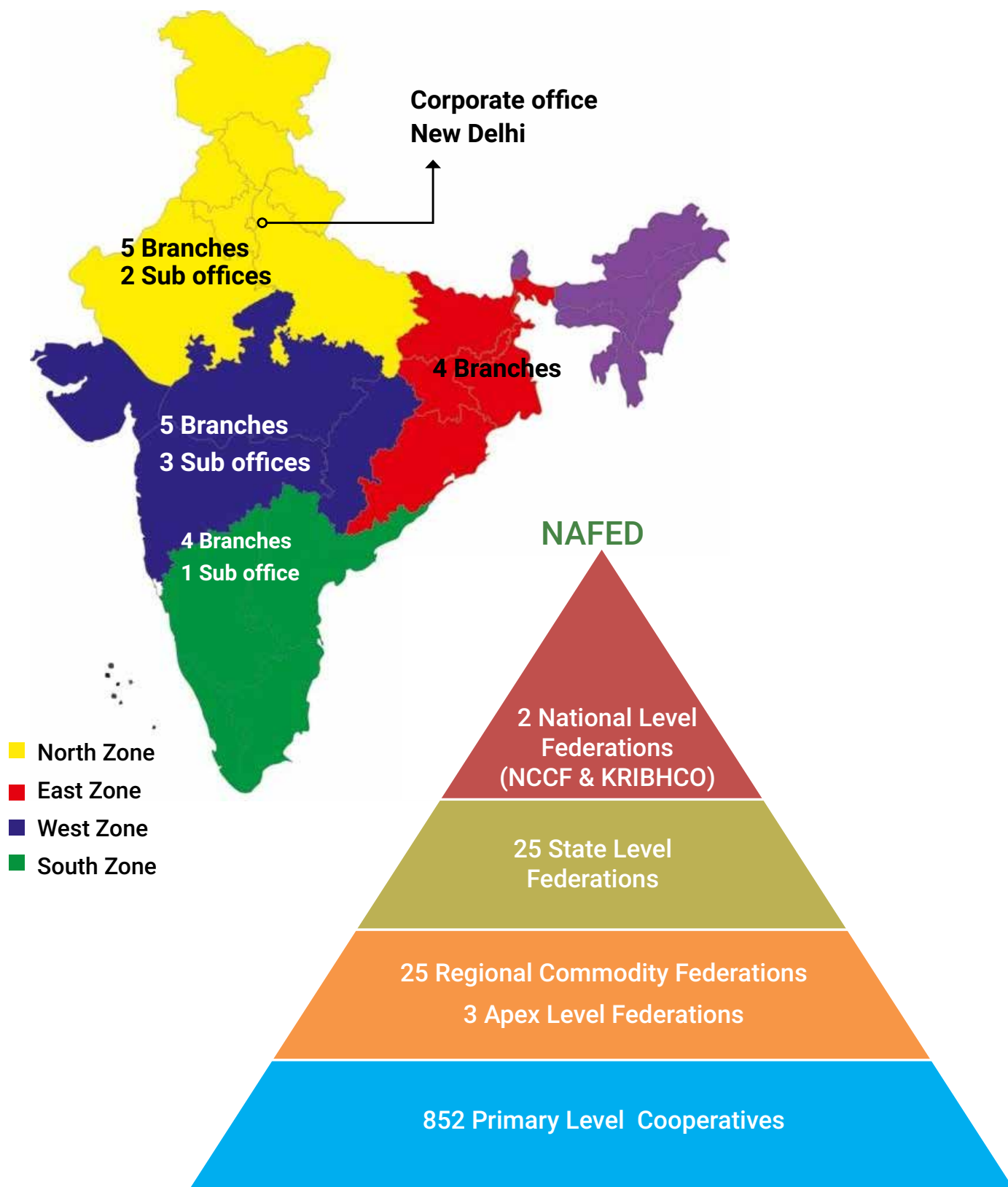
BUYER-SELLER MEET IN BEIJING, CHINA



BIOFACH 2019, GERMANY



SERVING NATION WITH WIDE PRESENCE



PROCUREMENT OF OILSEEDS AND PULSES UNDER PRICE SUPPORT SCHEME



Price Support Scheme (PSS)
Physical procurement of pulses, oilseeds and copra to be done by Central Nodal Agencies along with State govts. Central govt to bear procurement expenditure and losses due to procurement up to 25% of production.

MODI GOVERNMENT COMMITTED TO AUGMENTING INCOME OF THE "ANNADATA"

Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) launched

Assurance of a remunerative and stable price environment for growers/farmers is very important for increasing agricultural production and productivity. The market prices for agricultural produce many times tend to be unstable and volatile which may result into undue losses to the growers and discourage adoption of the modern technology and required inputs. The Government's price policy for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of consumers by making available supplies at reasonable prices with low cost of intermediation. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end, the Government announces, Minimum Support Prices (MSP) for 25 major agricultural commodities each year in both the Crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP). CACP recommends MSP for twenty two (22) crops and Fair & Remunerative Price (FRP) for sugarcane.

Apart from Sugarcane for which FRP is declared by the Department of Food & Public Distribution, twenty two crops covered under MSP are Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Groundnut-in-shell, Soyabean, Sunflower, Sesamum, Nigerseed, Cotton, Wheat, Barley, Gram, Masur (lentil), Rapeseed/Mustardseed, Safflower, Jute and Copra. In addition, MSP for Toria and De-Husked coconut is fixed by the Government on the basis of MSP's of Rapeseed/Mustardseed and Copra respectively.

Our Role: NAFED is one of the **Central Nodal Agencies** for procurement of 16 notified agricultural commodities of Oilseeds, Pulses and Cotton under Price Support Scheme (PSS) and continues to be the sole Central Nodal Agency for procurement of Milling Copra, Ball Copra and De-husk Coconut under Price



Support Scheme. Under the scheme, procurement is to be undertaken, if the market price of FAQ stocks rule at or below the declared MSPs and procurement is to be continued till the market prices stabilize above the declared MSP or harvesting period of 90 days as declared by respective State Governments, whichever is earlier. NAFED is procuring FAQ stocks under PSS directly from the farmers through its Cooperative network at State level and Primary level. The payment to the farmers is made only through digital mode like RTGS/NEFT. Losses, if any, incurred in PSS Operations of Oilseeds, Pulses and Cotton are fully reimbursed by Government of India. Profit, if any, on disposal of the commodities procured under PSS is transferred to Government of India. NAFED has been implementing the Scheme on behalf of Government of India for more than four decades.

During last five years (2014-15 to 2018-19), NAFED made an unprecedented record procurement of 91.098 lakh MT of oilseeds and pulses under the Price Support Scheme, up by 1205 % when compared to quantity of 7.02 lakh MT during corresponding period of previous five years, i.e 2009-10 to 2013-14.





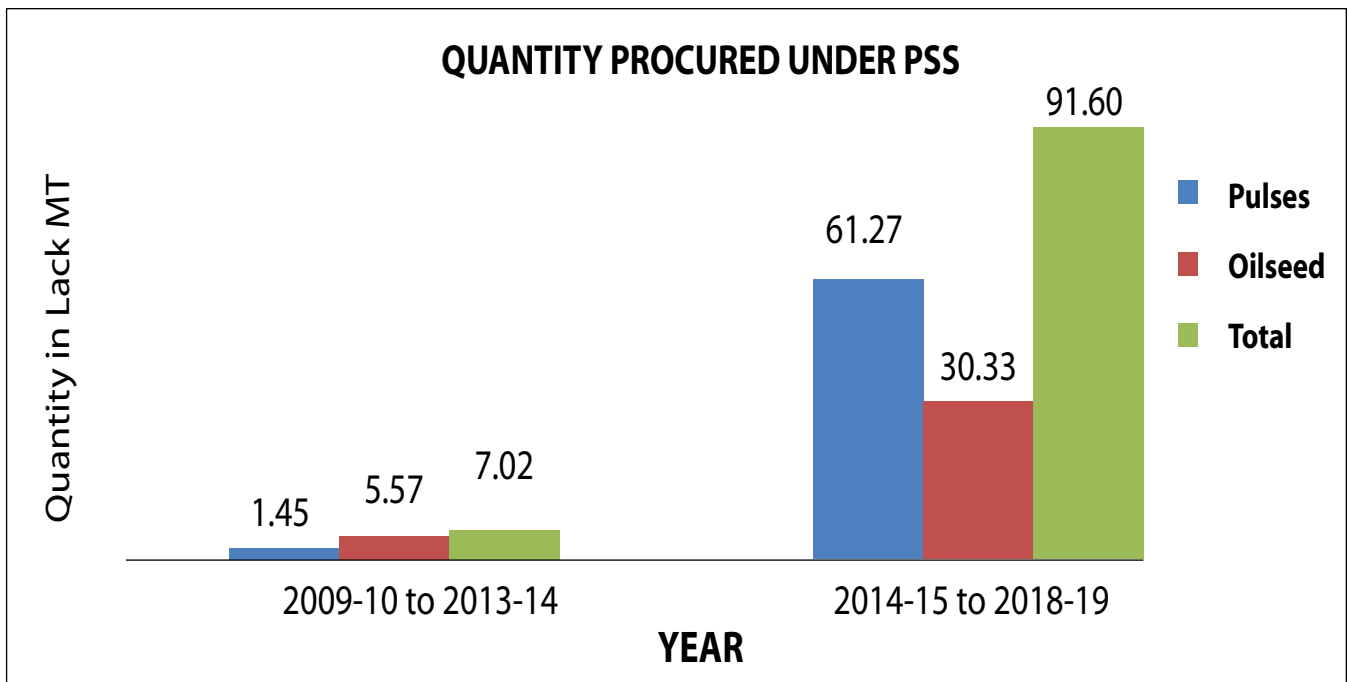
सत्यमेव जयते

Government of India

PM AASHA

Pradhan Mantri Annadata Aay

Sanrakshan Abhiyan



Since 2014-15, NAFED has benefited 38.32 Lakh of farmers via pulses procurement and 14.61 Lakh of farmers via oil seeds procurement. A total of 52.93 Lakh farmers have benefited nation wide under PSS.

CHAPTER 11

CREATION OF BUFFER STOCK UNDER THE PRICE STABILISATION FUND (PSF) SCHEME



With a view to keep a check on escalating prices, maintaining price stability and ensure availability of stocks to consumers at reasonable prices at all times, Govt. of India decided on 12th September, 2016 to utilize the price stabilization fund for creation of a buffer of 20 lakh tonnes of pulses by way of domestic procurement and imports.

The Price Stabilization Fund (PSF) was set up in 2014-15 under the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) to help regulate the price volatility of important agri-horticultural commodities like onion, potatoes and pulses were also added subsequently. The PSF scheme was transferred from DAC&FW to the Department of Consumer Affairs (DOCA) w.e.f. 1st April, 2016.

The scheme provides for maintaining a strategic buffer of aforementioned commodities through direct purchase from farmers/farmers' associations at farm gate/mandi for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation. NAFED was appointed one of the nodal agencies for creating the buffer stock under the scheme besides FCI, SFAC and MMTC.

Since prices of pulses ruled below MSP during the year and voluminous procurement of pulses was made under PSS, there was no procurement of pulses under PSF.



PATH BREAKING SCHEME OF RELEASE OF PULSES TO STATES/UNION TERRITORIES AT DISCOUNTED RATE



Need for introduction of the scheme: Since the introduction of Procurement of Pulses at Minimum Support Price under Price Support Scheme of Govt. of India, NAFED has been facing a challenge of disposal of procured Pulses in open market. It was observed that disposal after the closure of the procurement operation entailed heavy losses as the market sentiments depressed with the announcement of disposal of the holding stock of the PSS commodities. Unlike, Food Corporation of India, NAFED did not have a defined exit mechanism for utilization of pulses as in the case of Rice & Wheat. This ultimately negatively impacted the positives of the procurement operation under PSS of Pulses & Oilseeds.

Approval from Government: With this background and record volume of Pulses available with NAFED, a draft Scheme for utilization of Pulses at subsidized rate for utilization under the Welfare Schemes of Central/ State Governments was suggested to the Department of Agriculture, Cooperation & Farmers' Welfare, Ministry of Agriculture & Farmers' Welfare, Govt. of India in August/ September, 2018. The Scheme was approved as a one time measure for a period of 12 months from the date of first supply or complete disposal of 34.88 Lakh per MT of pulses stock, whichever is earlier. The Scheme provides a subsidy of ₹15,000 per MT over the issue price (the loose mandi rate) for distribution of holding stock of Chana, Masur, Arhar, Urad and Moong.



Our Successful Implementation: The Scheme under implementation since October, 2018, has been very well received by the States/UTs with active participation of 13 States/UTs availing pulses with discount for utilization under their Schemes. As of June, 2019, allocation, a quantity of 8,70,547 MTs of Pulses have been allocated to the States with their advance payment received and lifting of 7,42,081 MTs lifted. Maharashtra, Tamil Nadu, Tripura, Himachal Pradesh, Karnataka, Andhra Pradesh, Gujarat, Kerala, Madhya

Pradesh, Chhatisgarh, Nagaland, Uttar Pradesh and Daman have participated in the Scheme. It is hoped that other States will soon avail the Pulses from this Scheme.

The twin benefits of the Scheme ensure price stability of the Pulses post closure of the procurement operation since limited stock will be available to the trade in open market disposal. Further, the losses reported in the open market along with the subsidy enables the States to distribute the lifted Pulses at almost half of the open retail prices to the targeted beneficiaries of the Welfare Schemes, to address the nutrition deficiency of the under privileged class.

Way Forward : The policy suggestion of creation of buffer stocking of pulses in 2015 by NAFED along with this Scheme may be a game changer, achieving the dual objective of self-sufficiency in Pulses, market stabilization of Pulses as well the issue of nutrition sufficiency in days to come, along with business opportunity to NAFED for rotational procurement and disposal for buffer and PSS stock.





INSTITUTIONAL SUPPLIES



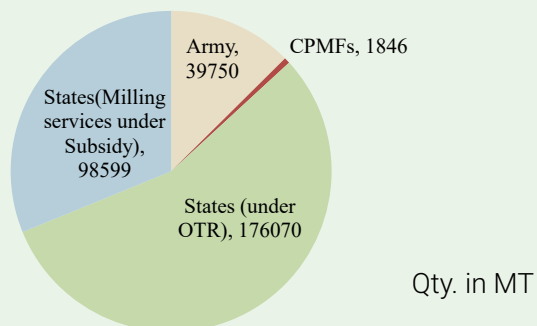
To help regulate the price volatility of pulses in the country, Govt. of India decided to create a buffer stock of pulses of around 20 Lakh MT during 2017-18 through its Nodal Agencies under the PSF scheme. NAFED majorly contributed to building the national buffer of pulses under the scheme. NAFED has also been nominated for supply of pulses to the Army and Central Para Military Forces and to States under different welfare schemes such as PDS, MDM and ICDS out of the national buffer. For execution of these prestigious tasks, an “Institutional Supplies Division” has been created supported by a dedicated team of officers/staff. The process is undertaken through a customized electronic portal NAFED.agribazaar.com to manage the critical tasks of empanelment of millers, mapping, assaying deliveries, payments and logistics. In order to complete the above tasks timely and effectively, NAFED had empanelled more than 300 millers across country for milling, packing and delivery to different Institutions. The work is assigned to the millers on the basis of highest out-turn-ratio (OTR) of milled pulses.



In October 2018, New Central Subsidy scheme was launched by DAC&FW, GOI in which subsidy of ₹ 15/- per kg is being allowed on release of pulses for utilization under different welfare schemes of States. NAFED offered its integrated milling and supply services to several States under the scheme.



SUPPLY OF PROCESSED PULSES TO DIFFERENT INSTITUTIONS DURING 2018-19



CHAPTER 14



INTERNATIONAL TRADE

Supply of Humanitarian Aid/Relief Material

During the visit of VVIPs to different developing / under developed countries, humanitarian assistance of various food / house hold goods is announced. Similarly, in the event of natural calamity, Government of India sends emergency relief materials to the particular country. Reposing trust in NAFED's abilities for supply of such items as per quality & time parameters, during FY 2018-19, Ministry of External Affairs, Govt. of India has entrusted NAFED for supply of various agri-commodities / house hold items to different countries as humanitarian AID/ emergency relief material, as per details given as under:



S. No.	Country	Commodity	Quantity	Period	Value (in Rs. Lakh)
1	Madagascar	Swarna Raw Rice	1000 MT	Apr, 2018	383.35
2	Guinea Bissau	Parboiled Rice	1000 MT	May, 2018	393.80
3	Bangladesh	Relief Material		May, 2018	1140.00
4	Swaziland	Rice + Rajmah	1000 MT	Aug, 2018	620.35
5	Bangladesh	Blankets	225000 Pcs	Dec, 2018	1718.75
		Sweaters (Adults)	100000 Pcs	Dec, 2018	
		Sweaters (Children)	100000 Pcs	Dec, 2018	
6	Mozambique	Indian White Rice	250 MT	Mar, 2019	82.13
TOTAL					4338.38



Export of Agri Commodities from India to China

On the behest of PMO, NAFED initiated proactive action to explore the possibilities for export of Agri-commodities to China. Under the aegis of Embassy of India in Beijing China, NAFED organized a Buyer Seller Meet for Indian Oil Meals with focus on Rapeseed Meal on 19th September 2018 at Beijing. Managing Director & Executive Director (ITD), NAFED led a 20 member business delegation which included 18 Indian Oil Meal Exporters for this meet. The Embassy of India in China partnered with China Chamber of Commerce of Foodstuff, Native Produce and Animal By-Products (CFNA) under MOFCOM and China Feed Industry Association (CFIA) under Ministry of Agriculture for this event. Around 80 Chinese importers including renowned importers like COFCO attended the Buyer



Buyer & Seller Meet on 19th Sep, 2018

Seller Meet. NAFED signed two MOUs, one with China National Complete Engineering Corporation (CCEC) and other with China National Construction & Agricultural Machinery I/E Corporation (CAMC) for procurement of Soyabean Meal, Soyabean Seed and Non-Basmati Rice. These two organizations are Chinese State-owned Enterprises with major portfolio of import of agriculture produce. The PMO, Ministry of Commerce, Govt. of India and Embassy of India in China applauded the initiatives taken by NAFED for promotion of export of Agri-commodities from India to China.



NAFED also participated in the China International Import Expo-2018 (CIIE)-2018, held in Shanghai, China from 05.11.2018 to 10.11.2018 and got overwhelming response from Chinese importers for Rapeseed Meals, Soymeal, Sugar and Rice.

CHAPTER 15

Parampragat Krishi Vikas Yojana (PKVY) for Organic Farming



Parampragat Krishi Vikas Yojana, a comprehensive Centrally Sponsored Scheme launched by GOI to promote organic farming.



