



nafed
A Farmers' Cooperative

ANNUAL REPORT

2019-20



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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“It is natural for the cooperative sector to grow and shine in India. There are several sectors where the cooperative sector can help make a positive difference. See what best practices to adopt and give up the old ones and move ahead.”

Hon'ble Prime Minister Shri Narendra Modi



VISION STATEMENT OF NAFED



To be Global Cooperative
Leader with ISO
Certification in Providing
Marketing Solution for
Agricultural Commodities
through Efficient
Market Linkage of
Farmers, Government and
Consumers

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**FROM THE DESK
OF THE
MANAGING DIRECTOR**

“At NAFED, we believe in delivering excellence and setting benchmarks. The Federation takes pride in serving the farmers of the nation for more than 6 decades.”

**SHRI SANJEEV KUMAR CHADHA
MANAGING DIRECTOR, NAFED**

Friends

It gives me immense pleasure to present to you the Annual Report of NAFED for the FY 2019-20. We have completed the journey of yet another successful year with satisfactory results. This year, as we complete the 62nd year of NAFED's foundation, it is a matter of pride for all to see NAFED traverse the trials and tribulations to emerge as a vibrant and strong organization marching ahead to continue fulfilling its mission of serving the farmers of the nation.

NAFED recorded a turnover of ₹ 16280.98 Crore booking a remarkable profit of ₹ 272.85 Crores (gross) in the year gone by which is the second highest ever since the inception of NAFED. There is Net Profit of ₹ 165.65 Crore during the year. The Share Capital also increased from ₹ 25.40 Crore to ₹ 27.05 Crore as on 31.03.2020. Net worth of the Federation as on 31.03.2020 has also been reduced to ₹ (16.38) Crore against ₹ (174.39) Crore as on 31.03.2019. NAFED continued to enjoy the status of Export House as per Certification of recognition issued by Ministry of Commerce, Government of India.

The major chunk of the business was that of PSS, PSF and MIS operations in account of Govt. of India amounting to ₹ 14375.98 Crore. The outright business was to the tune of ₹ 1905 crore. The Federation also undertook international trade valuing ₹ 12.97 crore. Oilseeds worth ₹ 7045.14 Crore and pulses worth ₹ 7519.53 Crore were handled during the year under PSS and PSF in account of Govt. of India providing benefit of the MSP to millions of farmers across the country. The Food grains business was to the tune of ₹ 790.94 Crore.

During the year, NAFED continued to maintain and manage the National Buffers of pulses and onion as per the direction of Govt. of India for protecting the interests of the consumers. Supply of milled pulses to Army, Para military forces and states under the ₹ 15 per kg discounted scheme and also against various welfare schemes of the states was also continued. Emergent supply of food aid and other relief material was dispatched to countries like Myanmar, Bangladesh and Maldives during the year on the direction of Govt. of India.

NAFED was entrusted with the challenging task of procurement of apples in Kashmir valley under the market intervention scheme in order to provide respite to apple growers of the region. The operation was implemented under extremely challenging circumstances for the benefit of the apple cultivators. Another challenging task entrusted by the Government during the year was implementation of the NADCP project. The project, valued at ₹ 12652 Crore against 100 percent funding from the Central Government for a period of 5 years aims at vaccinating over 500 million livestock across the country against the Foot and Mouth Disease (FMD) and 36 million female bovine calves against the Brucellosis disease. NAFED is implementing this project pan India and during the year 15.57 crore doses of vaccines, 1.13 crores ear tags and 5655 applicators were supplied to various states and UTs.

The year also brought some good news for NAFED when we won the four decades old international legal battle with the Swiss company ALIMENTA which had a huge financial implication of more than ₹ 400 Crore for NAFED. The Hon'ble Supreme Court announced the verdict in favour of NAFED providing respite to the Federation and all stakeholders.

Another noteworthy activity of NAFED during the year was the hugely successful organization of the World Pulses Day celebrations at New Delhi in association with the Global Pulse Confederation,. The event was inaugurated by the Hon'ble Minister for Agriculture and Farmers Welfare on 10th February, 2020 and attended by dignitaries from across the World and India. It is for the first time that such an event was organised in the country.

The achievements would not have been possible without the dedicated hard work put in by the employees of NAFED. I would like to extend my sincere thanks to the Government of India, the State/UT Governments, the respected members of NAFED's Board, Hon'ble Chairman of NAFED, State Federations, member societies, banks and all other stakeholders who have continued to support NAFED in its journey. I look forward to their continued support in future also.

Let us continue to surge ahead to achieve greater heights.

CHAPTER - 1

AGRICULTURAL SCENARIO IN INDIA : AN OVERVIEW

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 benefit of farmers.

It further supported with remunerative prices of their produce under Minimum Support Prices.

Agriculture, with its allied sectors, is unquestionably the largest livelihood provider in India, more so in the vast rural areas. It also contributes a significant figure to the Gross Domestic Product (GDP). Sustainable agriculture, in terms of food security, rural employment, and environmentally sustainable technologies such as soil conservation, sustainable natural resource management and biodiversity protection, are essential for holistic rural development. Indian agriculture and allied activities have witnessed a green revolution, a white revolution, a yellow revolution and a blue revolution.

Given the importance of the agriculture sector, the 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 Pradhanmantri Gram Sinchai Yojana, to support organic farming through Paramparagat Krishi Vikas Yojana (PKVY) and to support for creation of a unified national agriculture market to boost the incomes of farmers.

As per the land use statistics 2012-13, the total geographical area of the country is 328.7 million hectares of which, 139.9 million hectares is the reported net sown area and 194.4 million hectares is the gross cropped area with a cropping intensity of 138.9%. The net irrigated area is 66.1 million hectares. Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation has released



the New Series of National Accounts on 30.01.2015, revising the base year from 2004-05 to 2011-12. As per the first revised estimates released by CSO on 29.01.2016, the Agriculture and Allied Sector contributed approximately 17.0% of India's Gross Value Added (GVA) at current prices during 2014-15.