Parampragat Krishi Vikas Yojana” is an elaborated component of Soil Health Management (SHM) of major project National Mission of Sustainable Agriculture (NMSA). Under PKVY Organic farming is promoted through adoption of organic village by cluster approach and PGS certification.



Govt. of India has allocated 50 clusters in the State of Uttarakhand (Nanital) and 50 clusters in the State of Bihar (Champanan) to NAFED under the scheme of PKVY. Groups of farmers would be motivated to take up organic farming in these clusters under the scheme. NAFED has appointed technical partners for co implementing the projects in the state of Bihar and Uttarakhand.

“If we make it national policy that we will support small farmers the way we support agribusiness, we'll suddenly see it change in terms of the cost of organic food.”

Above quote also matches with the very vision of our Hon'ble Prime Minister for the year 2022 so as to Double the Farmers Income and keep the country healthy.

CHAPTER 16

INDUSTRIAL UNITS



NAFED BIO-FERTILIZER UNITS

	ANNUAL PRODUCTION CAPACITY
ESTABLISHED AT INDORE (M.P.) IN 1985	450 MTs
ESTABLISHED AT BHARATPUR (RAJ.) IN 2001	300 MTs

WHAT ARE BIO-FERTILIZERS

- LIVE OR LATENT MICRO-ORGANISMS HAVING CHARACTERISTIC CAPABILITY OF
- FIXING ATMOSPHERIC NITROGEN, SOLUBILIZING UNAVAILABLE PHOSPHATE OR
- COMPOSTING THE AGRICULTURAL WASTE.

TYPES OF NAFED BIO-FERTILIZERS

- NITROGEN SUPPLEMENTING MICRO-ORGANISMS :
 - RHIZOBIUM
 - AZOTOBACTER
 - ACETOBACTER
- PHOSPHATE SOLUBILIZING MICRO-ORGANISMS (PSM)
- COMPOSTING MICRO-ORGANISMS
- UREA COATING AGENTS (UCA)
- TRICHODERMA (BIO-FUNGICIDE)
- WON NATIONAL PRODUCTIVITY COUNCIL AWARD FOR QUALITY ELEVEN TIMES TILL NOW

NAFED IN THE SERVICE OF THE NATION

NAFED has 17 freehold and 25 leasehold properties in the form of Lands, Plots, Residential complexes, Office premises, Godowns, Cold Storage and Industrial units. Some of the properties are for own use of NAFED while some have been leased out to generate additional revenue. The plot at Vashi (Navi Mumbai) has been leased out on BOT basis for construction of State of the Art Cold Storage of 2400 MT capacity. Rental Income of ₹ 7.62 Cr was generated during the year by effective utilization of NAFED'S properties.

During the year NAFED has purchased additional five properties at Mumbai, Chhattisgarh, Chandigarh, Bhopal & Bhubaneswar for use as office premises for an amount of approx Rs.24.13 crores.

NAFED BIO-FERTILIZERS, INDORE

The products of NAFED Bio-Fertilizer, Indore continued to enjoy popularity amongst the farmers all across the country, despite the prevalent cut throat competition in the trade.

The Bio-Fertilizers produced by the unit are marketed through branches/centres located across the country to facilitate proper and timely distribution to the buyers. NAFED Bio Fertilizer has also started the production and marketing of liquid Bio Fertilizers. The unit is facilitating the farmers to improve the productivity and quality of their crops to great extent.

The total turnover of NBF unit in Bio-Fertilizer products category during the year 2018-19 was ₹ 6580.99 Lakh with gross profit of around ₹ 461.88 Lakh.



CHAPTER 17

SEEDS



NAFED is one of the Central Seed Agencies of DAC & FW, Govt of India. NAFED has been undertaking production / distribution / marketing of seeds under various schemes of Government of India for more than a decade.

To ensure good germination, purity & viability, NAFED undertakes seed production from Breeder Seed (Sourced from ICAR Institutes / SAU), Foundation Seeds and Certified seeds of notified varieties not older than 10 years. Multiplication of allocated seeds from Breeder

to Foundation is being done through National Horticultural Research and Development Foundation (NHRDF). NAFED also undertakes supply of Certified Seed Minikits as well as General supplies to State Governments to benefit the farming community. In the last 5 years, the quantum of seed production of NAFED has increased manifold with average year-on-year growth of 48.9% with a high credibility & acceptance amongst the farmers.

NAFED is now aiming for capacity expansion in terms of seed production to meet it's annual requirement of seeds against the minikits programme of DAC&FW, State Govts and general supplies

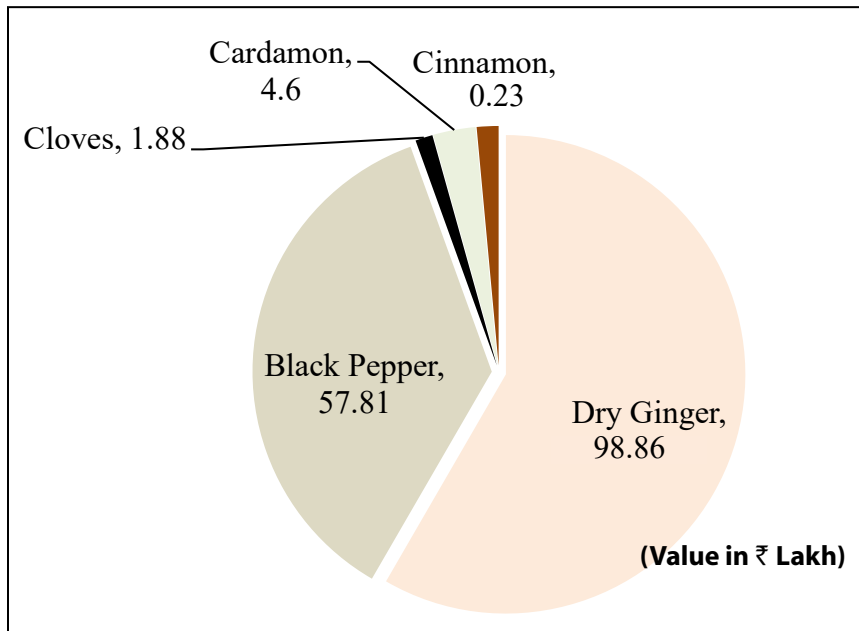


With the aim of promoting its seed related activities and business, a two days Workshop on Seed was organized by NAFED at Indore on 26-27 February 2019, which was attended by official/experts from agri/research organizations/institutes like ICAR, NSC, NHRDF, Department of Agriculture, Seed certification agencies, College of Agriculture and Markfed apart from delegates from cooperative societies and seed producers.



During the year, total Seed business of 11170.74 MTs valuing ₹ 7490.685 Lakh was undertaken by NAFED through its empanelled seed producers under the centrally sponsored schemes, NFSM-Pulse (1780.67 MTs valuing ₹ 2020.754 Lakh) and NFSM- Oilseeds (1820.64 MTs valuing ₹ 1440.723 Lakh) on behalf of DAC & FW. Further, general supplies to State Governments/ Institutions were effected for a total quantity of 75694.31 Qtls valuing ₹ 4029.208 Lakh.

SPICES



During the year 2018-19, NAFED procured 1247.38 Qtl of Spices valuing ₹ 302.65 Lakh in commercial account. The procured stock was sold in domestic market at ₹ 163.38 Lakh



CHAPTER 19

HORTICULTURE

Procurement of onion under the Price Stabilization Fund Scheme of Govt. of India

As per Direction of Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs, Govt. of India, NAFED procured a qty. of 13,507.71 MT of onion valuing ₹ 15.60 Crore in the states of Maharashtra and MP through member societies/FPOs under the PSF scheme. The stocks were procured directly from the farmers in important centers including Lasalgaon, Pimpalgaon and Kalavan in Maharashtra and Shahjapur mandi in Madhya Pradesh during Rabi 2018 Season. The stocks, after preliminary sorting, grading and packing were dispatched for sale in the markets of Delhi, Rajasthan, Kerala, West Bengal, Orissa and Chennai. In Delhi, tie up was made with retail chains like Mother Dairy (SAFAL) for organizing sale directly to the consumers. The buffer stocking of onion by NAFED helped in checking the retail prices of onion.

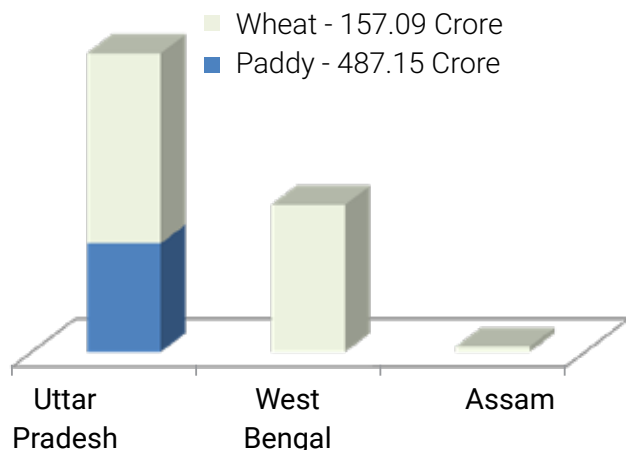
Other Fruits and Vegetables

- NAFED Bhubaneswar procured and sold 20.14 MT of Green Ginger in outright a/c earning a profit of ₹ 0.20 lakhs.
- NAFED Azadpur Branch sold fruits & vegetables valuing ₹ 889.33 Lakh and earned a profit of ₹ 42.31 Lakh in this business. The branch also sold garlic through consignment sale valuing ₹ 1019.71 Lakh, received from Govt. of Rajasthan out of stocks procured under Maret Intervention Scheme (MIS), generating an income of ₹ 81.00 Lakh.



FOOD GRAINS

Procurement :



During the year NAFED procured paddy in the States of Uttar Pradesh, West Bengal and Assam as one of the State Agencies on behalf of Food Corporation of India/ State Govt. under De-centralized Procurement (DCP) Scheme. NAFED also procured Wheat in the state of Uttar Pradesh as one of the State Agencies on behalf of Food Corporation of India.

Considering outstanding performance of NAFED, the state Governments of Uttar Pradesh, West Bengal and Assam allocated targets of 100000 MTs, 100000 MTs and 4000 MTs respectively for procurement of Paddy and delivery of CMR in the respective States during KMY 2018-19. Against the targets allocated, Lucknow branch made record procurement of 158374.21 MTs valuing ₹27730.38 Lakh in the state of UP whereas Kolkata and Guwahati branches procured 57660.939 MT valuing ₹10090.00 Lakh and 765.519 MT valuing ₹ 135.11 Lakh in state of West Bengal and Assam respectively

Government of Uttar Pradesh further allocated target of 100000 MTs to NAFED for procurement of wheat under MSP during RMS 2018 against which Lucknow branch procured 90542.59 MT valuing ₹15709.14 Lakh in the State .



CHAPTER 21

OPERATION GREENS



The infographic for Operation Greens features a bowl of tomatoes, onions, and potatoes on the left. The title 'OPERATION GREENS' is prominently displayed in green, with the NAFED logo and MoFPI logo to its right. Below the title, it states 'A Scheme of Ministry of Food Processing Industries, Government of India' and 'For better value realization for farmers cultivating Tomato, Onion, Potato (TOP)'. A central green box highlights a 'Subsidy* of 50%' for transportation and storage costs. The 'Objective' is to evacuate surplus production during price falls, and the 'Strategy' involves integrated value development projects. NAFED is identified as the Nodal Agency for Price Stabilization Measures.

In the Union Budget 2018-19, "Operation Greens" was announced with a view to stabilize supply of Tomato, Onion and Potato (TOP) crops and ensuring availability of TOP crops throughout the country round the year without price volatility. For attainment of objectives of Operation Greens, Union Ministry of Food Processing Industries (MoFPI) approved operational strategy which comprises of various short term and long term measures. NAFED has been appointed as the Nodal Agency for implementing short-terms measures for price stabilisation of TOP Crops. Under the scheme, during the glut situation, when the prices fall below preceding 3 years' average market price at the time of harvest, NAFED will evacuate TOP Crops from production surplus area and store it in hired warehouses/cold storages near production or consumption centres through empanelled agencies. MoFPI will disburse subsidy through NAFED for the following:

- ▶ Transportation of TOP Crops from production to storage
- ▶ Hiring of appropriate storage facilities for TOP Crop

NAFED playing a pivotal role in implementation of Operation Greens

For effective implementation of the scheme, NAFED is in the process of developing an e-Platform for Market Intelligence System and Early Warning System (MIEWS) for monitoring real time prices as well as demand / supply scenario to enable informed intervention for price stabilization. The e-Platform will enable dissemination of market intelligence and other pertinent information including demand forecast, advisory on future prices, etc. related to TOP Crops for the benefit of farmers.

Towards short term intervention for price stabilization, NAFED convened meeting of Heads of State Horticulture Department and State level Cooperative Marketing Federations on 29.11.2018 to discuss various issues, likely challenges and operational arrangements for a implementation the Scheme. Several rounds of meetings have since been convened with the stakeholders at NAFED branches and Head Office in this context. NAFED has

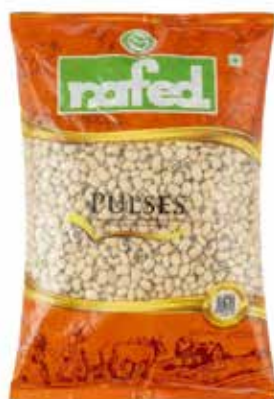
requested the States to empanel the eligible entities or authorize the State Cooperative Marketing Federations for empanelment of FPOs /FPCs / Farmers Group /Growers' Associations /Aggregators/ Pvt Transporter / Agri-logistics/ Warehouse.

To leverage the benefit of Federal Corporatism and expand the outreach of the scheme to the last mile at market level, NAFED has also decided to empanel member State Cooperative Marketing Federations as deemed empanelled agencies for transportation and storage of the TOP crops during intervention in line with the guidelines of the scheme. NAFED has started sending advisory to the States for considering intervention under the Scheme as per the prescribed guidelines. Reports on ruling market prices and arrivals of TOP Crops are also being sent to the MoFPI regularly.



NAFED'S RETAIL PRESENCE

CHAPTER 22



NAFED ventured into consumer business with the objective of diversifying its activities and making available quality items of daily needs like grocery, tea and poultry etc. to the consumers at affordable prices. NAFED is selling branded stocks of daily need through three outlets of its own and seven franchisee stores in Delhi and two retail outlets in Shimla under the name of "NAFED Bazaar". Efforts are on to expand our retail footprints on PAN India basis through distributors' network. In addition to our regular products, an entire range of organic grocery items was launched under NAFED brand name for retail sale. In wake of digital era, NAFED has started sale of its products on various digital platforms to maximize its reach among all category of consumers. Besides retail sale, NAFED is supplying grocery items to prestigious institutions in the country including reputed hospitals, hostels, schools and Public Sector under-taking etc.

During the year, the total turnover reported from sale of grocery was ₹20.63 Crore, including ₹266.24 Lakh from sale of eggs.

NAFED brand tea is already a popular name amongst consumers. During the year new variants of CTC tea were introduced to suit the local tastes and preferences. A quantity of 223.03 MT of tea valuing ₹ 349.34 Lakh was sold during the year generating a profit of ₹19.02 Lakh.





Co-Branding with others

ORGANIC PRODUCTS

NAFED continues to support organic cultivators across the country by providing the requisite market linkages for ensuring a better price recovery and the product range under its ambit has now increased to 90. These new products launched under the brand name of "Organic Soul" include pulses, spices, grains, flours, honey, edible oils, flax seeds, chia seeds, tea, etc. The products are competitively priced and available in various outlets of NAFED and its franchisee shops. NAFED has also partnered with e-commerce platforms like Grofers and Amazon for online sale of its range of organic products. Through Organic Soul, NAFED strives to bring the highest quality of certified organic and natural produce to its consumers. All organic products available at NAFED Bazaars are certified by reputed accredited agencies. Organic products of other brands are also being sold at NAFED stores.

NAFED also executed an agreement with North Eastern Regional Agricultural Marketing Corporation Limited. (NERAMAC), A Govt. of India subsidiary, for retail marketing, sale and promotion of North Eastern products through NAFED in Delhi. These products, which include variety of pickles, whole spices, stevia, Kiwi candy, Jam and Cardamom etc. are now available in NAFED stores at Delhi. This is also in line with the long term vision of NAFED to support farmers of North East by promoting marketing of their products in mainland India.



NEW INITIATIVES

NAFED aiming to setup 100 Waste Processing Plants across the country



NAFED is making efforts for creating a greener tomorrow and “Swachh Bharat” through setting up of 100 Bio-Fuel plants across the country. The focus is on building waste processing facilities and turn waste to fuel, which is green, consumable and efficient.

During the Vibrant Gujarat Summit, NAFED signed an MOU with the Municipal Corporation of Ahmadabad on 19th of January, 2019 for setting up of a Bio-Fuel plant of 500 TPD capacity in Ahmadabad. The plant shall use the Municipal Solid Waste as raw material to produce Compressed Bio Gas (CBG) and organic manure. HAFED has also agreed in principle to work with NAFED for setting up of a Bio-Fuel Plant in Assandh, Haryana wherein the waste material generated at the Assandh sugar mill shall be used as raw material to produce compressed bio gas (CBG), organic manure and other bye products. Various sugar co-operatives, municipal corporations and other organizations across the country have agreed in principle to offer their support to NAFED for setting up of Bio CNG plants by offering the waste produced at their end to the proposed plants as raw material.

An MOU was signed with Indian Oil Corporation Limited (IOCL) on April 13th, 2018 for off take of Bio-CNG produced at the proposed waste processing plants. Another MOU has been signed with M/s Spectrum Renewable Energy Pvt. Ltd. for sale and marketing of Bio manure under the brand name of NAFED in Maharashtra. M/s ICL Waste Tech Pvt. Ltd. have joined hands with NAFED for offering technical expertise in this ambitious project.



NHRDF



The **National Horticultural Research and Development Foundation (NHRDF)** is a **National level Organization** was established by National Agricultural Co-op. Marketing Federation of India Ltd. (NAFED) and its Associate Shippers on **3rd November, 1977** under the Societies Registration Act, 1860 at New Delhi with a view to carry out Research and Development activities on various export oriented horticultural crops thereby to increase the productivity and quality of the produce. The Research and

Development programme were initially started on Onion and later on Garlic was included in the mandate crop. Seeing the vast potential of export, the R&D work is also extended to some other vegetable crops like – okra, tomato, frenchbean, cowpea, chilli and drumstick.