Water resources: Almost 89% of groundwater is extracted for irrigation. Further, crops such as paddy and sugarcane consume more than 60% of irrigation water available in India, which reduces water availability for other crops. There is an urgent need to focus on irrigation water productivity (ratio of crop output to irrigation water applied by farmer) to improve agricultural productivity.

The Government has set a vision for New India that involves "Sabka Saath Sabka Vikas". Transformation of the agriculture sector is crucial for achieving this vision as 44.2 percent workforce in the country is employed in agriculture (NSO 2019) and thus depend on agriculture for their livelihood (NSO 2019).

Advance Crop Estimates for 2019-20 crop year

The production of most of the crops for the agricultural year 2019-20 has been estimated higher than their normal production. The Agricultural Ministry releases four advance estimates of production followed by a final estimate. The fourth advance estimates are generally considered as good as the final estimates.

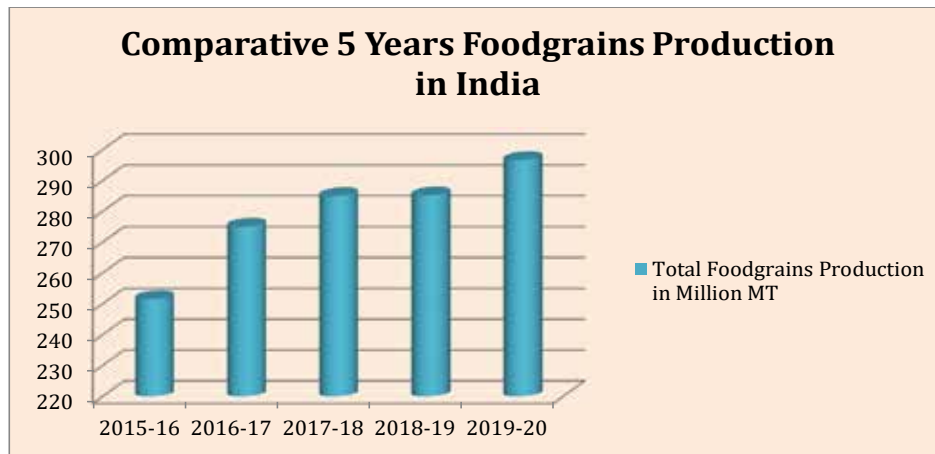
Five Years Comparative Production of Oilseeds, Cereals and Pulses in India (Million MT)					
	2015-16	2016-17	2017-18	2018-19	*2019-20
Oilseeds	25.25	31.27	31.46	31.52	33.42
Cereals	235.22	251.98	259.60	263.14	273.50
Pulses	16.32	23.13	25.42	22.08	23.15
Total Food grains (Cereals + Pulses)	251.54	275.11	285.01	285.21	296.65

* 2019-20 figures as per the 4th Advance Estimates

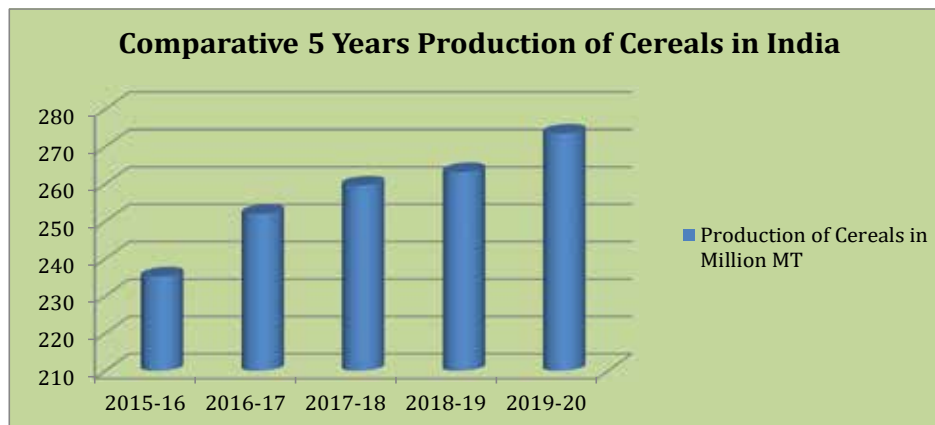
As per the fourth advance estimates released on 19th August, 2020, the country is estimated to achieve an all-time high foodgrain production of 296.65 million MT in the 2019-20 crop year. The foodgrains basket comprises wheat, rice, coarse cereals and

pulses. This is the fourth consecutive year-on-year higher output of foodgrain since 2016-17 crop year

(July-June). The previous record was 285.21 million MT during the 2018-19 crop year.



* 2019-20 figures as per the 4th Advance Estimates



* Cereals consist of rice, wheat and coarse grains.

* 2019-20 figures as per the 4th Advance Estimates

The production of coarse cereals is estimated to be a record 47.48 million tonne as against 43.06 million tonne during last year. The output of wheat, the main rabi crop, is estimated at an all-time high level of 107.59 million tonnes in 2019-20, up from 103.60 million tonne previous year. Similarly, the output of rice, the main kharif crop, is estimated to be a record

118.43 million MT in 2019-20, higher from 116.48 million MT last year.

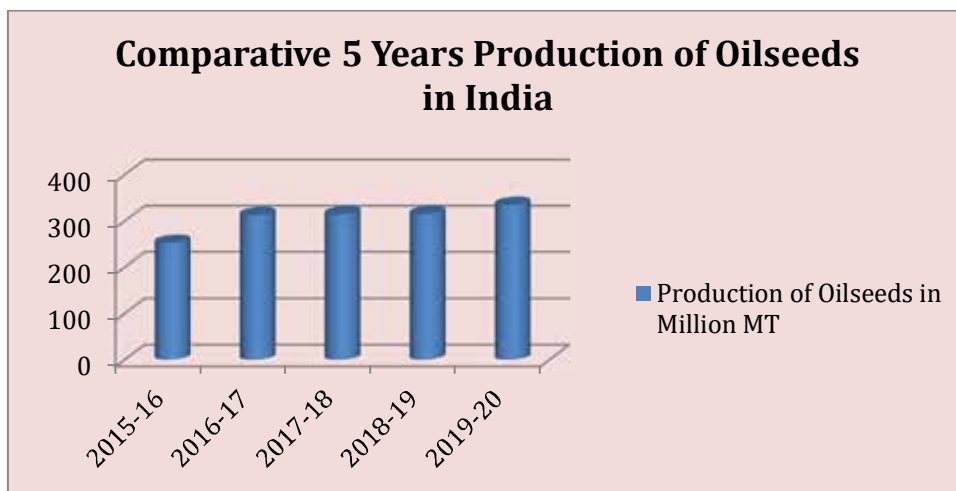
Production of maize is pegged at a record 28.64 million MT during 2019-20, up from 27.72 million MT in the 2018-19 crop year, but barley output is estimated to lower at 1.69 million MT as against 1.63 million MT in the previous year.



* 2019-20 figures as per the 4th Advance Estimates

The production of pulses is estimated at 23.15 million MT during 2019-20 as compared to 22.08 million MT during 2018-19, however lower than the all time record of 25.42 million MT achieved during 2017-18. Tur production during 2019-20 is pegged at 3.83 million

tonnes and chana at 11.35 million tonne for 2019-20, slightly lower than the all time high production levels of 4.29 and 11.38 million MT respectively achieved during 2017-18.



* 2019-20 figures as per the 4th Advance Estimates

The production of oilseeds is estimated at an all time record level of 334.23 million MT as against the level of 315.22 million MT in the preceding year.

Among cash crops, the country would see an all-time high production of cotton at 35.491 million MT during 2019-20 as compared to 28.420 million MT in the preceding year. The previous record was 35.902

million MT in 2013-14 crop year. Sugarcane production is estimated to decline to 355.70 million MT during 2019-20 from 405.416 million MT in the previous year due to fall in production mainly in Maharashtra and Karnataka.

CHAPTER - 2

DOUBLING FARMERS' INCOME : ROAD MAP FOR ATTAINMENT OF THE VISION



The Hon'ble Prime Minister of India has set a vision for doubling farmers' income by 2022. The Government constituted an Inter-ministerial Committee in April, 2016 to examine issues relating to "Doubling of Farmers Income" and recommend strategies to achieve the same. The Committee under the Chairmanship of Shri Ashok Dalwai submitted its report in September 2018 .

Doubling farmer's income will require addressing issues such as access to credit, insurance coverage and investments in agriculture. India has relatively lower farm mechanisation which needs to be addressed. Further, the food processing sector requires more focussed attention as it can play an important role in reducing post-harvest losses and aid the creation of an additional market for farm outputs.

The aforesaid report on doubling farmers' income, which is documented in fourteen volumes, focuses on seven major sources of growth, operating within (6) and outside (1) the agriculture sector.

Within the agriculture domain:

- Improvement in crop productivity
- Improvement in livestock productivity

- Resource use efficiency or saving in cost of production
- Increase in cropping intensity
- Diversification towards high value crops
- Improvement in real prices received by farmers

Outside the agriculture domain:

- Shift from farm to non-farm occupations

The DFI Committee addresses agriculture as a value led enterprise and suggests empowering farmers with "improved market linkages" and enabling "self-sustainable models" as the basis for continued productivity, production and income growth for farmers. This builds the basic strategy direction for five primary concerns:

- Optimal monetization of farmers' produce
- Sustainability of production
- Improved resource use efficiency
- Re-strengthening of extension and knowledge based services, and
- Risk management



CHAPTER - 3 BOARD OF DIRECTORS (2019-20)



Dr. Bijender Singh
Chairman
(w.e.f. 23.05.2019)



Shri V. R. Boda
Ex-Chairman
(upto 23.05.2019)



Dr. Sunil Kumar Singh
Vice - Chairman



Shri Dalsukhbhai Patel
Vice - Chairman
(w.e.f. 23.05.2019 To 03.10.2019)

LIST OF OTHER DIRECTORS



Shri Dileep Sanghani



**Dr. Chandra Pal
Singh Yadav**



**Shri Bhanwar Singh
Shekhawat**



Shri R. S. Joon



**Shri Jagjit Singh
Sangwan**



**Shri Nana Sahib
Dattaji Patil**



Shri Siby J. Monipally
(up to 20.01.2020)



Shri Vishal Singh



Shri Gurchet Singh



Shri Ranjit Pandey



**Shri Patangay
Jayavanth Rao**



Shri Aditya Yadav



Shri M. Murugan



Ms. Swati Meena, IAS
(w.e.f. 08.04.2019)



Shri Ashok Thakur
Govt. Nominee



Shri Sanjeev Kumar Chadha
Managing Director

Shri P.C. Meena
(upto 07.04.2019)

Shri K.V. Suryanarayan Raju
(upto 11.04.2019)

Shri Brijender Singh, IAS
(02.04.2019 to 25.04.2019)

Shri Y. Madhusudhan Reddy
(w.e.f. 12.04.2019 to 05.01.2020)

Shri Shekhar Vidyarthi, IAS
(26.04.2019 to 23.05.2019)

Sri Lathkar Shrikesh Balajirao, IAS
(w.e.f. 06.01.2020)

CO-OPTED DIRECTORS



Shri Ajai Kumar Rai
(w.e.f. 23.05.2019)



Shri Mohanbhai Kundariya
(w.e.f. 11.10.2019)