The NHRDF worked as Nodal Agency for implementing the Central Sector Scheme of Integrated Development of Vegetables including Root and Tuber Crops (IDV) of the Ministry of Agriculture & Farmers Welfare, Government of India from the year 2000-01 to 2004-05. The NHRDF is also a Voluntary Centre for conducting Network Research Programmes under the All India Coordinated Research Programmes (Vegetable Crops) and All India Network Research Project on Onion and Garlic (AINRPOG) of ICAR. NHRDF is a part of MPRNL Scheme (Monitoring of Pesticides Residue at National Level) under Plant Protection Division of Department of Agriculture Cooperation & Farmers' Welfare, Ministry of Agriculture and Farmers' Welfare, Govt. of India.

NHRDF is also imparting training on improved cultivation and post-harvest management of onion and garlic to the Agriculture and Horticulture Officials of SAARC countries like Nepal, Bangladesh, Bhutan & Sri Lanka.

At present, the NHRDF has total 18 Centres located in different states of the country, which are catering to the needs of onion, garlic and other vegetable crop to farmers through production and distribution of seeds, dissemination of technologies developed, organizing training programmes, vegetable seed production, post-

harvest management, mushroom spawn production, etc. The NHRDF is also running a project of Krishi Vigyan Kendra allotted by ICAR in village Ujwa, Delhi.

The NHRDF has developed 18 high yielding varieties of garlic for different locations and seasons in the country. Out of these, 12 varieties have been notified by the Central Variety Release Committee of the Ministry of Agriculture & Farmers Welfare, Govt. of India. Further, 14 high yielding varieties of onion have also been developed, out of which, 6 varieties have been notified by the above authority.



CHAPTER 25

PR DIVISION

It is the endeavour of PR Division to spread awareness and publicity about the role of NAFED amongst the farmers and consumers and also promotion of NAFED brand consumer and Organic products. The division made several efforts in this regards as follows :-

1. Participation in various Exhibitions/Events/Seminars as listed below :-

- Agriculture Krishi Unnati Mela 2018 at New Delhi
- India Today Krishi Summit (Agriculture Conclave 2017)
- International Agriculture & Hort Expo 2017 at Pragati Maidan
- Agri Vikas 2018 at Bhubneshwar
- National Workshop on Revitalizing Cooperatives organized by VAMNICOM at Pune
- Emerging North East 2018 at Guwahati
- Agro World 2018 at IARI, Pusa Campus, New Delhi
- Odisha Agriculture Start UP- Doubling of Farmer's income by 2022 through Agriculture Start –ups & Agri Skilling at Bhubaneswar
- 10th Agrovision at Nagpur, Maharashtra
- 9th Vibrant Gujarat Global Trade Show 2019 at Gandhinagar, Gujarat from 18-22 January, 2019
- As Co-Sponsor in the 2nd All India Progressive Farmer Convention and Awards at the Constitution Club, New Delhi during 28th Feb.- 1st March, 2019
- Odisha Parba 2019 organized by Odia Samaj at New Delhi during 15-17 March, 2019.

2. Placement of advertisements related to NAFED'S unique business activities in leading monthly magazines & periodicals.

3. Participation in International Level Seminars/Exhibition by NAFED Viz:

- SIAL 2018 held at Paris during 21-25 Oct, 2018
- BIOFECH, 2019 at Germany during 13-16 Feb, 2019

4. PR Division also commenced the publication of a quarterly News Letter of the Federation by the name of "NAFED NEWS" to highlight the business and related activities of Federation. During the year, 3 volumes of News Letter were published and distributed amongst the stake holders

5. A Composite Film and short documentary films on various pro-farmer and pro-consumer activities of Nafed was under taken for use in promotion of Federation's activities and achievements.



IT DIVISION

During the year, IT Division took various initiatives as listed below for digitising the activities and operations of the Federation with a view to bring about greater efficiency and transparency :-

- The Video Conference System has been installed for day to day communication with branches to reduce the travel time, making quicker decisions etc. regarding procurement and disposal related queries or directions.
- Dash Board has been installed at Reception of NAFED, HO and Krishi Bhavan for effective display of the data of PSS Real-Time Procurement and eye catching photographs of business activities of NAFED.
- Modernized display equipments have been installed in new Board Room at NAFED, HO.
- Digitization of Library : All books are now bar-coded and they can now be issued / returned digitally on a cloud based Library software system.
- Website Features: NAFED'S Website has been re-designed with dynamic user friendly features. Annual Reports, Newsletters and Daily reports of procurement and disposals etc. can be viewed on website.
- Disposal E-Portal : Work has started for NAFED own in-house Agri commodities disposal portal. The main features of the Portal include E-auction of Agri commodities, tracking entire supply chain management, online payment collection, Assaying, Digital DO generation etc.
- NAFED Android App upgradation : NAFED Android App has been upgraded with new design, support for Hindi language, Kisan tips, weather updates, press releases, nearest procurement centre details, daily reports of disposals and procurement features.
- New Hardware: New Computer systems and network printers have been installed at NAFED Head Office and Branches in view of increasing business demand and new recruitments.
- HRMS upgradation : NAFED in-house HRMS has been upgraded to incorporate employees benefit modules like New Pay Scales and Leave Encashment etc.
- Tally Server upgradation: Tally server has been upgraded to new server with cache controller for faster transactions processing.



CHAPTER 27

HUMAN RESOURCE DEVELOPMENT

In order to build the competencies that enable individuals to execute their current and upcoming tasks more efficiently and with value addition through the planned learning programs, NAFED continues to deploy its employees to various training programmes in and outside the country.

During the year 2018-19, 24 officers and staff members from NAFED Head Office and different branches were deputed for attending the Programmes / Seminars/ Conferences / Workshops organized by CICTAB, VAMNICOM, IRMA, ICA and other reputed institutions. Two officers (one each) were deputed for International Cooperative Alliance – Asia Pacific (ICA-AP) training workshop/programme conducted at China and Japan.

To build the next generation of professionals, Nafed inspires to provide the internship programs as part of academics to young professionals, who are yet to complete their degrees / PG to supplement their studies with practical knowledge. Twelve students as summer interns were groomed by NAFED for different projects. They worked on various projects under the guidance of officers of various divisions.

Apart from above training programs, NAFED also organized Induction programs from time to time for newly appointed officers/officials to provide them the orientation about the Organization & various departments and acquaint them with Mission & Vision of the Organization at NAFED, HO.



LIBRARY

NAFED Library at Mezzanine Floor has a collection of books on various subjects like, Agriculture, Logistics, Supply Chain, Law, Management, Marketing, Business Economics, Fiction/ Non-Fiction, Literature, etc, which are valuable in-house source of information for the employees and delegates from other institutions. Also other media like Newspapers, Journals and weekly Magazines are subscribed in Library. Daily press clipping regarding agriculture commodities and news relating to Nafed is being circulated to the business sections. NAFED is further planning to strengthen the collection of books in the library by adding new and latest editions of books on different subjects.



PERSONNEL SECTION

Personnel Division is the backbone of any organization and plays a crucial role to make optimum utilization of available manpower and provide specialized professionals to carry out various activities of the organization.

In order to meet the growing requirement of specialized professionals of different fields, to take challenges of quantum leap in business activities of the federation and changed business scenario, NAFED recruited well qualified and experienced professionals, at all levels from General Manager to Field Representative. One candidate has also been recruited from IIM Ahmedabad, which is one of the most reputed business schools in India. Besides, several Management Trainees were also engaged from reputed Management Institutes.

As on 31.3.2019, the manpower strength of the organization was 360 out of which 36 qualified and experienced professionals were inducted during 2018-19 on regular basis.

Implementation of Group Insurance Medclaim Policy for the Welfare of NAFED employees

Employees are the key to any business organization and it is the duty of the organization to take care of the health of employees. This inculcates amongst the employees a feeling of belongingness to organization and would ultimately reflect positively on their performance. Today, enterprises offer their employees access to timely medical care.

Keeping in view the above, NAFED has obtained Group Insurance Medclaim Insurance Policy for its employees and their family through Reliance General Insurance Co. Ltd. w.e.f 15.06.2018 at annual premium of ₹ 35.09 lakh plus GST. The Policy not only provides medical coverage for the employees and their immediate family members, but also provides tax benefits and a net work of more than 4000 Hospitals and Nursing home across country.



Glimpses of Holi Milan celebration attended by officers and staff along with their spouses on 17th March 2019

CHAPTER 29

LEGAL AND TIE UP

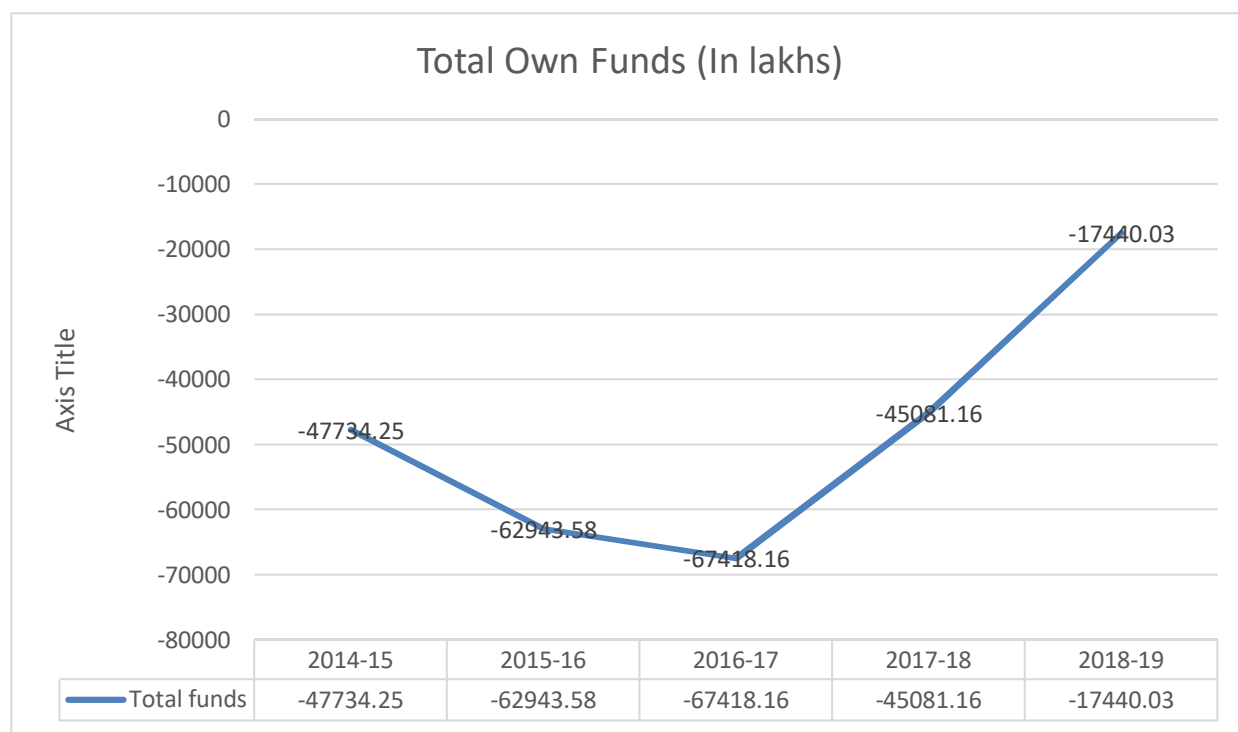
1. All Divisions and Branches of NAFED are proactively being assisted by the Legal Division. The Division is closely monitoring all pending tie-up and legal cases on all India basis in close coordination with empanelled Advocates and Law Firm, Divisions at HO and Branches.
2. The work performances and related positive outcome of Tie-up & legal Division during the year are summarized below:
 - a. With the pro-active efforts of the division, the execution proceedings pertaining to Alimenta Delhi matter pending adjudication in the Hon'ble Delhi High Court, has been stayed by Hon'ble Supreme Court.
 - b. Establishment of Central Registry in the Legal Division, vide Business Circular No. 142 to compile all MoU, Agreements, Contracts, EOI, RFP, etc executed by the Federation and issue specific number to such documents. The compilation work and issuance of Registry number are being carried out by the Legal Division.
 - c. Auction process with regard to Mega Mall at Mumbai has been started under the supervision of Hon'ble Bombay High Court.
 - d. The final argument in the matter of Mumbai Alimenta matter is being reheard on account of discharge of the Board by the earlier Court.
 - e. Two properties pertaining to tie-up defaulter M/s Rital Impex have been taken over by NAFED through Hon'ble Delhi High Court.
 - f. Hon'ble Delhi High Court has passed orders in favour of NAFED for auction of properties of WDO.
 - g. A Judgment dated 18.12.2018 passed by Hon'ble NCDRC in favour of NAFED and against New India Assurance whereby awarding ₹ 1.99 crore + interest @9% in favour of NAFED with regard to insurance claim. An Execution Application for recovery of awarded amount has been filed before National Consumer Disputes Redressal Commission (NCDRC) against New India Assurance Company Ltd. to execute the Judgment.
 - h. The matter related to retiral dues and employment dispute of an ex-employee has amicably been settled.

Legal and tie-up divisions are putting in remarkable efforts in persuing the cases of the Federation.

**Share Capital and Own Funds position
during the last 5 years**

(Value in ₹ Lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Share Capital Contributors:					
Cooperatives	2406.48	2417.71	2428.11	2467.18	2540.91
Total	2406.48	2417.71	2428.11	2467.18	2540.91
Reserve and Other Funds					
Funds	(-) 34473.16	(-) 50554.61	(-) 65771.53	(-)70230.24	(-)47912.32
Net Profit(+)/Loss (-)	(-) 15667.57	(-) 14806.68	(-) 4074.74	22681.40	27931.38
Total own Funds	(-) 47734.25	(-) 62943.58	(-) 67418.16	(-)45081.65	(-)17440.03

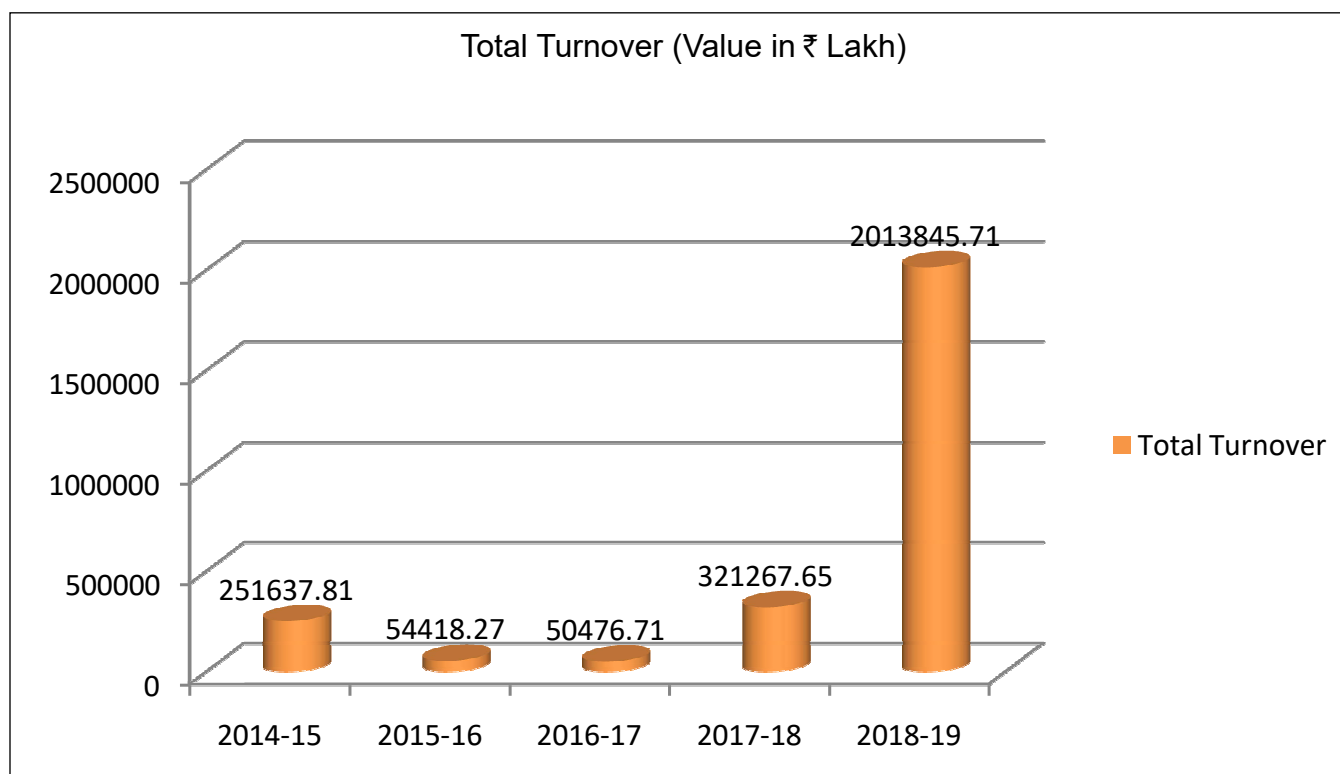


Annexure - II

Turnover during the last 5 year

(Value in ₹ Lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
(A) Internal Trade:					
1. Outright	5954.80	17923.10	24078.83	153433.31	322825.46
2. Agriculture Inputs	---	---	--	---	---
3. Industrial Units	886.51	2672.72	3496.74	4248.70	---
4. PSS/ PSF /Sales in GOI account	244741.84	33822.45	22901.14	163585.64	1688200.96
Total:	251583.15	54418.27	50476.71	321267.65	2011026.42
(B) Foreign Trade:					
1. Outright Export	54.66	----	---	---	2819.29
Total:	54.66	----	----	---	2819.29
Total Turnover (A+B)	251637.81	54418.27	50476.71	321267.65	2013845.71



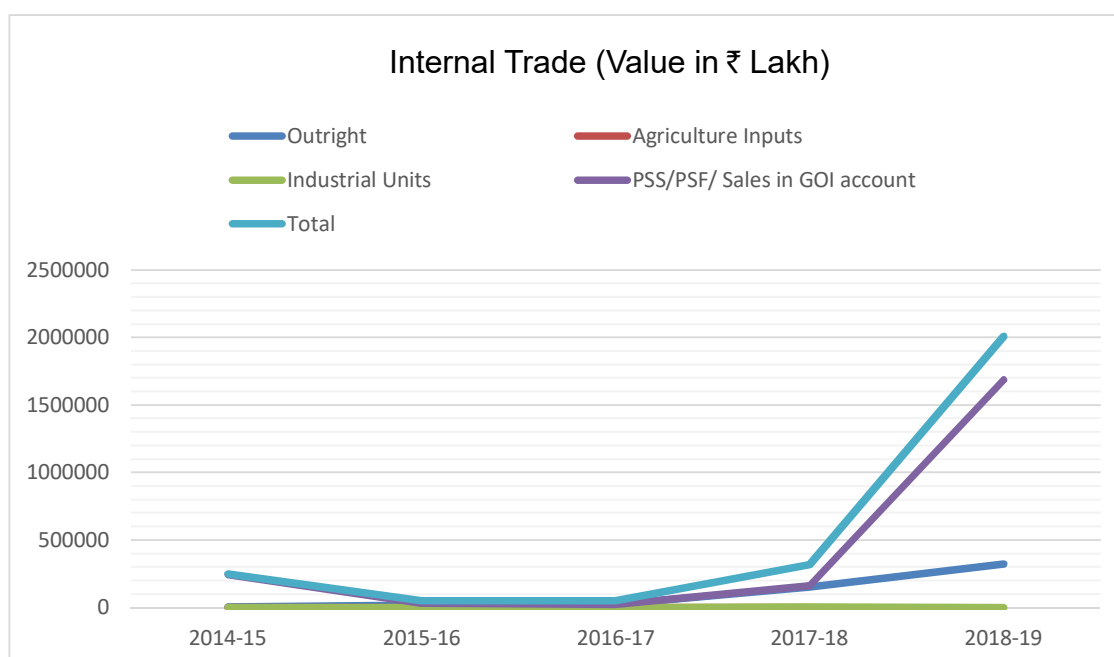
Annexure - III

Internal Trade during the last 5 years

(Value in ₹ Lakh)

Commodity	2014-15	2015-16	2016-17	2017-18	2018-19
Outright:*					
Foodgrains	2086.23	15028.91	15392.07	31089.46	55123.08
Pulses	106454.34	27479.36	20528.76	240511.58	1268732.33
Oilseeds & Oils	131294.20	5933.52	2631.31	34673.99	660222.94
Spices	542.33	499.40	372.29	266.66	432.10
Horticulture	616.60	637.44	1014.97	2359.53	1836.64
Cotton	7211.01	---	---	---	
Jute Goods	22.53	110.45	7.39	712.82	3011.49
Poultry	205.74	205.11	225.53	231.23	250.03
Fertilizers	1367.80	122.63	127.98	---	
Seed	817.82	---	3237.28	774.97	716.49
Misc. Items (Rubber,Sugar,Tea, Salt, Misc. etc.)	895.86	1728.73	6807.65	6398.71	23521.87
Agricultural Inputs	-	----	----	---	
Industrial Units	68.69	2672.72	131.48	4248.70	
Total Internal Trade	251583.15	54418.27	50476.71	321267.65	2013846.97

*Including PSS/PSF Sale.