Shri Mangan Lal Vadaviya
(w.e.f. 23.05.2019 to 19.10.2019)

Special Invitee



Shri Mangi Lal Danga
(w.e.f. 23.05.2019)

FUNCTIONAL DIRECTORS

1. Shri Sunil Kumar Singh
Additional Managing Director
2. Shri S. K. Verma
Executive Director
3. Shri A.K. Rath
Executive Director
4. Ms. Nidhi Shrivastava
GM, (F&A)

CHAPTER - 4 MANAGEMENT TEAM OF NAFED



Shri Sanjeev Kumar Chadha
Managing Director



Shri Sunil Kumar Singh
Additional Managing Director



Shri Pankaj Kumar Prasad
Additional Managing Director



Shri S. K. Verma
Executive Director



Shri A. K. Rath
Executive Director



Shri Kamendra Srivastava
Executive Director



Shri N. Ramesh
Executive Director



Shri Abhinav Rawat
Executive Director

CHAPTER - 5

MEETINGS HELD DURING 01.04.2019 TO 31.03.2020

Meeting	Number of Meetings held	Date
Annual General Body	2	23.05.2019 06.09.2019
Board of Directors	8	30.04.2019 23.05.2019 11.06.2019 14.08.2019 06.09.2019 11.10.2019 07.11.2019 09.02.2020

Meeting	Number of Meetings held	Date
Business Committee	3	14.08.2019 20.01.2020 22.02.2020
Executive Committee	2	14.08.2019 09.02.2020
Finance Accounts & Audit	2	30.04.2019 14.08.2019
Project Committee	NIL	NIL





CHAPTER - 6

NAFED AT A GLANCE



NAFED - An Apex Cooperative Marketing Federation in India

In India, cooperatives play a crucial role in marketing of farmers' produce and these cooperatives have carved a unique position in the country's agriculture. Almost all secondary markets in the country have the presence of primary marketing cooperatives, which are members of the state marketing federations which in turn are the members of NAFED at the national level. NAFED is thus the Apex Level Cooperative Marketing Federation in India having its reach all across the country including the remotest parts through its three tier structure consisting of Primary Cooperatives at the bottom, State Level Cooperatives in the middle and NAFED at the top. Activities of Nafed add to the betterment of agriculture by protecting the interests of the farmers. Nafed is also a member of International Cooperative Alliance (ICA).

There are 918 members of NAFED as on 31.03.2020 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.

Mission and Infrastructure

Established on 2nd October 1958 with the mission to promote the trade of agricultural and forest resources across the country, NAFED has been rendering great service to the farmers and consumers of the country for the last 6 decades. The infrastructure of NAFED is spread all across the country with one or more branches in each state of India along with other state of the art infrastructure comprising of warehouses, cold storages, pre-cooling units/vans, onion storages, tea blending and packing unit, consumer marketing division etc.

Business Operations

Domestic Operations

- Nafed is one of the Central Nodal Agencies of the Government of India for procurement of 16 notified Agricultural Commodities of Oilseeds and Pulses under Price Support Scheme (PSS). Whenever there is a glut in market due to bumper production when prices tend to crash, Nafed undertakes procurement at the Minimum Support Price fixed by Govt. of India in case of 16 notified commodities (pulses, oilseeds,

de-husked coconut, Milling/Ball Copra) thereby providing remunerative prices to farmers and their produce.

- Procurement and marketing of oilseeds, pulses, food grains, spices, horticulture and other agricultural produce of farmers in outright account using own funds against budgeted allocation
- One of the Central agencies for procurement of Pulses and Onion under Price Stabilization Fund (PSF) scheme of Government of India.
- A Nodal State Agency on behalf of Food Corporation of India and the State Governments under Decentralized Procurement (DCP) scheme for Wheat and Paddy.
- Supply of Milled Pulses to Army, CPMFs and State Governments under PDS, MDM, ICDS welfare schemes
- Production and marketing of Bio Fertilizers to help the farmers to improve the productivity and quality of their crops.
- Production of Compressed Bio Gas (CBG) by treating various types of agri-wastes.
- Procurement of Apples - Designated Central Nodal Agency of Govt. of India for procurement of Apples in Jammu and Kashmir during 2019-2020 under the Market Intervention Scheme (MIS) .
- Organic Farming – Contributes towards promotion of sustainable agriculture and environment through 13 years of experience in the field of Organic Farming and its certification in states of Uttar Pradesh, Punjab, Bihar and Uttarakhand , presently covering a total area of around 45,000 ha.
- Production of Certified Seeds under the brand name of NAFED : One of the Central Seed Agencies of Department of Agriculture & Farmers Welfare (DAC&FW), Govt. of India and undertakes production, distribution and marketing of certified / foundation seed of pulses, oilseeds and cereals. Also supplies certified seeds to State Governments under general supplies.
- National Animal Disease Control Programme (NADCP) –Working closely with the Ministry of Fishery, Animal Husbandry and Dairying,

Government of India under the programme in their mission of eradicating FMD and Brucellosis diseases.

- Industrial Units - Owns properties in the form of Lands, Plots, Residential Complexes, Office Premises, Godowns, Cold Storages and Industrial Units.
- Retail Business - Serving the consumers by selling good quality grocery items through a chain of “NAFED Bazaars” at affordable rates.

International Trade

- NAFED has the decades of rich experience, expertise and infrastructure for undertaking import/export of all kinds of agricultural commodities like pulses, food grains, spices, edible oils, de-oiled extractions, perishables like fresh fruits and vegetables including apple, mango, kinnow mandarin, grapes, strawberries, onion, and potato etc.
- Also undertaking supply / export of agricultural items / articles to various countries as humanitarian assistance on behalf of the Ministry of External Affairs, Govt. of India.
- Undertakes import of Maize under the TRQ scheme of Govt. of India.
- Import of pulses and other essential commodities like Onion etc. as and when the need arises on the direction of Govt. of India.

The Brand NAFED

In the sixty plus years of existence, NAFED has become a brand name amongst the farmers and consumers. The NAFED brand of pulses, spices, tea and other products are quite popular amongst the consumers owing to superior quality and reasonable prices. NAFED deals in various flavours of tea and all kinds of pulses and spices produced in India. The blending and packaging of tea is done at its own unit located in the tea producing region in the North East of the country. The procurement is organised directly from the farmers without any middlemen under the close supervision of highly competent and experienced professionals due to which NAFED products have a strong credibility in terms of price and quality.

NETWORK OF NAFED



MAP NOT TO SCALE

CHAPTER - 7 SNAPSHOT OF BUSINESS HIGHLIGHTS OF 2019-20

Turnover of ₹ **16,280.98** **Crore**
Gross Profit of ₹ **272.85** **Crore**
Net Profit of ₹ **165.65** **Crore**



Procurement of Oilseeds and Pulses valuing ₹ 16,713.56 Crore under PSS/PSF



Procurement of Food Grains Valuing ₹ 627.80 Crore



Seed Business of ₹ 27.44 Crore



Tea Business of ₹ 1.80 Crore



Bio Fertilizer Business of ₹ 5.89 Crore



Procured Onion valuing ₹ 163.14 Crore Under PSF
 Procured Apple valuing ₹.69.37 Crore Under Special MIS

CHAPTER - 8

NAFED'S ARMS TO SUCCESS



Price Support Scheme (PSS)



Seeds supply to farmers



Price Stabilisation fund (PSF)



Supply to Army and Para Military Forces



Supply to Government Institutions



Retail Business



International Trade

CHAPTER - 8.1

PRICE SUPPORT OPERATIONS

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

Assurance of a remunerative and stable price environment for growers/farmers is very important for increasing agricultural production and productivity. The market price for agricultural produce many times tends to be unstable and volatile which may result in undue losses to the growers and may discourage adoption of the modern technology and required inputs.

- The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy.
- 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.
- 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/Mustard Seed, Safflower, Jute and Copra.



- MSP for Toria and De-Husked coconut fixed on the basis of MSP's of Rapeseed/Mustardseed and Copra respectively.

Nafed is one of the Central Nodal Agencies for procurement of 16 notified agricultural commodities of Oilseeds and Pulses under the Price Support Scheme (PSS) and continues to be the sole Central Nodal Agency for procurement of Milling Copra, Ball Copra and De-husked Copra under the Price Support Scheme.

- Under PSS, procurement is undertaken, if the market price of Fair Average Quality (FAQ) stocks rule at or below the declared MSPs.
- Procurement is 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 procures FAQ stocks under PSS directly from the farmers through its Cooperative network at State level and Primary/grass root level.
- Payment to the farmers is made only through digital mode like RTGS/NEFT.
- Losses, if any, incurred in PSS Operations of Oilseeds and Pulses are fully reimbursed by the Government of India.
- Profit, if any, on disposal of the commodities procured under PSS is transferred to the Government of India.

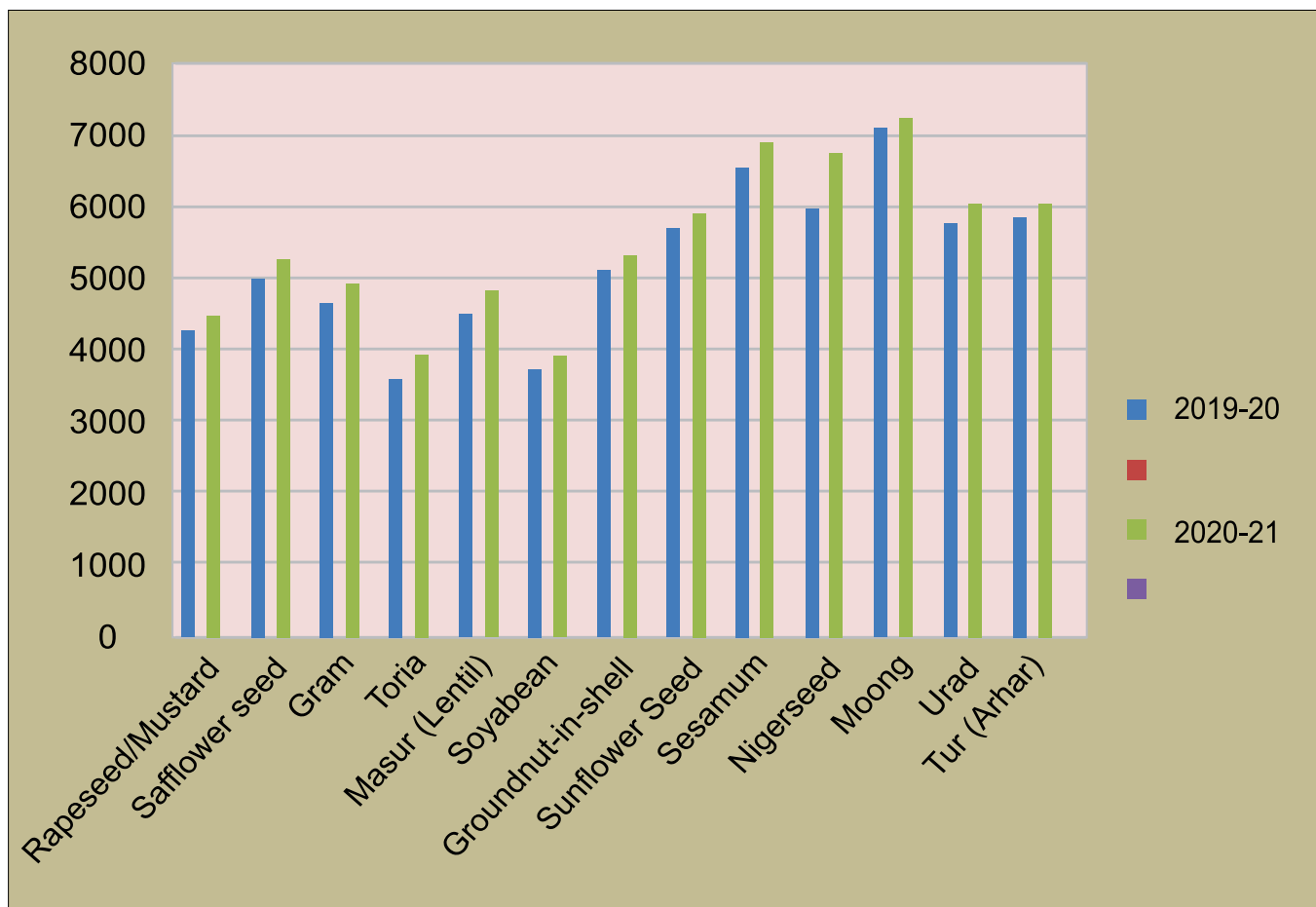
NAFED has been implementing the Price Support Scheme on behalf of the Government of India for more than three decades.