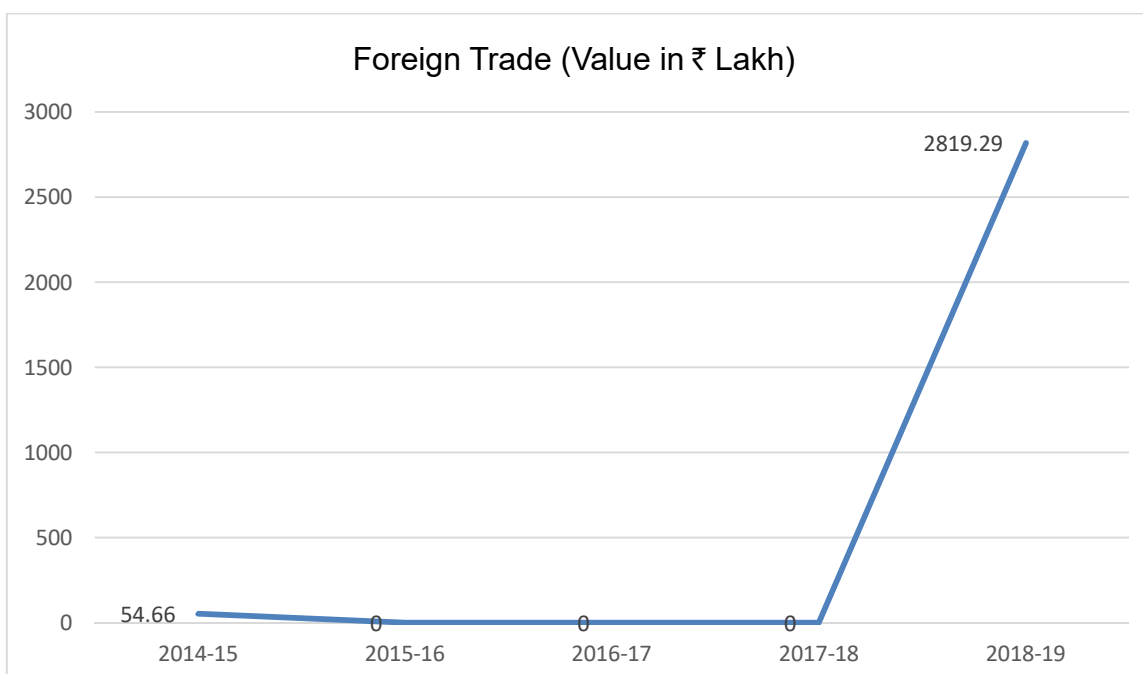
Annexure - IV

Internal Trade during the last 5 years

(Qty. in MTs/ Pieces)

(Value in ₹ Lakh)

Commodity	2014-15		2015-16		2016-17		2017-18		2018-19	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value		
Outright Exports										
1. Horticulture										
Onion	231.02	54.66	Nil	Nil	231.02	54.66	Nil	Nil	Nil	Nil
TOTAL	231.02	54.66	Nil	Nil	231.02	54.66	Nil	Nil	Nil	Nil
2. Foodgrains & Pulses										
Rice	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2250	859.29
Rajma	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	300	323.10
TOTAL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2550	1182.39
3. Others										
B Blankets / Sweaters (Qty. in Pieces)										
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4.25 Lac	1636.90
TOTAL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4.25 Lac	1636.90
Total Outright Exports	231.02	54.66	Nil	Nil	231.02	54.66	Nil	Nil	2550.00 & 4.25 Lac	2819.29
Total Foreign Trade	231.02	54.66	Nil	Nil	231.02	54.66	Nil	Nil	2550.00 & 4.25 Lac	2819.29



Annexure - V

Procurement of Oilseeds, Pulses & Cotton under PSS by NAFED

Commodity	Year	Support Price MSP+Bonus	Qty. procured in MTs	Value Rs. In Lakh MSP+Bonus	Major States of procurement
1. Soyabean	2016-17	2775	164.09	43.89	Maharashtra
	2017 K	2850+200	72280.731	22045.62	Maharashtra, Rajasthan, Telangana
2. Groundnut	2013-14	4000	338567	145732.02	Maharashtra, Gujarat.
	2014-15	4000	8817.68	5105.97	Rajasthan.AP Karnataka UP and
	2016-17	4120+100	210732.02	86821.59	Odisha
	2017 K	4250+200	1044255.391	464693.65	Andhra Pradesh, Odisha
	2018 R	4250+200	16.828	7.49	Gujarat Gujarat, Rajasthan, AP, Karnataka Telangana
3. Mustard Seed	2014-15	3050	1714.821	558.56	Rajasthan
	2017-18	3900+100	13682.669	5473.07	Haryana, Rajasthan
4. Sunflower Seed	2012-13	3700	1499	554.67	Karnataka
	2013-14	3700	4383	1634.22	Karnataka
	2014-15	3750	4153.213	1655.28	Odisha and Haryana
	2015-16	3750	4237.684	1589.13	Odisha and Haryana
	2016-17	3850+100	4949.268	1880.72	Odisha and Haryana
	2017-18	3850+100	6539.042	2582.92	Odisha, Haryana and Telangana
5. Copra	2012-13	5100 (Milling)	64962	35322.94	Tamilnadu,Kerala,AP,L.Dweep
	2013-14	5350 (Milling)	9275	5199.35	Karnataka, Kerala.
	2016-17	5250 (Milling)	4117	2463.41	TN, Kerala, AP, L.Dweep, A&N
		5500 (Ball)	29490	17284.74	Karnataka
		6240 (Ball)	1836.86	1146.20	Tamilnadu and Karnataka
	5950(Milling)	4487.08	2669.81	Tamilnadu and Andhra Pradesh	
6. Gram	2013-14	3000	34306	10736.57	Mah. AP. Karnataka
	2014-15	3100	279611.125	94123.66	Mah, Guj, MP, UP, Raj, Karnataka
	2017-18	4250+150	115453.362	50799.48	Mah, Guj,,Raj, Karnataka, AP, Telangana

Commodity	Year	Support Price MSP+Bonus	Qty. procured in MTs	Value Rs. In Lakh MSP+Bonus	Major States of procurement
7. Urad	2012-13	3300	1.57	0.63	Rajasthan
	2013-14	4300	77050.806	34543.75	Maharashtra, AP, UP, MP, Guj.,
	2014-15	4300	7453.262	3611.45	W.B.Raj.
	2017 K	4300	6.70	6.56	Karnataka, Jhrkhand
	2017 S	5200+200	268178.981	144816.65	Jharkhand, WB, AP,
	2018 R	4575+425	15747.647	7873.82	Maharashtra, UP
		5200+200	95.010	51.31	Maharashtra Maharashtra, Gujarat, Rajasthan, UP, Karnataka, AP and Telangana M.P. Telangana
8. Arhar	2012-13	3850	16004.835	6328.15	Maharashtra, AP,MP
	2013-14	4300	42693	18755.12	Maharashtra, AP
	2014-15	4300	1079.648	1069.87	Maharashtra, AP
	2016 K	4625+425	196207.900	99084.99	Maharashtra, Gujarat and
	2017 K	5250+200	603158.686	328721.48	Karnataka Maharashtra, Gujarat, AP, Telangana and Karnataka
9. Moong	2016-17	4800+425	8267.58	3968.43	Maharashtra and Karnataka
	2017 K	5375+200	293672.932	163722.66	Maharashtra, Rajasthan,
	2017 S	4800+425	112407.165	58732.74	Karnataka, AP, Telangana M.P. and Odisha
10. Sesamum Seed	2017 K	4800+200	3739.767	1869.88	West Bengal
11. Cotton	2012-13	3600/3900	181510.347	70776.83	AP, Maharashtra

Note : K denotes to Kharif Season
 R denotes to Rabi Season
 S denotes to Summer Season

Procurement of Agricultural Commodities by NAFED under Market Intervention Scheme(MIS)

Commodity	Year	Support Price per quintal	Quantity procured in MTs	Value in Rs. Lakh	Major States of procurement
1. Potato	1997-98	125-130/350	4697	159.27	UP, Karnataka
	2003-04	190	733	21.48	UP
2. Onion	1996-97	300	60	1.98	Karnataka.
3. Eggs (Qty in Lac No.)	1992-93	65/100	26.99	17.19	AP
	1993-94	75/100	91.02	61.63	AP
	1994-95	75/100	28.21	37.61	AP
	1995-96	82/100	34.82	32.96	AP, Punjab
	1996-97	110/100	141.43	137.51	AP, Punjab
	1999-2000	100/100	85.89	87.00	AP
	2000-01	90/100	34.93	31.20	AP
4. Kinoo/Malta	1992-93	325A	1703	46.88	Punjab, Haryana.
	1993-94	350A	3133	49.49	HP, UP, Haryana
5. Black Pepper	1993-94	3300	1491	495.25	Kerala
6. Chillies	1993-94	1500	5000	806.64	AP
	1996-97	2200	126	29.48	AP
	1997-98	2250	8123	190.01	AP
7. Coriander Seed	1998-99	1250	378	45.88	Rajasthan
	2004-05	1450	80	12.48	Rajasthan

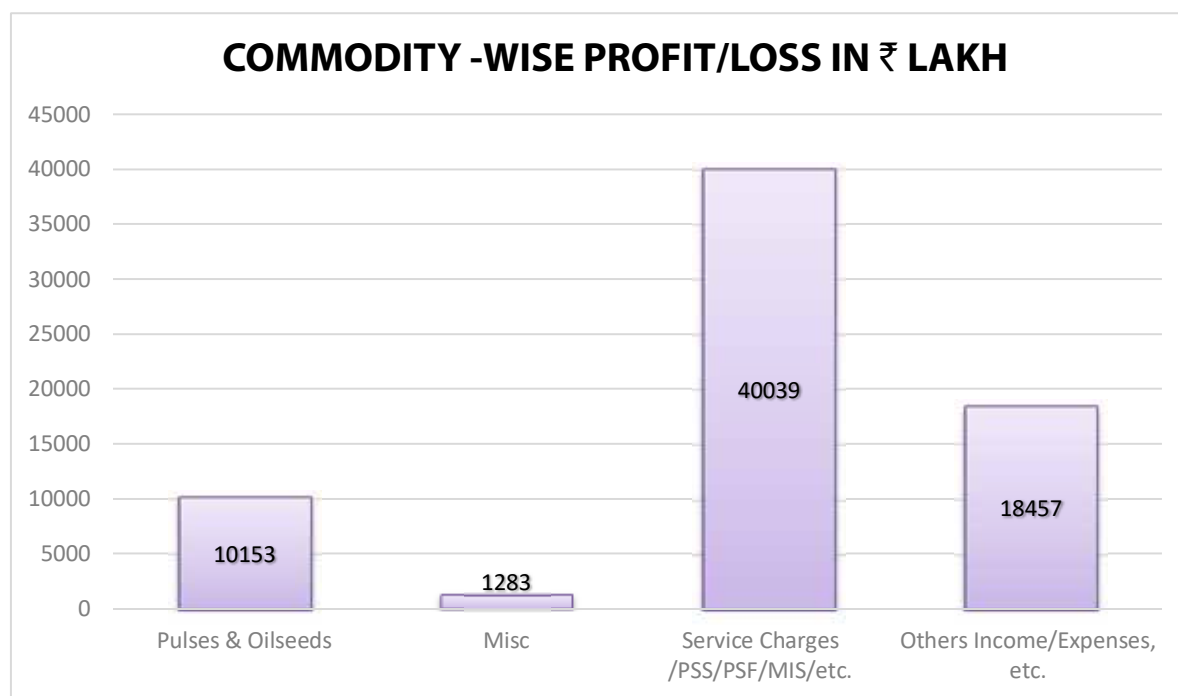


Annexure - VII

Commodity-wise Profit/Loss statement for the year 2018-19

(Value in ₹ Lakh)

Sr. No.	Commodity/Group	Gross Profit/Loss
1.	Food grains	1281.00
2.	Pulses & Oilseeds	10153.00
3.	Oil & Oilseeds	-
4.	Horticulture	-
5.	Spices	-
6.	Tribal Produce (Jute)	-
7.	Misc. & Minor items including Poultry, Rubber, Tea, Salt, Sugar, Seeds, Fertilizer, etc.	1283.00
7.	Industrial Units	-
9.	Service Charges /PSS/PSF/MIS/etc.	40039.00
10.	Others Income (Expenses) etc.	(18457.00)
	Gross Profit/Loss	34299.00



ANNUAL ACCOUNTS

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CHAPTER 31 (i)

SPMR & ASSOCIATES CHARTERED ACCOUNTANTS 1208, DEVIKA TOWER 6, NEHRU PLACE, NEW DELHI - 110019	APN & ASSOCIATES CHARTERED ACCOUNTANTS 4232/1, ANSARI ROAD, DARYAGANJ, NEW DELHI - 110002
VIDYA & CO CHARTERED ACCOUNTANTS 703, PRAGATI TOWER, 26, RAJENDRA PLACE, NEW DELHI - 110008	

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

**National Agricultural Cooperative Marketing
Federation of India Ltd (NAFED), New Delhi**

Opinion

1. We have audited financial statements of National Agricultural Cooperative Marketing Federation of India Ltd (herein referred to as "Federation"), which comprises of the Balance sheet as at 31st March 2019, the Statement of Profit and Loss, and the cash flow statement for the year then ended, and notes to the financial Statements, including a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are trading operations of commodities on behalf of Government of India under Price Support Scheme Operations and Price Stabilization Fund audited by independent firms of Chartered Accountants and primarily relied upon by us.
2. Except for the effects of the matters described in the basis for qualified opinion in Para 3 below, Including the matters whose effect on the profit for the year and on assets and liabilities as at March 31st, 2019 is unascertainable, In our Opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements together with the notes thereon give the information required by the Multi State Co-operative Societies Act, 2002 and the Multi State Co-operative Societies Rules, 2002 and are in conformity with accounting principles generally accepted in India and give true and fair view of the state of affairs of the federation as at 31st March, 2019 , its profits and its cash flow for the year ended on that date.

3. Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



On the following points, we are unable to ascertain and report the impact on the Balance Sheet and Statement of Profit and Loss:

- (a) The financial statements of the Federation have been prepared on going concern basis not with standing the fact that its net worth is completely eroded. The appropriateness of the said basis is inter-alia dependent on the Federation's ability to improve its financial performance, realization of debts and one time settlement from the banks.
- (b) We refer to para 3(a) above of the report and note no. 22 of schedule 15-Notes & Explanatory statements forming part of Financial statements regarding recognition of Deferred Tax Asset amounting to ₹48.57 Crore. In the absence of substantial evidence, we are unable to comment on virtual certainty of realization of Deferred Tax Asset in future. In our opinion to that extent the profit for the year is overstated in the Statement of Profit and Loss and accumulated losses in the Balance Sheet are understated.
- (c) **No provisions have been made in the following cases:**
 - i) Out of total Tie-up receivables amounting to ₹ 1015.15 Crore (P.Y. ₹1065.61 Crore) receivable amounting to ₹ 263.13 crore (Previous year ₹ 263.13 crore) are secured by realizable and enforceable tangible assets in form of collateral securities. Provision of ₹ 4.11 crore has been created against outstanding of ₹1015.15 Crore (Refer note No.6 of Schedule 15-Notes & Explanatory Statements).
 - ii) Deductions are accounted for in the year of settlement against PSS/MIS operation-wise claim submitted to Ministry of Agriculture & Farmers Welfare and Ministry of Consumer Affairs, Government of India. (Refer note no 7 of Schedule 15-Notes & Explanatory Statements).
 - iii) Arbitration award in favor of M/s Alimenta SA, Geneva was for US\$ 45,26,000, Interest thereon US\$ 5,32,37,863 (as calculated by NAFED) and cost & fee UK Pounds 12,395 The amount works out to ₹ 399.67 Crore after converting them at the applicable exchange rate at the closing date of financial year (Refer note No "1.a of Schedule 15-Notes & Explanatory Statements).

As the effect of disclosure in the para(s) above is not accurately ascertainable and furnishing the aggregate effect of only the ascertained amount will not be appropriate, hence we are not furnishing the aggregate effect of the ascertained amount on the Profit, Asset and Liabilities.