Minimum Support Prices (MSPs) of Oilseeds and Pulses fixed by the Government of India during 2019-20 & 2020-21

MSP Rate: ₹ per quintal for FAQ

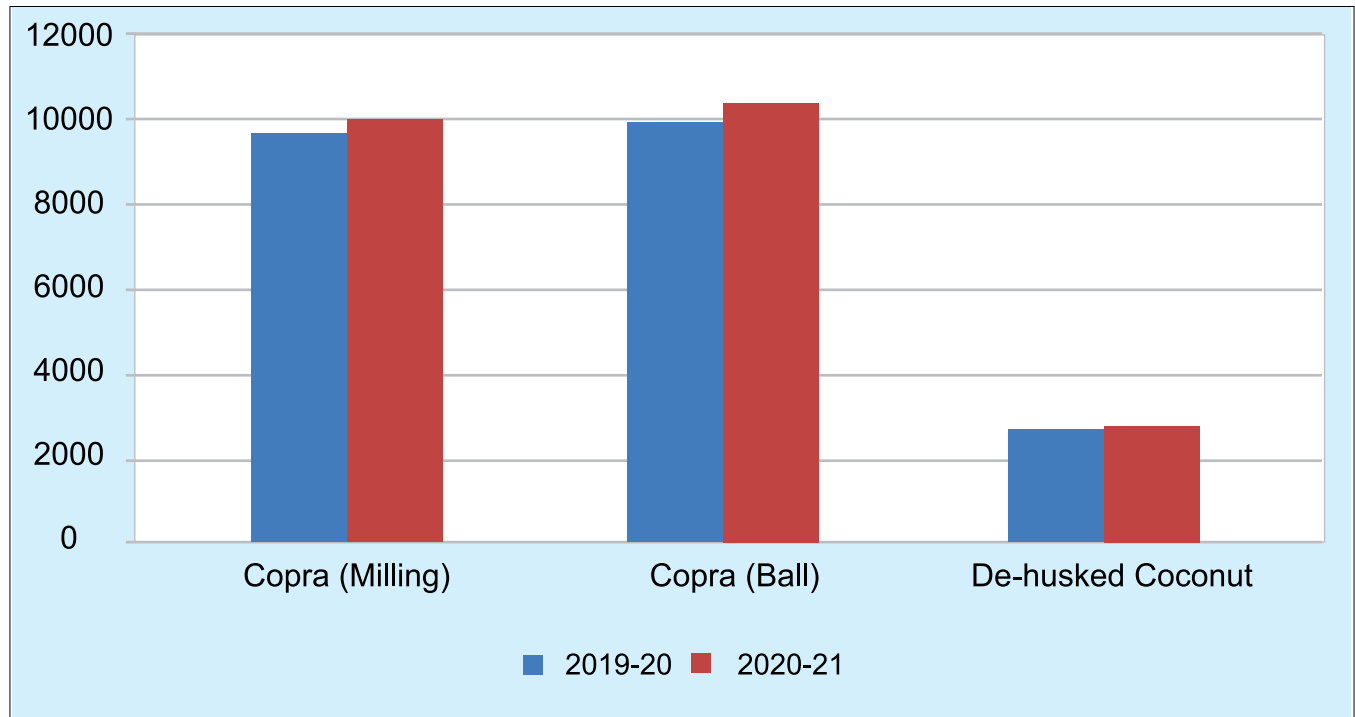
S.No	Commodity	2019-20	2020-2021
A. RABI CROP			
1.	Rapeseed/ Mustard	4200	4425
2.	Safflower seed	4945	5215
3.	Gram	4620	4875
4.	Toria	4190	4425
5.	Masur (Lentil)	4475	4800
B. KHARIF CROP			
1.	Soyabean	3710	3880
2.	Groundnut -in-shell	5090	5275
3.	Sunflower Seed	5650	5885
4.	Sesamum	6485	6855
5.	Niger Seed	5940	6695
6.	Moong	7050	7196
7.	Urad	5700	6000
8.	Tur (Arhar)	5800	6000



Minimum Support Prices (MSPs) of PERENNIAL CROPS (Based on the calendar year) fixed by the Government of India during 2019-20 & 2020-21

MSP Rate: ₹ per quintal for FAQ

		2019-20	2020-21
1.	Copra (Milling)	9521	9960
2.	Copra (Ball)	9920	10300
3.	De-husked Coconut	2571	2700