Responsibility of Management and Those Charged with Governance for the Financial Statements

4. The Federation's management is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the federation in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI as applicable to the federation, and the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002 (as applicable)

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the federation 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, 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. In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Federation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6. Other Matters

- (a) Balances in respect of Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation. Consequential effect of the same on Financial Statements could not be ascertained. (Refer to note No. 8 of Schedule 15-Notes & Explanatory Statements).
- (b) Substantive evidence of physical verification of security was not available in respect of advances against tie up business. Hence, authenticity of the same could not be verified.
- (c) The physical verification of stocks was not carried out by us and we have relied upon the certification by the concerned parties/Federation (Refer note no.13 of Schedule 15-Notes & Explanatory Statements).
- (d) Title deed of properties amounting to ₹ 0.18 Crores are yet to be executed in favor of the federation.
- (e) The Goods and Service Tax (GST) liability/asset as appearing in Books of Accounts as on 31st March 2019 is not reconciled with the GSTN portal. In the absence of non reconciliation, the financial impact of the same on profit/loss for the year could not be ascertained.
- (f) The Federation has entered into "One Time settlement Agreement" with the lender banks for loan having outstanding of ₹ 1705.86 Crore as on 31.03.2012, which has been settled in for ₹ 478.00 Crores



along with transfer of auction rights of the properties of the defaulting party in Mega Mall, Andheri, Mumbai on "as is where is basis" vide agreement dated 27.03.2018. Since part of the settlement agreement is still pending, the federation has not given its effect in the books of accounts. The same will be given effect in the year of getting no objection certificates from the lender banks. This may have significant impact on the profitability of the Federation in the year of final settlement. (Refer to note No. 15 of Schedule 15-Notes & Explanatory Statements).

- (g) The Federation has not classified payables as per the disclosures requirements under MSMED Act 2006 for want of relevant declaration from the suppliers as per Section 8 of the MSMED Act, 2006. (Refer to note No. 18 of Schedule 15-Notes & Explanatory Statements).
- (h) The Internal Audit & Control systems needs to be strengthened considering the size and operations of the Federation.

Report on Other Legal & Regulatory Requirements

7. The Balance Sheet and the Statement of Profit and Loss have been drawn up as per the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002.
8. Subject to the limitations of the audit indicated in paragraph 4 & 5 above and as required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, and subject also to the limitations of disclosure required therein, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) In our opinion, proper books of account as required by law have been kept by the Federation so far as it appears from our examination of those books.
 - c) The Balance Sheet, the statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) Except for the matter described in the Basis of Qualified Opinion Paragraph, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with applicable accounting standards



CA Pramod Kr. Maheshwari
PARTNER
M No: 085362
UDIN: 19085362AAAABH3237



CA Sanjeev Prakash Agarwal
PARTNER
M No: 088663
UDIN: 19088663AAAAB02011



CA Naresh Chand Gupta
PARTNER
M No: 087233
UDIN: 19087233AAAAAL7108

Place : New Delhi
Date : 11th August, 2019

CHAPTER 31 (ii)

PARA-WISE COMPLIANCE ON AUDITORS' OBSERVATIONS FOR THE YEAR 2018-2019

AUDIT OBSERVATION	COMPLIANCE
<p>Opinion</p> <p>1. We have audited financial statements of National Agricultural Cooperative Marketing Federation of India Ltd (herein referred to as "Federation"), which comprises of the Balance sheet as at 31st March 2019, the Statement of Profit and Loss, and the cash flow statement for the year then ended, and notes to the financial Statements, including a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are trading operations of commodities on behalf of Government of India under Price Support Scheme Operations and Price Stabilization Fund audited by independent firms of Chartered Accountants and primarily relied upon by us.</p> <p>2. Except for the effects of the matters described in the basis for qualified opinion in Para 3 below, Including the matters whose effect on the profit for the year and on assets and liabilities as at March 31st, 2019 is unascertainable, In our Opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements together with the notes thereon give the information required by the Multi State Co-operative Societies Act, 2002 and the Multi State Co-operative Societies Rules, 2002 and are in conformity with accounting principles generally accepted in India and give true and fair view of the state of affairs of the federation as at 31st March, 2019 , its profits and its cash flow for the year ended on that date.</p> <p>3. Basis for Qualified Opinion</p> <p>We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p>	<p>No Comments</p> <p>No Comments</p>

<p>On the following points, we are unable to ascertain and report the impact on the Balance Sheet and Statement of Profit and Loss:</p> <p>(a) The financial statements of the Federation have been prepared on going concern basis notwithstanding the fact that its net worth is completely eroded. The appropriateness of the said basis is inter-alia dependent on the Federation's ability to improve its financial performance, realization of debts and one time settlement from the banks.</p> <p>(b) We refer to para 3(a) above of the report and note no. 22 of schedule 15-Notes & Explanatory statements forming part of Financial statements regarding recognition of Deferred Tax Asset amounting to ₹48.57 Crore. In the absence of substantial evidence, we are unable to comment on virtual certainty of realization of Deferred Tax Asset in future. In our opinion to that extent the profit for the year is overstated in the Statement of Profit and Loss and accumulated losses in the Balance Sheet are understated.</p> <p>(c) No provisions have been made in the following cases:</p> <p>i) Out of total Tie-up receivables amounting to ₹ 1015.15 Crore (P.Y. ₹ 1065.61 Crore) receivable amounting to ₹ 263.13 crore (Previous year ₹ 263.13 crore) are secured by realizable and enforceable tangible assets in form of collateral securities. Provision of ₹ 4.11 crore has been created against outstanding of ₹ 1015.15 Crore (Refer note No.6 of Schedule 15-Notes & Explanatory Statements).</p>	<p>No Comments</p> <p>The management is of the view that the operation of the Federation will generate sufficient profit in near future and there is virtual certainty that Deferred Tax Asset can be realized in near future.</p> <p>NAFED has not made provision in respect of following items due to the reasons mentioned against each:</p> <p>During the year 2003-04 to 2005-06, Nafed undertook tie-up/back to back business with private parties both in agricultural and non-agricultural/non-traditional items. Under this business model funds were mostly made available to the parties for procurement and subsequent hypothecation of stocks in favor of Nafed. In some cases, a few tie-up parties diverted the funds for the purposes other than those specified in the MOU/agreement.</p>
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<p>ii) Deductions are accounted for in the year of settlement against PSS/MIS operation-wise claim submitted to Ministry of Agriculture & Farmers Welfare and Ministry of Consumer Affairs, Government of India. (Refer note no 7 of Schedule 15-Notes & Explanatory Statements).</p> <p>iii) Arbitration award in favor of M/s Alimenta SA, Geneva was for US\$ 45,26,000, Interest thereon US\$ 5,32,37,863 (as calculated by Nafed) and cost & fee UK Pounds 12,395 The amount works out to ₹ 399.67 Crore after converting them at the applicable exchange rate at the closing date of financial year (Refer note No "1.a of Schedule 15-Notes & Explanatory Statements). As the effect of disclosure in the para(s) above is not accurately ascertainable and furnishing the aggregate effect of only the ascertained amount will not be appropriate, hence we are not furnishing the aggregate effect of the ascertained amount on the Profit, Asset and Liabilities.</p>	<p>In other cases, some Tie-up parties reportedly made losses on account of market conditions and stopped making payment of Nafed's dues. In order to recover the huge outstanding dues from the tie-up defaulters, Nafed initiated civil and criminal proceedings against them by filing claim petitions before the Arbitrators, Civil Courts and criminal cases under section 138 of NIA for dishonoring of Cheques issued by the parties in favor of Nafed. Nafed has filed several cases under section 138 of Negotiable Instruments Act. Nafed also filed criminal complaints against some of the parties with CBI/EOW. The concerted efforts put in by Nafed to recover the outstanding amount have started yielding results. In cases where orders for decree / auction of property belonging to the parties have been passed, necessary action to auction the property as per direction of court is being taken. CBI/EOW has also filed charge sheets before the appropriate courts in all the complaints filed by NAFED. Since litigation is a long drawn and time consuming process, in order to expedite recoveries from interested tie-up defaulters, the Board of Directors in its meeting held on 9.7.2010 has approved the comprehensive one time settlement policy based on RBI guidelines. In view of the above stated actions, it is expected that some recoveries shall be effected in due course of time.</p> <p>No Comments</p> <p>In a commercial dispute with M/s Alimenta S A Geneva regarding non-fulfillment of supply contract to the party, International Arbitration council based at London has given the award in favor of Alimenta S A Geneva asking NAFED to pay award amount US\$ 45,26,000 plus interest and fee & cost of UK Pound 12,395 The interest liability calculated by NAFED on the award amount comes to US\$ 5,32,37,863. The total liability works out to ₹ 399.67 Crore after converting the same at applicable exchange rate as on 31st March, 2019. The award is under challenge in Delhi High Court. Based on expert legal advice, the Federation considers the disputed case, likely to be decided in favour of NAFED, as such it has not provided for the liability in its books but has considered it only a contingent liability.</p>
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<p>Responsibility of Management and Those Charged with Governance for the Financial Statements</p> <p>4. The Federation's management is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the federation in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI as applicable to the federation, and the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002 (as applicable) This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the federation 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, 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. In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.</p> <p>Auditor's Responsibility</p> <p>5. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.</p>	<p>Meanwhile in the process of pursuing litigation in Indian Courts, the Federation furnished BG/FDR of ₹ 85.15 Crore favouring Registrar, Delhi High Court. The amount is parked in 'Miscellaneous Receivable' in the books of the Federation.</p> <p>No Comments</p> <p>No Comments</p>
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<p>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 misstatements.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Federation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p>6. Other Matters</p> <p>(a) Balances in respect of Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation. Consequential effect of the same on Financial Statements could not be ascertained. (Refer to note No. 8 of Schedule 15-Notes & Explanatory Statements).</p> <p>(b) Substantive evidence of physical verification of security was not available in respect of advances against tie up business. Hence, authenticity of the same could not be verified.</p> <p>(c) The physical verification of stocks was not carried out by us and we have relied upon the certification by the concerned parties/Federation (Refer note no.13 of Schedule 15-Notes & Explanatory Statements).</p> <p>(d) Title deed of properties amounting to ₹ 0.18 Crores are yet to be executed in favour of the federation.</p>	<p>For confirmation of balances we have already issued letters to the concerned parties/societies. A few of them have responded. As regards reconciliation, in many cases the accounts have been reconciled with the federation/ primary societies and parties. Steps are being taken to reconcile the remaining accounts.</p> <p>Collateral Securities available with the federation against the advances for tie up business are of the nature of Agriculture Land, Residential Buildings, Hotels, Mall, Car, Paintings and Shops etc. Barring a few, documents of collateral securities are in the possession of the federation at Head Office / branches. Moreover, in the majority of recovery suits, Courts have restrained the parties to create third party interests in the properties.</p> <p>No Comments</p> <p>No Comments</p>
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<p>(e) The Goods and Service Tax (GST) liability/asset as appearing in Books of Accounts as on 31st March 2019 is not reconciled with the GSTN portal. In the absence of non reconciliation, the financial impact of the same on profit/loss for the year could not be ascertained.</p>	<p>Reconciliation of GST is being carried on.</p>
<p>(f) The Federation has entered into "One Time settlement Agreement" with the lender banks for loan having outstanding of ₹1705.86 Crore as on 31.03.2012, which has been settled in for ₹ 478.00 Crores along with transfer of auction rights of the properties of the defaulting party in Mega Mall, Andheri, Mumbai on "as is where is basis" vide agreement dated 27.03.2018. Since part of the settlement agreement is still pending, the federation has not given its effect in the books of accounts. The same will be given effect in the year of getting no objection certificates from the lender banks. This may have significant impact on the profitability of the Federation in the year of final settlement. (Refer to note No. 15 of Schedule 15-Notes & Explanatory Statements).</p>	<p>No comments</p>
<p>(g) The Federation has not classified payables as per the disclosures requirements under MSMED Act 2006 for want of relevant declaration from the suppliers as per Section 8 of the MSMED Act, 2006. (Refer to note No. 18 of Schedule 15-Notes & Explanatory Statements).</p>	<p>No comments</p>
<p>(h) The Internal Audit & Control systems needs to be strengthened considering the size and operations of the Federation.</p>	<p>Noted for compliance.</p>
<p>Report on Other Legal & Regulatory Requirements</p>	
<p>7. The Balance Sheet and the Statement of Profit and Loss have been drawn up as per the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002.</p>	<p>No comments</p>
<p>8. Subject to the limitations of the audit indicated in paragraph 4 & 5 above and as required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, and subject also to the limitations of disclosure required therein, we report that:</p>	<p>No comments</p>
<p>a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;</p>	

b) In our opinion, proper books of account as required by law have been kept by the Federation so far as it appears from our examination of those books.

c) The Balance Sheet, the statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;

d) Except for the matter described in the Basis of Qualified Opinion Paragraph, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with applicable accounting standards.



(Nidhi Shrivastava)
General Manager (F & A)

CHAPTER 31 (iii)

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI

BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	SCHEDULE NO	AS AT 31-3-2019		AS AT 31-03-2018	
		₹	₹	₹	₹
SOURCES OF FUNDS					
Shareholder's Funds					
Share Capital	1	254,091,000		246,718,500	
Share Application Money		13,043,042		12,004,042	
Reserves & Surplus Fund	2	3,849,967,572		3,886,316,096	
Profit / (Loss) Account	3	(5,848,061,714)	(1,730,960,101)	(8,641,200,088)	(4,496,161,451)
Loan Funds					
Secured Loans	4		270,669,394,517		138,163,696,015
			268,938,434,416		133,667,534,566
APPLICATION OF FUNDS					
Fixed Assets	5	2,949,301,558		2,970,236,407	
Construction Work in Progress	6	70,592,509		49,103	
Investment (Net of provisions)	7	84,127,000	3,104,021,067	104,878,000	3,075,163,510
Net Current Assets					
Current Asset, Loans & Advances	8	362,045,429,240		245,069,339,737	
Less:					
Current Liabilities & Provisions	9	99,437,329,468	262,608,099,771	117,217,538,351	127,851,801,386
Deferred Tax Asset (Net)			3,226,313,578		2,740,569,670
			268,938,434,416		133,667,534,566
Significant Accounting Policies & Notes on Financial Statements	15				


(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)


(SANJEEV KUMAR CHADHA)
MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE

FOR SPMR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 007578N

(CA PRAMOD KR. MAHESHWARI)
PARTNER
FRN - 007578N
M. No 085362

FOR VIDYA & CO.
CHARTERED ACCOUNTANTS
FRN - 308022E

(CA SANJEEV PRAKASH AGARWAL)
PARTNER
FRN - 308022E
M. No 088663

FOR APN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 001876N

(CA NARESH CHAND GUPTA)
PARTNER
FRN - 001876N
M. No 087233

Place : New Delhi

Date : 11th August, 2019

CHAPTER 31 (iv)

**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH 2019**

PARTICULARS	SCHEDULE NO	YEAR ENDED 31-3-2019		YEAR ENDED 31-3-2018	
		₹	₹	₹	₹
INCOME / SALES					
a) Export		281,929,226			
b) Domestic		201,102,642,097		32,126,765,516	
c) Agricultural Machinery & Implements		-	201,384,571,323	-	32,126,765,516
d) Reimbursement of Deficit (excluding interest & Bank Charges etc.) recoverable from Govt. of India on handling of :-					
Milling Copra 2012		286,919,514		5,015,965	
Mustard Seed Rabi 2017				156,044,815	
Sunflower Seed Rabi 2016				2,300	
Sunflower Seed Rabi 2017		2,360		110,640,467	
Ball Copra 2016				(32,351,659)	
Milling Copra 2016				(43,516,690)	
GN Pods Kharif- 2016		1,857,550,974		1,748,465,597	
Moong Kharif -2016				103,079,776	
Toor Kharif -2016		2,090,779,513		1,311,137,346	
Soyabean Kharif-2016				771,307	
GN Pods Rabi-2017				15,926,276	
Moong Summer-2017		851,945,804		223,510,405	
Urad Summer-2017		319,401,559		77,319,709	
Urad Kharif-2017		4,255,535,698		64,346,332	
Sesamum Seed Kharif-2017		11,008,537		59,657,611	
Moong Kharif -2017		2,040,807,456		157,484,451	
GN Pods Kharif-2017		10,531,696,420		148,147,880	
Soyabean Kharif-2016		-		(154,932,089)	
Soyabean Kharif-2017		(86,090,804)			
Toor Kharif -2017		6,572,392,310		17,010,568	
Mustard Seed Rabi-2018		5,534,458,758		153,645	
Gram Rabi-2018		7,964,271,405		2,442,256	
Urad Rabi-2018		307,391,832		2,359	
GN Pods Rabi-2018		33,077,072		2,360	
Masoor Rabi-2018		1,433,630,156		-	
Moong Rabi 2018 (F)		75,809,684		-	
Sunflower Seed Rabi 2018 (F)		29,622,489		-	
GN Pods Kharif-2018		1,225,707,397		-	
Soyabean Kharif-2018		(11,993,424)		-	
Urad Kharif-2018		444,571,638		-	

PARTICULARS	SCHEDULE NO	YEAR ENDED 31-3-2019		YEAR ENDED 31-3-2018	
		₹	₹	₹	₹
Toor Kharif 2018		183,655,371		-	
Moong Kharif 2018		536,267,719		-	
Nigerseed Kharif-2018		14,017		-	
Gram Rabi-2019		24,684,362		-	
Moong Rabi 2019		782,619		-	
Mustard Seed Rabi-2019		2,613,678		-	
Sunflower Seed Rabi-2019		575,915		-	
Urad Rabi -2019		1,075,764		-	
Mustard Seed Rabi-2005		8,116,352	46,526,282,144		3,970,360,985
e) Reimbursement of Deficit (excluding Bank Charges) recoverable from SFAC on handling of:-					
Toor Kharif - 2015		14,521,187		1,005,489,130	
Urad Kharif 2015		5,540		46,424,590	
Gram Rabi-2016		-		68,996	
Masoor Rabi-2016		-		43,716,573	
Moong Kharif-2016		340,135,718		1,035,370,667	
Toor Kharif - 2016		11,787,424,791		1,969,968,209	
Urad Kharif 2016		1,289,371,288		334,140,994	
Onion -2017		-		19,452,933	
Gram Rabi-2017		581,857,114		59,671,394	
Masoor Rabi-2017		62,642,709		30,694,478	
Urad Kharif 2017		(245,557)		-	
Moong Kharif 2017		23,002,302		-	
Gram Rabi 2018		2,180		-	
Onion 2018		129,653,074	14,228,370,346	-	4,544,997,963
Depreciation on Revalued Amount Written Back			36,362,124		39,041,535
Other Income	10		4,690,712,997		2,539,942,385
ACCRETION/(DECRETION) IN STOCK IN TRADE					
Closing Stock		253,341,598,733		192,715,992,149	
Less : Opening Stock		192,715,992,149	60,625,606,584	58,809,194,934	133,906,797,215
Total			327,491,905,518		177,127,905,599



CHAPTER 31 (iv)

**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2019**

PARTICULARS	SCHEDULE NO	YEAR ENDED 31-03-2019			YEAR ENDED 31-03-2018		
		₹	₹	₹	₹	₹	₹
EXPENDITURE							
Purchases			294,739,099,822			163,054,247,127	
Sales Tax Expense			3,237,607			2,139,557	
Manufacturing and Trading Expense	11		21,024,629,226			8,751,121,169	
Selling and Distribution	12		8,070,344,043			2,604,829,529	
Employees Remuneration & Benefits	13		443,401,026			380,634,777	
Administrative Expenses	14		217,419,167			109,608,232	
Interest Paid to Bank and Others		24,597,332,850			4,144,021,283		
Less : Interest Reimbursable on PSS/MIS Operations transferred to Govt. of India account.		24,252,844,447	344,488,403		4,144,020,554	729	
Bank Charges		1,822,350			385,211		
Less : Bank charges on Govt Operation		1,554,879	267,471	324,842,886,765	15,089	370,122	174,902,951,242
Depreciation (Including Amortisation of land)				50,714,934			50,751,617
Total				324,893,601,699			174,953,702,859
Operating Profit / (Loss)				2,598,303,819			2,174,202,740
Excess Provision Written back			9,738,056			3,399,838	
Less : On account of Govt Operation			-	9,738,056		-	3,399,838
Prior Period adjustment(NET)							
l) Income relating to previous year			2,055,231			279,409	
ii) Expenses relating to previous year			(1,848,069)	207,162		(4,130,196)	(3,850,787)
Profit / (Loss) Before Exceptional Item & Tax				2,608,249,037			2,173,751,791
Exceptional Item				-			23,126,000
Profit / (Loss) Before Tax & after Exceptional Items				2,608,249,037			2,150,625,791
Provision for Taxation							
Provision for Income Tax				300,854,571			-
Deferred Tax				(485,743,908)			(117,514,511)
PROFIT / (LOSS) FOR THE YEAR				2,793,138,374			2,268,140,302

(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)

(SANJEEV KUMAR CHADHA)
MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE

FOR SPMR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 007578N
(CA PRAMOD KR. MAHESHWARI)
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M. No 088663

FOR APN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 001876N
(CA NARESH CHAND GUPTA)
PARTNER
M. No 087233

PLACE : NEW DELHI
DATE : 11.08.2019

**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**
SHARE CAPITAL

PARTICULARS	AS AT 31-03-2019	AS AT 31-03-2018
	₹	₹
AUTHORISED CAPITAL :		
30000 Shares (Previous Year 30000) of ₹ 25000/- each	750,000,000	750,000,000
34 Shares (Previous Year 34) of ₹ 5000 each	170,000	170,000
100000 Shares of (Previous year 100000) of ₹ 2500/- each	250,000,000	250,000,000
1721 Shares (Previous year 1721) of ₹ 1000/- each	1,721,000	1,721,000
	1,001,891,000	1,001,891,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL :		
6139 Shares (Previous year 5989) of ₹ 25000/- each	153,475,000	149,725,000
34 Shares of (Previous year 34) of ₹ 5000/- each	170,000	170,000
39490 Shares (Previous year 38041) of ₹ 2500 each	98,725,000	95,102,500
1721 Shares (Previous year 1721) of ₹ 1000/- each	1,721,000	1,721,000
	254,091,000	246,718,500



SCHEDULE - 2
**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**
RESERVES AND SURPLUS FUNDS

PARTICULARS	AS AT 31-03-2018	ALLOCATION / ADDITION DURING THE YEAR	TRANSFER / ADJUSTMENT DURING THE YEAR	AS AT 31-03-2019
	₹	₹	₹	₹
General Reserves	394,973,193	13,600	-	394,986,793
Education Fund	5,310,581		-	5,310,581
Contingent Fund	782,843,890	-	-	782,843,890
Price Fluctuation Fund (Ordinary)	165,391,930		-	165,391,930
Revaluation Reserve	2,537,796,502		36,362,124	2,501,434,378
	3,886,316,096	13,600	36,362,124	3,849,967,572



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

PROFIT / (LOSS) ACCOUNT

PARTICULARS	YEAR ENDED 31-03-2019	YEAR ENDED 31-03-2018
	₹	₹
Profit / (Loss) brought forward	(8,641,200,088)	(10,909,340,390)
Profit / (Loss) for the Year	2,793,138,374	2,268,140,302
	(5,848,061,714)	(8,641,200,088)



SCHEDULE -4
**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**
SECURED LOANS

PARTICULARS	AS AT 31-03-2019		AS AT 31-03-2018	
	₹	₹	₹	₹
A. CASH CREDIT (Secured against hypothecation of PSS Stocks and Govt. Guarantee)				
i) State Bank of India	119,301,272,687		114,052,613,220	
ii) Punjab National Bank	39,047,396,970		-	
iii) Punjab & Sindh Bank	28,633,718,344		-	
iv) Canara Bank	44,187,172,874		-	
v) Andhra Bank	15,428,750,847	246,598,311,722	-	114,052,613,220
B. LOAN FROM BANKS UNDER OTS (Secured by way of Security given as per OTS agreement Dated 27.03.2018)				
i) Federal Bank	1,690,139,739		1,694,719,709	
ii) Punjab National Bank	2,092,863,745		2,098,531,791	
iii) Central Bank of India	3,270,456,875	-	3,279,316,877	
iv) Oriental Bank of Commerce	1,608,856,101		1,613,216,066	
v) South Indian Bank	1,389,047,846		1,392,811,824	
vi) Bank of Maharashtra	2,461,169,224		2,467,837,215	
vii) State Bank of Bikaner & Jaipur	1,380,146,096		1,383,886,071	
vii) Syndicate Bank	872,205,281		874,565,354	
viii) Interest Accured	9,306,197,888	24,071,082,795	9,306,197,888	24,111,082,795
Total (A+ B)		270,669,394,517		138,163,696,015



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
FIXED ASSETS AS ON 31.03.2019**

S.No.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		ORIGINAL COST AS ON 01.04.2018	ADDITIONS / ADJUST. DURING THE YEAR	DELETION / ADJUST. DURING THE YEAR	GROSS BLOCK AS ON 31.03.2019	ACCUM. DEPN. UPTO 31.03.2018	ADJUST. OF ACCUMULATED DEPRECIATION	DEPRECIATION FOR THE YEAR 2018-2019	DEPRECIATION UPTO 31.03.2019	AS ON 31.03.2019	AS ON 31.03.2018
1	LAND	2,834,357,655	-	-	2,834,357,655	222,836,911	-	17,671,357	240,508,268	2,593,849,387	2,611,520,744
2	BUILDING										
	a) FACTORY	51,828,922	-	-	51,828,922	37,378,712	-	1,450,942	38,829,654	12,999,268	17,657,708
	b) OFFICE	242,964,578	-	4,193,267	238,771,311	146,738,757	(3,616,955)	8,568,812	151,690,614	87,080,697	96,268,630
	c) WAREHOUSE	259,291,374	3,941,579	-	263,232,953	162,080,533	-	6,632,113	168,712,646	94,520,307	83,803,535
	d) OTHERS	170,799,210	-	-	170,799,210	54,604,516	-	5,890,693	60,495,209	110,304,001	126,351,695
	e) TEMPORARY STRUCTURE	4,031,560	241,546	-	4,273,106	3,787,619	-	194,194	3,981,813	291,293	243,940
	TOTAL (a to e)	728,915,644	4,183,125	4,193,267	728,905,502	404,590,137	(3,616,955)	22,736,754	423,709,936	305,195,566	324,325,508
3	FURNITURE & FIXTURES	23,825,419	1,729,095	374,179	25,180,335	18,697,501	(320,309)	641,188	19,018,380	6,161,955	5,127,918
4	PLANT & MACHINERY	57,323,551	-	-	57,323,551	47,217,034	-	1,496,390	48,713,424	8,610,127	10,106,518
5	ELECTRICAL INSTALLATION	31,455,368	17,068,243	366,130	48,157,481	23,560,576	(198,642)	3,825,062	27,186,996	20,970,485	7,409,360
6	OTHER EQUIPMENTS	43,400,575	7,012,380	174,206	50,238,749	36,437,141	(260,469)	3,680,259	39,856,931	10,381,818	7,448,865
7	OFFICE EQUIPMENTS	957,854	-	51,130	906,724	890,825	(50,995)	9,884	849,714	57,010	67,030
8	VEHICLES	6,932,079	652,042	1,237,561	6,346,560	2,701,614	(1,084,303)	654,040	2,271,351	4,075,209	4,230,464
	TOTAL (4 to 8)	140,069,427	24,732,665	1,829,027	162,973,065	110,807,190	(1,594,409)	9,665,635	118,878,416	44,094,650	29,262,237
	TOTAL THIS YEAR	3,727,168,145	30,644,885	6,396,473	3,751,416,557	756,931,739	(5,531,673)	50,714,934	802,114,999	2,949,301,558	2,970,236,407
	TOTAL LAST YEAR	3,718,385,637	15,485,495	6,702,987	3,727,168,145	712,639,745	(6,459,624)	50,751,618	756,931,739	2,970,236,407	3,005,745,892



SCHEDULE - 6

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI

CONSTRUCTION WORK IN PROGRESS

PARTICULARS	AS AT 31-03-2019	AS AT 31-03-2018
	₹	₹
Opening Balance	49,103	-
Addition During the year	70,543,406	49,103
	70,592,509	49,103
Adjustment during the year	-	-
	70,592,509	49,103



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
INVESTMENTS**

(PAGE 1 OF 2)

PARTICULARS	AS AT 31-03-2019		AS AT 31-03-2018	
	₹	₹	₹	₹
INVESTMENT(UNQUOTED) AT COST				
A. IN COOPERATIVE SOCIETIES				
100 fully paid up shares of ₹ 50/- each of Delhi State Cooperative Bank Limited, New Delhi.		5,000		5,000
199 fully paid up shares of ₹ Rs.100000/- each of Indian Farmers Fertilizers coop. Ltd, New Delhi		19,900,000		19,900,000
30 fully paid up shares of ₹1000/- each of Indian Farmers Fertilizers coop. Ltd, New Delhi		30,000		30,000
07 Fully paid up shares of ₹ 10000/- each of Indian Farmers Fertilizers Cooperative Limited, New Delhi.		70,000		70,000
1000 fully paid up shares of ₹ 2000/- each of National Cooperative Consumers Federation of India Limited, New Delhi.		2,000,000		2,000,000
25 fully paid up shares of ₹ 20000/- each of Sriganaganagar Cotton Seed Processing Sahakari Samiti Ltd., Sriganaganagar		500,000		500,000
1 fully paid up share of ₹ 1000/- of Maharashtra State Cooperative Bank Ltd., Mumbai		1,000		1,000
1 fully paid up share of ₹ 1000/- of Rajasthan Rajya Sahakari Bhawan Prabhand sahakari sangh Ltd, Jaipur		1,000		1,000
276 fully paid up shares of ₹ 5000/- each of Indian Tourism Cooperative Ltd., (COOPTOUR), New Delhi.	1,380,000		1,380,000	
Less : Impairment	1,380,000	-	1,380,000	-
50 fully paid up shares of ₹ 10,000/- each of National Cooperative Bank of India Ltd.,		500,000		500,000



SCHEDULE - 7
**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
 FEDERATION OF INDIA LTD, NEW DELHI**
INVESTMENTS
(PAGE 2 OF 2)

PARTICULARS	AS AT 31-03-2019		AS AT 31-03-2018	
	₹	₹	₹	₹
1 fully paid up share of ₹ 25,000/- of Tribal Cooperative Marketing Development Federation of India Ltd., New Delhi.		25,000		25,000
05 fully paid up shares of ₹ 100000/- each of TRIFED, New Delhi		500,000		500,000
305 fully paid up shares of ₹100000/- each of KRIBHCO, Noida		30,500,000		30,500,000
04 fully paid up shares of ₹ 10,000/- each of KRIBHCO, Noida		40,000		40,000
02 fully paid up shares of ₹ 25,000/- each of KRIBHCO, Noida		50,000		50,000
9000 fully paid up shares of ₹ 2000/- each of National Coop Consumers Fed of India Ltd., New Delhi		18,000,000		18,000,000
100 fully paid up shares of ₹.50/- each of Nagaland State Cooperative Society		5,000		5,000
5000 fully paid up shares of ₹ 2000/- each of National Consumer Cooperative Federation Ltd, New Delhi		10,000,000		10,000,000
TOTAL : (A)		82,127,000		82,127,000
B. IN COMPANIES				
1000000 shares of ₹ 10/- each of Konark Jute Ltd., Bhubneshwer	10,000,000			10,000,000
Less: Impairment	10,000,000			
100 Shares of ₹ 10/- each of National Spot Exchange Ltd	1,000			1,000
Less: Impairment	1,000			
100000 fully paid up shares of ₹ 10/- each of Ladak Food Ltd., New Delhi.	1,000,000		1,000,000	
Less: Impairment	1,000,000		1,000,000	
500000 fully paid up shares of ₹ 10/- each of National Multi Commodity exchange of India Ltd., Ahmedabad.	5,000,000			5,000,000
Less: Impairment	5,000,000			
250000 fully paid up shares of ₹ 10/- each at a Premium of ₹ 5/- against Right Issue of National Multi Commodity exchange of India Ltd, Ahmedabad	3,750,000			3,750,000
Less: Impairment	3,750,000			
200000 fully paid up shares of ₹ 10/- each of NSS Satpura Agro Development Company Ltd., New Delhi	2,000,000			2,000,000
Less: Impairment	2,000,000			
				20,751,000
C. OTHERS				
Small Farmers Agri Business Consortium, New Delhi		2,000,000		2,000,000
TOTAL (A+B+C+D)		84,127,000		104,878,000



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
CURRENT ASSETS, LOANS & ADVANCES**

(PAGE 1 OF 2)

PARTICULARS	AS AT 31-03-2019			AS AT 31-03-2018		
	₹	₹	₹	₹	₹	₹
A) CURRENT ASSETS						
INVENTORY (as taken, valued & certified by the management)						
i) Commodities held on behalf of Govt. of India Under Price support Scheme /Price Stabilization Fund		251,803,426,546			191,369,772,490	
ii) Other commodities		1,538,172,187	253,341,598,733		1,346,219,659	192,715,992,149
Packing Materials			3,157,239			3,997,594
Consumables Stores and Spares in hand			9,224			9,224
SUNDRY DEBTORS (UNSECURED)						
i) Debts exceeding six months:						
Considered Good	1,608,794,469			933,368,727		
Considered doubtful	128,195,910			118,472,837		
	1,736,990,379			1,051,841,564		
Less: Provision	128,195,910	1,608,794,469		118,472,837	933,368,727	
ii) Other debts		1,415,570,384	3,024,364,853		2,283,569,220	3,216,937,947
iii) Subsidy Receivable			4,371,709,487			-
iv) Amount Receivable from GOI on account of MIS/PSS Operations(net)						
Amount recoverable from GOI towards deficit on handling commodities under PSS/MIS (Net after adjustment of Provisions for doubtful recovery)		132,678,083,586			69,984,579,928	
Less: Amount received from GOI as advance for PSS/MIS Operations plus resultant Surplus on different operations minus amount refunded/paid to Govt./ State Agencies		63,814,309,947	68,863,773,639		56,154,432,669	13,830,147,259



SCHEDULE - 8

**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

CURRENT ASSETS, LOANS & ADVANCES

(PAGE 2 OF 2)

PARTICULARS	AS AT 31-03-2019			AS AT 31-03-2018		
	₹	₹	₹	₹	₹	₹
CASH & BANK BALANCES						
i) Cash in hand		392,118			570,204	
ii) Cheque in hand/remittance in transit		304,088,078			51,362,184	
iii) Fixed Deposit with scheduled banks		250,000,000				
iv) With scheduled & Cooperative banks in Current & Cash Credit Accounts		5,580,291,443	6,134,771,639		1,276,045,202	1,327,977,590
B) LOANS & ADVANCES						
Advance recoverable in cash or in kind or for value to be received (considered good unless otherwise stated)						
Advance to staff:						
i) Secured against Hypothecation of residential houses & vehicles	245,399			417,591		
Other Advances	4,774,461	5,019,860		2,132,564	2,550,155	
ii) Advances for Goods & Services	6,155,196,053			18,367,113,886		
Less: Provision for Doubtful recovery	2,900,000	6,152,296,053		2,900,000	18,364,213,886	
iii) Claims & Other Recoverable	9,005,816,417			3,690,892,241		
Security & other deposits	234,253,078			523,008,567		
	9,240,069,495			4,213,900,808		
Less: Considered Doubtful	28,178,450	9,211,891,045		25,310,972	4,188,589,836	
iv) Advances against Tie-up business	10,151,549,415	10,151,549,415		10,656,100,000	10,656,100,000	
v) Other Advances		783,949,197			760,470,177	
vi) Prepaid Expenses		1,338,857	26,306,044,426		2,353,920	33,974,277,974
			362,045,429,240			245,069,339,737



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

CURRENT LIABILITIES AND PROVISIONS

PARTICULARS	AS AT 31-03-2019		AS AT 31-03-2018	
	₹	₹	₹	₹
Sundry Creditors		21,092,033,058		53,922,180,826
Security Deposit		415,877,387		246,596,511
Advance for Supplies		13,880,921,300		1,662,592,320
Payable in joint venture				-
Interest accrued		460,420,263		305,540,087
Other Liabilities (including rebate payable to members)		9,577,179,119		3,461,552,743
Capital grant received in advance		10,567,906		10,567,906
Subsidy received in advance		121,557,000		-
Amount received from Ministry of Consumer Affairs, Food & Public Distribution for procurement of, Pulses & Onion under Price Stabilization Fund through SFAC		53,469,923,975		54,965,618,298
Amount received from Ministry of Food Processing Industries for procurement of Tomato, Onion & Potato Under TOP Scheme		55,000,000		
PROVISIONS				
Income Tax	300,854,571		-	
Misc. provisions	52,994,888	353,849,459	2,642,889,660	2,642,889,660
		99,437,329,468		117,217,538,351



SCHEDULE - 10
**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**
OTHER INCOME