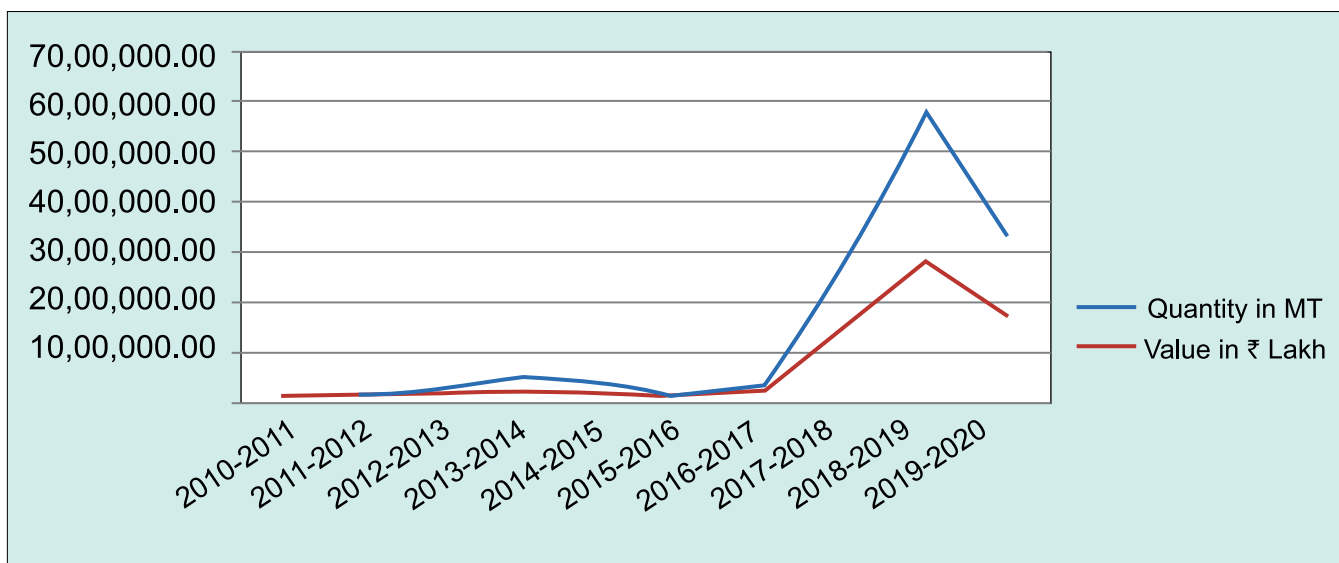


During the year 2018-19, a record quantity of 57,96,711.45 MT of Pulses and Oilseeds valuing ₹ 26,816.85 Crore was procured under the Price Support Scheme by NAFED, which is the highest

ever in the history of NAFED. During 2019-20, a quantity of 33,03,157.065 MT of oilseeds and pulses valuing ₹ 16,065.72 Crore was procured.

Procurement of Oil Seeds and Pulses by NAFED from 2010-11 to 2019-20

Year	Quantity in MT	Value in ₹ lakh
2010-2011	32,295.44	13,812.26
2011-2012	338.27	152.88
2012-2013	1,73,093.78	79,899.05
2013-2014	4,29,221	1,77,998
2014-2015	3,26,015.19	1,01,854.76
2015-2016	4,241.89	1,590.71
2016-2017	230,437	96,530
2017-2018	2,783,179	13,59,599
2018-2019	57,96,711.45	26,81,685.39
2019-2020	33,03,157.065	16,06,571.63



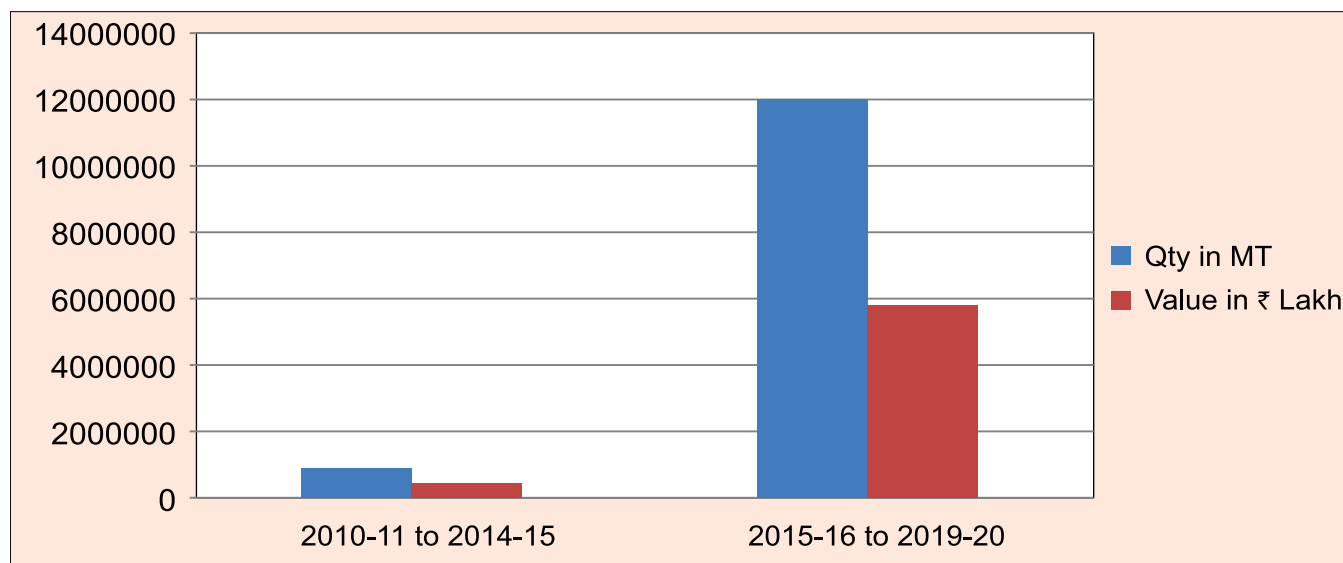
Comparative Procurement of Oilseeds and Pulses under PSS during the Period 2010-11 to 2014-15 and 2015-16 to 2019-20