PARTICULARS	YEAR ENDED 31-03-2019		YEAR ENDED 31-03-2018	
	₹	₹	₹	₹
Service Charges		4,131,990,266		1,896,852,149
Claims Lodged		81,015,583		391,053,039
Interest Received				
i) Fixed deposits	63,401,029		76,242	
ii) Other activities	187,681,706		248,739,693	
	251,082,735		248,815,935	
Less: Received on behalf of GOI for PSS Operation	90,095,399		18,659,608	
Less: Received on behalf of GOI for PSF Operation-SFAC	22,710,927	138,276,409	83,921,295	146,235,032
Dividend on investment		9,521,200		8,603,500
Profit / (Loss) on sale of Fixed Asset		4,867,404		5,502
Admission Fees		1,549,000		5,000
Other Receipts (Including unclaimed credit written back)		323,493,135		97,188,163
		4,690,712,997		2,539,942,385



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

MANUFACTURING & TRADING EXPENSES

PARTICULARS	YEAR ENDED 31-03-2019	YEAR ENDED 31-03-2018
	₹	₹
Plant Maintenance	223,176	2,077,586
Work shop/ Factory Supplies	-	948
Power & Fuel Charges	634,974	3,854,565
Processing Charges	1,267,350	1,152,458
Other Procurement Expenses	9,121,054,716	4,323,264,541
Freight & Cartage	2,141,931,647	2,248,601,467
Transit Insurance	15,314,095	1,360,581
Octroi	54,086	57,959
Licence Fee	328,897	95,901
Grading & Standardisation Expenses	352,425,152	125,013,109
Godown Rent, Storage & Fumigation Expenses	7,545,713,443	2,044,789,002
Labour Charges	1,000	20,640
Claim Rejected	1,845,680,690	832,412
	21,024,629,226	8,751,121,169



SCHEDULE - 12
**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**
SELLING AND DISTRIBUTION EXPENSES

PARTICULARS	YEAR ENDED 31-03-2019		YEAR ENDED 31-03-2018	
	₹	₹	₹	₹
Packing & Forwarding				
Opening stock	3,997,594		1,314,260	
Add: Purchases	6,545,287,134		2,228,192,684	
	6,549,284,728		2,229,506,944	
Less: Closing stock	3,157,239	6,546,127,489	3,997,594	2,225,509,350
Freight and Cartage		28,911,406		6,561,485
Survey & Supervision		93,143,096		20,327,459
Godown Insurance		792,796,394		137,532,983
L/C Negotiation Charges		-		117,780,278
Brokerage & Commision		66,533,306		77,368,750
Trade Discount		-		-
Sample Expenses		163,609		80,370
Advertisement & Publicity		7,131,364		6,252,798
Other selling Expenses		449,990,765		9,407,964
Provision for Bad and Doubtful Debts/Advances		85,546,614		4,008,092
		8,070,344,043		2,604,829,529



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

EMPLOYEES REMUNERATION AND BENEFITS

PARTICULARS	YEAR ENDED 31-03-2019	YEAR ENDED 31-03-2018
	₹	₹
Salaries	358,911,855	311,462,350
Bonus	318,397	482,549
ESI / Medical Charges	5,868,227	5,397,668
Contribution to Provident Fund	28,136,652	25,653,109
Staff welfare Expenses	4,523,527	2,123,361
Deposit Linked Insurance	828,512	885,552
Group Insurance Scheme	73,666	73,841
Contribution to Benevolent Fund	162,340	111,510
Staff Recruitment Expenses	1,385,733	231,554
Staff Training Expenses	1,827,039	-
Gratuity	41,365,078	34,213,283
	443,401,026	380,634,777



SCHEDULE - 14
**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**
ADMINISTRATIVE EXPENSES

PARTICULARS	YEAR ENDED 31-03-2019	YEAR ENDED 31-03-2018
	₹	₹
Rent, Rate & Taxes (Includes rent for staff accomodation)	32,359,408	8,864,156
Electricity and Water	12,628,508	9,051,584
Insurance	1,113,385	1,346,093
Telephone & Telex Expenses	2,263,960	2,556,425
Postage & Telegram	1,117,546	762,443
Printing & Stationery	3,299,225	2,149,509
New papers & Journals	329,062	167,348
Dues & Membership fee	1,227,186	590,663
General Body/Directors meeting Expenses	6,399,402	5,582,295
Travel Expenses Directors	2,811,739	2,143,301
Travel Expenses Others	41,974,558	25,298,369
Watch & Ward Expenses	11,744,069	9,607,992
General Charges	16,439,943	32,590,990
Vehicle Maintenance	1,916,143	1,530,426
Repairs & Renewals	15,084,897	9,815,624
Data Processing charges	2,250,519	855,853
Professional Fee(Including Internal & Tax Audit Fee)	17,514,436	11,752,125
Audit Fee	1,200,000	900,000
Guest House Maintenance	102,322	62,935
Donation	9,990,277	-
Entertainment	3,206,332	1,738,173
Impairment Loss	20,751,000	-
Conference & Seminars	321,233	164,847
Fixed Assets Write off	10,688	-
Business Promotion Expenses	11,363,330	5,203,081
	217,419,167	132,734,232



**NATIONAL AGRICULTURAL COOPERATIVE
MARKETING FEDERATION OF INDIA LTD, NEW DELHI**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON
FINANCIAL STATEMENTS**

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements are prepared under the historical cost convention, except land and building which are re-valued from time to time, as a going concern and on consistent basis.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

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 period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. REVENUE / EXPENDITURE RECOGNITION

- a) The Federation follows the Mercantile system of accounting and recognizes income and expenditure on accrual basis except the followings:-
 - i) Ex-gratia / Arrears to employees is accounted for on the basis of payment,
 - ii) Interest on advances to employees is accounted for on cash basis after the Principal amount is fully recovered. Interest on delayed payment from customers is accounted on realization.
 - iii) Patronage rebate to members is accounted for when paid.
 - iv) Prior period income / expenditure below ₹ 5,000/- in each case is accounted for in the year in which received / incurred.
 - v) Benefits accruing on exports in the form of DEPB etc. are accounted for when realized.
 - vi) Liability for taxes / duties arising on completion of assessments / adjudication are booked when final demand is raised.
 - vii) Prepaid expenditure below ₹ 5000/- in each case is accounted for in the year in which incurred.
- b) Liabilities provided but claims not forthcoming for over three years are written back on merit basis.



4. **INVESTMENT:**

Long term investments in shares are valued at cost. Any permanent diminution in the value of Investments is being provided.

5. **FIXED ASSETS AND DEPRECIATION**

- a) Fixed assets are stated at cost of acquisition (after adjusting subsidy, if any) inclusive of non refundable duties & taxes, freight, incidental expenses and erection / commissioning expenses thereto. Any revaluation done during the life of the asset is added to the carrying value of assets and credited to revaluation reserve account.
- b) Depreciation is provided on written down value method at the rates prescribed under the Income Tax Act, 1961 except the leasehold lands which are amortized over the period of lease life. Proportionate Depreciation on revalued value of the asset is credited to profit and loss account and debited to Revaluation Reserve Account.

6. **JOINT VENTURES WITH MEMBER COOPERATIVES**

Profit/Loss on joint venture with member cooperatives & others are accounted for on accrual basis based on yearly statement of accounts, duly audited and received from co-venturers.

7. **FOREIGN CURRENCY TRANSACTIONS**

- i) Foreign currency transactions are initially recognized at the spot rate on the date of transaction.
- ii) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the year end rates.
- iii) Exchange differences arising in translation of the assets and liabilities denominated in foreign currency are recognized in the statement of Profit and Loss.

8. **INVENTORY:**

Closing inventory is taken on the basis of the stocks physically verified except stocks in transit, with consignee and Central Warehousing Corporations / State Warehousing Corporations. In such cases, certificates obtained from respective parties/agencies are relied upon.

a) The valuation of closing Inventory is done in the following manner:

i.	Agricultural commodities & Finished goods (including bags)	At cost or market/realizable value whichever is lower (at the respective places/branches where the stocks are held)
ii.	Raw-materials, packing material and consumable stores	At Cost
iii.	Stocks held under back to back/ Tie up arrangement	At Cost
iv.	Goods in transit	At Cost



v.	Stocks in respect of commodities held on behalf of Govt of India under PSS/PSF and any other Scheme	At Cost
vi.	Unserviceable /old packing material	At estimated realizable value
vii.	Bye-products/Damaged stock	At estimated realizable value
viii.	Consumer (Retail) Products	At estimated realizable value

- b) Cost includes all the expenses incurred up to godown.
- c) Cost means annual weighted average cost.
- d) Value of stores, spares, packing materials, finished goods etc. found short / excess during physical verification is adjusted against consumption / closing stock.

9. **TAXATION**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income tax reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Federation has unabsorbed depreciation or carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date, the Federation re assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably or virtually certain as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Federation writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Liability for taxes / duties arising on completion of assessments / adjudication are booked when final demand is raised.



10. PROVISIONS, CONTINGENT LIABILITIES

Provision is recognised when NAFED 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 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 are adjusted to reflect the current best estimate.

11. EMPLOYEE BENEFITS:

Retirement Gratuity:

The Federation is contributing to the NAFED Employees Group Gratuity cum Life Assurance Scheme Trust on an actuarial basis, in compliance with AS-15, the annual premium payable to the Life Insurance Corporation of India to cover the liability for Group Gratuity-cum-Life Assurance benefits. Additional liability, if any, on actual settlement in respect of employees covered under the scheme is accounted for when paid.

Defined Contribution Plan:

Provident Fund and Pension contribution are accounted for on accrual basis.

Leave Encashment :

Necessary provision has been made for liability in respect of Leave Encashment benefit on actuarial basis. Additional liability, if any, on actual settlement in respect of employees covered under the scheme is accounted for when paid.

12. COMMODITIES HANDLED ON BEHALF OF GOVT.OF INDIA UNDER PRICE SUPPORT OPERATIONS / PRICE STABILIZATION FUND/ANY OTHER SCHEME

- a) Purchases, sales and expenses incurred are accounted for under the respective head of accounts in the books of the Federation and the resultant surplus/deficit after charging interest on capital investment is treated as payable to / recoverable from Govt. of India by debiting / crediting to Profit and Loss account.

Expenditure under these operations not claimed from the Federation in the year of incurrence, are accounted for in the year in which these are claimed by the parties.

- b) Service charges reimbursable on commodities handled under the Scheme are accounted for in the year in which purchases are made.
- c) Railway, insurance and other claims lodged with third parties are accounted for and passed over to the Govt. in the year, in which claims are actually received.


(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)


(SANJEEV KUMAR CHADHA)
MANAGING DIRECTOR



Date: 11 .08.2019
Place: New Delhi

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD

B. NOTES & EXPLANATORY STATEMENTS

1. Contingent Liabilities:

- a) Claims against the Federation not acknowledged as debt ₹ 780.05 Crore (Previous Year ₹ 696.02 Crore) includes ₹ 399.67 Crore (Previous Year ₹ 364.82 Crore) on account of suit filed towards compensation for non-fulfillment of export obligations by M/s Alimenta during previous years.

In a commercial dispute with M/s Alimenta S A Geneva regarding non-fulfillment of supply contract to the party, International Arbitration council based at London has given the award in favour of Alimenta S A Geneva asking NAFED to pay award amount US\$ 45,26,000 plus interest, fee & cost of UK Pound 12,395. The interest liability calculated by NAFED on the award amount comes to US\$ 5,32,37,863. The total liability works out to ₹ 399.67 Crore after converting the same at applicable exchange rate as on 31st March, 2019. The award is under challenge in Delhi High Court. Based on expert legal advice, the Federation considers the disputed case, likely to be decided in favour of NAFED, as such it has not provided for the liability in its books but has considered it only a contingent liability.

Meanwhile in the process of pursuing litigation in Indian Courts, the Federation furnished BG/FDR of ₹ 85.15 Crore favoring Registrar, Delhi High Court. The amount is parked in 'Miscellaneous Receivable' in the books of the Federation.

- b) Estimated liability of ₹55.06 Crore (Previous Year ₹55.98 Crore) on account of Income Tax demands as below:

(₹ in Crore)

S.N.	Assessment Year	Demand Raised	Amount Paid	Appeal Status	Remarks
1.	1986-87 1987-88 1988-89 1989-90 1990-91 1991-92 1992-93 1993-94 1994-95	0.14 1.79 1.18 4.86 0.79 3.31 4.56 3.86 <u>9.27</u>	0.14 1.79 1.18 4.86 0.79 3.31 4.56 3.86 <u>9.27</u>	Supreme Court	Tribunal has rectified its earlier order on the Application moved by AO in view of retrospective amendment U/S 80P 2a (iii). Appeal filed for claiming relief on substantial grounds.
2.	2001-02 & 2002-03	2.40	2.40	ITAT	Claiming relief in other grounds.
3.	2003-04	0.00	0.00	Delhi High Court	Departmental Appeal
4.	2004-05	0.00	0.00	- do -	- do -
5.	2006-07	0.00	0.00	- do -	- do -
6.	2008-09	0.00	0.00	ITAT	-do-



7.	2010-11	13.67	24.06	ITAT & CIT(A)	Appeal in favour of NAFED partly and demand reduced. Refund of AY 2013-14 adjusted against demands.
8.	2011-12	9.23	4.87	CIT(A)	Order u/s 154 – Demand raised.
	Total	55.06	61.09		

The Federation has not provided the aforesaid tax liability in the books of accounts as cases are pending before concerned adjudicating authorities. The Management is of the view that the Federation will succeed in all the pending cases in appeals and therefore no provision has been considered necessary. Also no provision interest on the above demand has been considered under contingent liabilities. The amount of ₹61.09 Crore (Previous Year ₹58.51 Crore) paid to Income Tax Department has been shown as other advances.

- Estimated liability towards capital commitments on contracts not yet completed and not provided for are ₹ 0.29Crore (Previous Year ₹1.13 Crore).
- Federation has long term investments amounting to ₹10.73 Crore valued at cost (Previous Year ₹10.73 Crore). Investments have been stated at cost except where management feels that there has been diminution in the value of investments. Impairment loss of ₹2.31 Crore have been booked in the accounts against the above.
- Title Deeds of properties costing ₹0.18 Crore (Previous Year ₹0.28 Crore) are yet to be executed in favor of the Federation.
- Subscription towards share capital received ₹1.30 Crore (Previous Year ₹1.20 Crore) is pending for allotment. Out of above allotment of shares to NCCF amounting to ₹1.00 Crore (Previous Year ₹1.00 Crore) is pending for approval of competent authority. Balance amount is outstanding, as the societies have authorized NAFED to deduct a certain amount from their income towards the share application money and issue the share equivalent to the amount deducted. Since the price of share is in the multiple of ₹2,500/- and the minimum shares that can be issued is of ₹25,000. The amount deducted towards share application is less than the requisite amount and is being accumulated to reach that level to issue the shares, the shares have not been issued to the societies.
- Current Assets, Loans and advances include overdue Tie up receivables amounting to ₹1015.15 Crore (Previous Year ₹1065.61 Crore) out of which receivable amounting to ₹263.13 Crore (Previous Year ₹263.13 Crore) are secured by realizable and enforceable tangible assets in form of collateral Securities. Out of Tie-up receivables of ₹1015.15 Crore (Previous Year ₹1065.61 Crore) ₹4.11 Crore (Previous Year ₹4.11 Crore) have been provided in the books of account.

The management contends that no provision for bad debts against these receivables is considered necessary at this stage as the federation has taken necessary action (including administrative, legal action & referring few cases to Government investigating agencies) for recovery of outstanding dues.

- PSS operation wise claim have been lodged with Ministry of Agriculture & Farmers Welfare, Ministry of Consumer Affairs, Food & Public Distribution, Government of India on account of PSS/MIS operation. Details of amount receivable as on 31st March, 2019 are given below:



S. No.	Particulars	Amount (₹ in Crore)
a.	Recoverable on account of deficit under PSS/MIS (Previous Year ₹6998.45 Crore)	13,267.81
b.	Amount received from Govt. of India for Price support operations, plus resultant Surplus on different operations minus Amount refunded / paid to Govt. / State agencies (Previous Year ₹5615.44 Crore)	6,381.43
c.	Net Balance (a-b) (Previous Year ₹1383.01 Crore)	6,886.38
d.	Outstanding for more than three years (included in above)	8.11
e.	Provision for doubtful recovery made against (d) above	7.69

The management is hopeful that soon all the claims will be settled by Govt. and full payment will be received. Deduction made at the time of settlement of claims is accounted for in the year of final settlement.

8. Balances of the debtors, creditors & loans and advances are subject to confirmation with the respective parties. The reconciliation of accounts with the societies / Federations / Tie-up Parties / Business Associates is also in progress. The differences arising on reconciliation shall be adjusted in the year of settlement.
9. Provision for doubtful debts has been adequately created in the books as per the assessment of the management. The write-off required if any, shall be made after following the due process.
10. The physical verification of Fixed Assets at different branches and HO of the Federation has been conducted by Internal Auditors of the respective locations. Fixed Assets includes number of unidentified fixed assets which are damaged, unserviceable and obsolete and have no useful life. The management has constituted a committee to identify such assets and after re-appraisal of useful life of each asset, suitable action including write off/disposal will be undertaken and the difference reported shall be adjusted during the subsequent year. The impact of the amount has not been considered material by the management.
11. In cases where rent are not received due to legal/other disputes, no income has been recognized following AS-9, Issued by the ICAI. NAFED has initiated legal proceedings against these tenants.
12. Purchases as on 31st March, 2019 include a sum of ₹709.31 Crore (Previous Year ₹3002.52 Crore) for which bills are pending to be received. Bills amounting to ₹688.96 Crore (Previous Year ₹782.67 Crore) have been received from the parties till the date of finalization of balance sheet.
13. The quality and valuation of stock in hand is being done based on Warehousing Receipts issued by Central/ State Warehousing Corporation. The quantity, quality and condition of stock kept in warehouses is the joint responsibility of SLA, surveyors and Central/ State Warehousing Corporation. NAFED Management is relying upon invoices/documents of the Member Marketing Federations / societies making purchases of agricultural commodities on behalf of the Federation in respect of moisture content, quality, farmer produce, rate and weight and deviation, if any, is dealt with accordingly.
14. Depreciation amounting to ₹3.64 Crore (Previous Year ₹3.90 Crore) charged in respect of assets revalued during the year 2009-10 and 2011-12 has been credited to Profit & Loss Account by debiting to revaluation reserve.



15. Loan facility availed from Banks during the period from 2003-2006 having outstanding of ₹1705.86 Crore as on 31.03.2012, has been settled in for ₹478.00 Crores along with transfer of auction rights of the properties of the defaulting party in Mega Mall, Andheri, Mumbai on "as is where is basis" under "One Time settlement Agreement" signed with the lenders Bank on 27.03.2018. As per the agreement entered with lender banks, the federation has already paid ₹224.00 crore up to 31st March, 2019. As sale/auction of properties are still pending and as and when the same are disposed off through auction/sale, the sale proceeds will be given to the lender banks and accordingly no dues certificate will be obtained from the lender bank. Since part of the settlement agreement is still pending, the federation has not given its effect in the books of accounts. The same will be given effect in the year of getting no objection certificates from the lender banks.

16. **EMPLOYEE BENEFITS**

Gratuity:

The Federation has taken Group Gratuity policy from Life Insurance Corporation of India for its employees in compliance with AS-15 "Employee Benefits". The present value of obligation is determined based on Actuarial Valuation using the Projected Unit Credit Method.

Provident Fund:

The Federation has recognized, in the Profit and Loss Account for the Year Ended 31st March 2019, an amount of ₹2.81 Crore (Previous Year ₹2.57 Crore) as expense under Employees Provident Fund.

The Federation operates post retirement benefit plans as follows:

Funded

Post Retirement Gratuity

Post Retirement Leave Encashment

A. Detail of Post Retirement Gratuity Plan is as under:

Assumption	As on 31.03.2018	As on 31.03.2019
Discount Rate	8.00%	7.50%
Salary Escalation	6.00%	6.00%

A(I)

1. Table Showing Changes in present value of obligation as on 31.03.2019

Policy number	103001868	46115
	₹	₹
Present Value of obligations as at beginning of year	1,240,528	163,825,582
interest cost	99,242	13,106,047
Current Service Cost	208,198	6,491,612
Benefits Paid	(1,836,734)	(20,732,910)
Actuarial (gain) / Loss on obligations	14,240,117	25,773,739
Present value of obligations as at end of the year	13,951,351	188,464,070



2. Table showing changes in the fair value of plan assets as on 31.03.2019

Fair Value of plan assets at the beginning of year	1,724,388	179,108,101
Expected return on plan assets	473,827	14,088,651
Contributions	14,199,059	33,986,306
Benefits paid	(1,836,734)	(20,732,910)
Actuarial (gain) / loss on Plan assets	NIL	NIL
Fair Value of plan assets at the end of year	14,560,540	206,450,148

3. Table showing fair value of plan assets as on 31.03.2019

Fair Value of plan assets at the beginning of year	1,724,388	179,108,101
Actual return on plan assets	473,827	14,088,651
Contributions	14,199,059	33,986,306
Benefits paid	(1,836,734)	(20,732,910)
Fair Value of plan assets at the end of year	14,560,540	206,450,148
Funded Status	609,189	17,986,078
Excess of Actual over estimated return on plan assets	NIL	NIL

(Actual rate of return= estimated rate of return as ARD falls on 31st March)

4. Actuarial Gain / Loss recognized As on 31.03.2019

Actuarial Gain / Loss on obligations	(14,240,117)	(25,773,739)
Actuarial Gain / Loss on for the year - plan assets	NIL	NIL
Actuarial Gain / Loss on obligations	14,240,117	25,773,739
Actuarial Gain / Loss recognized in the year	14,240,117	25,773,739

5. The amount to be recognized in the balance sheet and in the statement of Profit and loss as on 31.0.3.2019

Present value of obligations as at the end of year	13,951,351	188,464,070
Fair value of plan assets as at the end of the year	14,560,540	206,450,148
Funded status	609,189	17,986,078
Net asset / (liability) recognized in the balance sheet	609,189	17,986,078

6. Expenses recognized in the statement of profit & loss

Current Service Cost	208,198	6,491,612
Interest Cost	99,242	13,106,047
Expected return on plan assets	473,827	(14,088,651)
Net Actuarial (gain) / loss recognized in the year	14,240,117	25,773,739
Expenses recognized in the statement of profit & loss	14,073,730	31,282,747

During the year, the Federation has paid ₹4.00 Crore (Previous Year ₹3.32 Crore) as contribution to fund based on advice received from LIC and charged to Profit and Loss Account during the year.



A (II).

1. Detail of Post Retirement Leave Encashment Plan is as under:

Assumption	As on 31.03.2018	As on 31.03.2019
Discount Rate	8.00%	8.00%
Salary Escalation	6.00%	6.00%

2. Table Showing Changes in present value of obligation as on 31.03.2019

Policy Number	342518	103003617
Present Value of obligation as at beginning of year	116,950,665	2,976,450
Interest cost	9,356,053	238,116
Current Service Cost	5,614,436	111,041
Benefits Paid	(19,221,612)	(1,919,515)
Actuarial (gain) / Loss on obligations	16,389,361	11,572,320
Present value of obligations as at end of the year	129,088,903	12,978,412

3. Table showing changes in the fair value of plan assets as on 31.03.2019

Fair Value of plan assets at the beginning of year	138,392,858	2,680,562
Expected return on plan assets	10,262,517	484,839
Contributions	748,751	11,984,227
Benefits paid	(19,221,612)	(1,919,515)
Actuarial (gain) / loss on Plan assets	NIL	NIL
Fair Value of plan assets at the end of year	130,182,514	13,230,115

4. Table showing fair value of plan assets as on 31.03.2019

Fair Value of plan assets at the beginning of year	138,392,858	2,680,563
Actual return on plan assets	10,262,517	484,839
Contributions	748,751	11,984,227
Benefits paid	(19,221,612)	(1,919,515)
Fair Value of Plan assets at the end of year	130,182,514	13,230,115
Funded status	1,093,611	251,703
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return= estimated rate of return as ARD falls on 31 st March 2019)		

5. Actuarial Gain / Loss recognized as on 31.03.2019

Actuarial Gain / Loss on obligations	(16,389,361)	(11,572,320)
Actuarial Gain / Loss on for the year - plan assets	NIL	NIL



Actuarial Gain / Loss on obligations	16,389,361	11,572,320
Actuarial Gain / Loss recognized in the year	16,389,361	11,572,320

6. The amounts to be recognized in the balance sheet and in the statements of Profit & loss as on 31.03.2019

Fair value of obligations as at the end of year	129,088,903	12,978,412
Fair value of plan assets as at the end of the year	130,182,514	13,230,115
Funded status	1,093,611	251,703
Net asset / (liability) recognized in the balance sheet	(1,093,611)	(251,703)

7. Expenses recognized in the statement of profit & loss as on 31.03.2019

Current Service Cost	5,614,436	111,041
Interest Cost	9,356,053	238,116
Expected return on plan assets	(10,262,517)	(484,839)
Net Actuarial (gain) / loss recognized in the year	16,389,361	11,572,320
Expenses recognized in statement of profit & loss	21,097,333	11,436,638

During the year, the Federation has paid NIL (Previous Year NIL) as contribution to fund based on advice received from LIC and therefore there is no charge to Profit and Loss Account during the year.

17. Related Parties Transactions as per Accounting Standard 18:

- (a) The federation has an investment in equity shares of NSS Satpura Agro Development Company Limited amounting to ₹ 20 Lacs representing 50% of the paid-up capital of the company. Further, an amount of ₹ 65,19,285 (P.Y. ₹ 42,43,485) is recoverable from company on account of expenses incurred by the federation on behalf of NSS Satpura Agro Development Company Limited. NAFED had made provision of ₹ 65,19,285 against the same in view of recovery being doubtful.

- (b) Key Managerial Personnel and Relationship:

Sr. No	Name	Designation	(2018-19) (in ₹)	(2017-18) (in ₹)
1.	Shri Sanjeev Kumar Chadha, IFS	Managing Director	30,45,116	24,99,265
2.	Shri Sunil Kumar Singh	Addl. Managing Director	25,41,228	7,85,272
3.	Shri S.K. Verma	Executive Director	29,30,415	16,60,551
4.	Shri A.K. Rath	Executive Director	29,25,615	16,10,318
5.	Shri Ravi Kainth	Executive Director	28,31,036	NIL
6.	Shri A K Jain	Functional Director	NIL	15,47,524

18. Necessary disclosures under MSMED Act 2006 can be considered once relevant information is received from the suppliers. As per Section 8 of the MSMED Act, 2006 necessary memorandum has been requested from the suppliers and same is awaited.



19. In the opinion of the Management, the Recoverable amount of the assets is higher than their carrying amount stated in the Balance Sheet. Necessary provision for impairment loss as defined under AS-28 (Impairment of Assets) has been made, as considered necessary.
20. In the opinion of the Management, realizable value of current assets, loans and advances is not less than the amount at which these are stated in the Balance Sheet except stated otherwise.
21. The Financial Statements are prepared under the Historical Cost Convention except land and building, which are re-valued from time to time.
22. The accounts of the Federation have been prepared on going concern basis despite the accumulated losses of ₹584.81Crore (Previous Year ₹864.12 Crore) and negative networth, based on its improved business turnover and one-time settlement with banks.

The management is of the view that the operation of the federation will generate sufficient profit in near future and there is virtual certainty that deferred tax assets can be realized in near future. In view of the above, during the year, the federation has recognized an amount of ₹ 48.57Crore (Previous Year ₹11.75 Crore) as Deferred Tax Assets (Net). The components of DTA/DTL as on 31.03.2019 are as under:

Particulars	Current Year (₹)	Previous Year (₹)
A. Deferred Tax Assets		
Profit / (-) Unabsorbed Losses	0	0
Difference in WDV of Fixed Assets	227,946,321	243,940
Employee Benefits	146,644	0
Provision for Bad & Doubtful debts	159,414,034	25,194,306
Disallowances u/s 43(B) of Income Tax Act	10,046,896,594	10,046,896,594
Total (A)	10,434,403,593	10,072,334,840
B. Deferred Tax Liabilities		
Alimenta Interest Liability claimed in Income Tax computation but not accounted in books	1,203,177,333	1,203,177,333
Total (B)	1,203,177,333	1,203,177,333
Deferred Tax Assets : NET (A-B)	9,231,226,260	8,869,157,507
Tax Effect	3,226,313,578	2,740,569,670

23. The federation is in the process of reconciliation of Goods and Service Tax(GST) at all the location/branches and controlling offices. The necessary effect, if any will be accounted for in the Books of Accounts after reconciliation in subsequent period.



24. Details / Information required as per AS-3 (Cash Flow Statement), AS-17 (Segment Reporting) are annexed.
25. Previous year figures have been regrouped, rearranged and re-casted wherever considered necessary. Figures have been rounded off to the nearest rupees.

SIGNATURES TO SCHEDULES 1 TO 25


(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)


(SANJEEV KUMAR CHADHA)
MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE

FOR SPMR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 007578N

(CA PRAMOD KR. MAHESHWARI)
PARTNER
M. No 085362

FOR VIDYA & CO.
CHARTERED ACCOUNTANTS
FRN - 308022E

(CA SANJEEV PRAKASH AGARWAL)
PARTNER
M. No 088563

FOR APN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 001876A

(CA NARESH CHAND GUPTA)
PARTNER
M. No 087253

PLACE : NEW DELHI
DATE : 11.08.2019

**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI**

CASH FLOW STATEMENT FOR THE YEAR 2018-19

Particulars	Year Ended 31.03.2019		Year Ended 31.03.2018	
	Details	Amount	Details	Amount
A : Cash flow from Operating Activities				
Net Profit as per P & L A/c		2,793,138,374		2,268,140,302
Adjustments For :				
Depreciation & Amortisation	50,714,934		50,751,618	
Dep on revalued amt written back	(36,362,124)		(39,041,535)	
Interest Income	(138,276,409)		(146,235,032)	
Dividend Income	(9,521,200)		(8,603,500)	
Interest Expenses	344,488,403		729	
Profit / Loss on sale of fixed assets	(4,867,404)		(5,502)	
Fixed assets write off	10,688		-	
		206,186,887		(143,133,222)
Operating Profit before Working Capital Changes		2,999,325,261		2,125,007,080
Decrease/(Increase) in Sundry Debtors	(4,179,136,393)		(2,342,646,485)	
Decrease/(Increase) in amount recoverable from Govt.	(55,033,626,380)		(2,980,330,720)	
Decrease/(Increases) in Advances to suppliers/other advances	12,691,534,757		(2,384,764,508)	
Decrease/(Increase) in Inventories	(60,624,766,229)		(133,909,480,549)	
Increase in claims	(5,023,301,209)		(3,123,945,071)	
Increase/(Decrease) in Current Liability	(18,265,952,792)		49,302,647,815	
Payment from Education Fund	-	(130,435,248,246)	-	(95,438,519,520)
Net Cash from / (used in) Operating Activities : (A)		(127,435,922,985)		(93,313,512,440)
B : Cash flow from Investing Activities.				
Purchase of Fixed Asset/Adjustment of Construction WIP	(101,188,291)		(15,534,598)	
Decrease / (increase) in Investment	20,751,000		(10,005,000)	
Interest Received	138,276,409		146,235,032	
Dividend Received	9,521,200		8,603,500	
Sale of Fixed Assets	5,721,516		248,866	
Net Cash from / (used in) Investing Activities : (B)		73,081,834		129,547,800
C : Cash Flow from Financing Activities				
Proceeds from Issuance of Share capital	7,372,500		3,907,500	
Increase in General Reserve Fund	13,600		644,407	
Increase in share application money	1,039,000		11,201,242	
Increase in secured loans	132,505,698,502		90,350,574,032	
Interest Paid	(344,488,403)		(729)	
Net Cash from / (used in) Financing Activities : (C)		132,169,635,200		90,366,326,452
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		4,806,794,049		(2,817,638,188)
Cash & Cash equivalents at the beginning of period	(See Note 1)	1,327,977,590	(See Note 1)	4,145,615,777
Cash & Cash equivalents at the end of period	(See Note 1)	6,134,771,639	(See Note 1)	1,327,977,590

Notes to Cash flow Statement

1. Cash and Cash equivalents

Cash and Cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	31.03.2019	31.03.2018
Cash in hand and balance with bank	6,134,771,639	1,327,977,590
Margin against LC & LG	-	-
	<u>6,134,771,639</u>	<u>1,327,977,590</u>

(N. NEERU BHARATSWAMI)
GENERAL MANAGER (F&A)

(SUNDEEP KUMAR GUPTA)
MANAGING DIRECTOR

AS PER OUR REPORT OF BISH DATE



PLACE : NEW DELHI
DATE : 11.08.2019

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI FINANCIAL YEAR 2018-2019

S.NO.	PARTICULARS	I AGRICULTURAL BUSINESS	II PSS BUSINESS	III CANALIZING BUSINESS	IV OTHER BUSINESS	V UNALLOCABLE ITEMS	TOTAL FOR THE YEAR 2018-2019	I AGRICULTURAL BUSINESS	II PSS BUSINESS	III CANALIZING BUSINESS	IV OTHER BUSINESS	V UNALLOCABLE ITEMS	TOTAL FOR THE YEAR 2017-2018
A.	SEGMENT REVENUE:												
i)	SALES	17,723,739,572	168,787,939,765	-	11,699,761,534	3,173,130,451	201,384,571,323	12,878,571,962	16,353,665,731	-	2,018,862,080	875,665,744	32,126,765,517
ii)	SERVICE CHARGES (PSF / PSS)	2,560,846,053	226,197,634	-	1,344,946,579	-	4,131,990,266	3,458,348	1,859,626,613	-	33,767,189	-	1,896,852,149
iii)	OTHER INCOME	52,457,299	7,501,147,221	-	70,816,578,164	4,072,086,361	82,442,269,047	44,552,597	5,015,968,788	-	19,422,393	247,256,086	5,327,199,865
	GROSS SALES/INCOME (I+II+III)	20,337,042,925	176,515,284,620	-	83,861,286,277	7,245,216,813	287,958,830,635	12,926,582,907	23,229,261,132	-	2,072,051,662	1,122,921,830	39,350,817,531
B	SEGMENT RESULTS (GROSS PROFIT)	18,228,688,306	(22,482,932,539)	-	570,566,759	7,031,857,868	3,348,180,394	1,640,348,306	(580,322,769)	-	62,779,672	1,304,036,394	2,426,841,603
a)	ADD: UNALLOCABLE INCOME	1,666,984	31,652,957	-	10,736,321	4,775,351	71,040,673,711	6,642,395	44,103,086	-	650,974	215,095,878	266,492,332
b)	LESS: UNALLOCABLE EXPENSES	-	-	-	-	-	(25,229,087,269)	70,068,749	4,925,086	-	14,257,900	492,046,994	581,298,728
c)	PROFIT (a+b-c) BEFORE EXCEPTIONAL ITEMS	18,230,355,290	(22,451,279,582)	-	581,303,080	7,036,633,219	99,617,941,374	1,576,921,952	(541,144,770)	-	49,172,746	1,027,085,278	2,112,035,205
d)	EXCEPTIONAL ITEMS	-	-	-	-	-	46,307,342	23,640,292	-	-	323,869	14,626,425	38,590,586
e)	PROFIT BEFORE TAX (c+d)	18,230,355,290	(22,451,279,582)	-	581,303,080	7,036,633,219	99,664,248,717	1,600,562,244	(541,144,770)	-	49,496,615	1,041,711,703	2,150,625,791
C	SEGMENT ASSETS	18,491,322,690	186,843,017,134	-	78,295,512,747	59,942,122,948	343,571,975,519	3,693,179,829	168,317,166,979	-	4,930,009,733	62,098,727,096	239,039,083,637
a	UNALLOCABLE ASSETS	-	-	-	-	-	21,603,505,787	-	-	-	-	9,110,699,609	9,110,699,609
b	TOTAL ASSETS (C+a)	18,491,322,690	186,843,017,134	-	78,295,512,748	59,942,122,948	365,175,481,306	3,693,179,829	168,317,166,979	-	4,930,009,733	71,209,426,705	248,149,783,245
D	SEGMENT LIABILITIES	24,926,230,258	300,925,121,487	-	11,510,567,382	5,349,668,598	342,711,587,726	1,418,806,677	182,222,694,650	-	2,172,442,918	8,850,341,681	194,664,285,926
a	UNALLOCABLE LIABILITIES	-	-	-	-	-	22,463,893,580	-	-	-	-	53,485,497,319	53,485,497,319
b	TOTAL LIABILITIES (D+a)	24,926,230,258	300,925,121,487	-	11,510,567,382	5,349,668,598	365,175,481,306	1,418,806,677	182,222,694,650	-	2,172,442,918	62,335,839,000	248,149,783,245
E	CAPITAL EXPENDITURE INCURRED DURING THE YEAR	-	-	-	-	-	30,644,885	-	-	-	-	15,534,599	15,534,599
F	DEPRECIATION	-	-	-	-	-	50,714,934	-	-	-	-	50,751,617	50,751,617
G	NON-CASH EXPENDITURE OTHER THAN DEPRECIATION	-	-	-	-	282,930,876	1,945,294,452	-	-	-	-	1,655,496,939	1,655,496,939



(NIDHEE SHRIVASTAVA)
GENERAL MANAGER (F&A)





nafed

A Farmers' Cooperative

National Agricultural Cooperative Marketing Federation of India Ltd.

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