2010-11 to 2014-15

YEAR	PULSES		OILSEEDS		TOTAL	
	QUANTITY PROCURED (MT)	MSP VALUE (₹ Lakh)	QUANTITY PROCURED (MT)	MSP VALUE (₹ Lakh)	QUANTITY PROCURED (MT)	MSP VALUE (₹ Lakh)
2010-2011	1418.15	90.31	31,887.29	13,721.97	32,295.44	13,812.26
2011-2012	1.57	0.52	336.70	152.36	338.27	152.88
2012-2013	95,861.25	40,493.37	77,232.54	39,405.68	1,73,093.78	79,899.05
2013-2014	49,819	21,422	3,79,402.17	1,56,575.85	4,29,221	1,77,998
2014-2015	3,13,917.35	97,303.13	12,097.84	4,551.63	3,26,015.19	1,01,854.76
Total	4,61,017.32	1,59,309.33	5,00,956.54	2,14,407.49	9,00,963.68	3,73,716.95

2015-16 to 2019-20

YEAR	PULSES		OILSEEDS		TOTAL	
	QUANTITY PROCURED (MT)	MSP VALUE (₹ Lakh)	QUANTITY PROCURED (MT)	MSP VALUE (₹ Lakh)	QUANTITY PROCURED (MT)	MSP VALUE (₹ Lakh)
2015-2016	-	-	4,241.89	1,590.71	4,241.89	1,590.71
2016-2017	8,267.58	3,968	2,22,168.46	42,562	2,30,437	96,530
2017-2018	16,04,922	8,48,912	11,78,257	5,10,687	27,83,179	13,59,599
2018-2019	41,87,986.03	19,84,098.38	16,08,725.42	6,97,587.01	57,96,711.45	26,81,685.39
2019-2020	14,88,117.887	7,80,302.22	18,15,039.178	8,26,269.41	33,03,157.065	16,06,571.63
Total	72,89,293.497	36,17,280.60	48,28,431.948	20,78,696.13	1,21,17,726.405	57,45,976.73



During 2019-20, procurement of oilseeds under PSS was 18,15,039.17 MT valuing ₹ 8,262.69 Crore against the quantity of 16,08,725.42 MT valuing ₹ 6,975.87 crore in the preceding year. In case of pulses, during the year 2019-20, the procurement was to the tune of 14,88,117.887 MT valuing

₹ 7,803.02 Crore as against the all time record procurement of 57,96,711.45 MT valuing ₹ 26816.85 Crore during 2018-19. The procurement of pulses during the year was relatively lower due to lesser arrivals at PSS procurement centers on account of firming up of prices.

CHAPTER - 8.2

SERVING THE CONSUMERS ALONGSIDE FARMERS

8.2.1 Creation and Management of Buffer Stock of Pulses under Price Stabilization Fund (PSF) Scheme of Govt. of India

The Price Stabilization Fund was set up to tackle price volatility in some agri-horticultural commodities viz Onion, Potato and Pulses to protect the interest of consumers. These commodities are to be procured from farmers/farmer's associations at the time of harvesting and stored for regulated release during lean season to help regulate any abnormal spurt in prices. Such market intervention by Government would not only helps in sending appropriate market signal but also deter speculative/hoarding activities.

- Two successive years of drought during 2014-15 and 2015-16 pushed the Indian Agriculture to the brink. Production of monsoon dependent, rain fed crops like pulses had a significant dip in production. Consumer prices of pulses which are a staple food in Indian palette were becoming unaffordable. To manage the crises, the Department of Agriculture, Cooperation & Farmers' Welfare started working on twin fronts of supply and demand. The National Food Security Mission (NFSM) geared up efforts to provide all ground level support like improved seeds, mini kits, extension programmes, field trials for increasing pulses production in the country to newer levels. On the demand side, with an objective of providing pulses at affordable prices, the Price Stabilization Fund (PSF) was established.

- A buffer stock of 20.50 LMT of pulses was built through both domestic procurement by NAFED, FCI and SFAC (16.71 LMT) and imports by MMTC and STC (3.79 MT). Domestic procurement for the buffer was done from farmers and farmers' associations during Kharif Marketing Seasons (KMS) of 2015-16 and 2016-17 as well as Rabi Marketing Seasons (RMS) of 2016-17 and 2017-18. Imports were made only during 2015-16 and 2016-17. Last import was contracted in November 2016 i.e. up to the period when domestic availability was low during 2015-16 and 2016-17. By March 2020 the old stock of 20.50 LMT pulses procured/imported has been disposed off.

Disposal of buffer stock

- Pulses from the buffer are also being utilized for supply to Public Distribution System (PDS), Mid-day Meal Schemes and ICDS and other schemes across States/UTs. In addition, utilization of pulses from the buffer to meet the requirement of Army and Central Para-Military Forces has been streamlined to the satisfaction of all stakeholders involved. The balance stock is disposed off in the market, based on considerations like shelf life, efficient buffer management, market prices etc.
- **The "Policy for disposal of pulses from buffer created under Price Stabilisation Fund" dated 25 April 2018 prioritizes the disposal of buffer stock of pulses in the order of allocation to States, Central Agencies and through strategic**



open market sale. Further NAFED, NCCF, Mother Dairy and Kendriya Bhandar have taken up retailing of pulses.

- Pulses from the buffer are being utilized for PDS distribution in Karnataka, Chattisgarh, Uttarakhand, Himachal Pradesh, Tripura, in Mid-day Meal scheme in Gujarat, Karnataka, Jharkhand, Tamil Nadu etc. and in ICDS scheme in Gujarat, Rajasthan, Himachal Pradesh and Mizoram. Allocation/release of pulses to States/UTs from buffer stock may be decided by PSFMC. Any subsidy to State Governments/Consumers on disposal of these pulses may be decided by the Minister of Consumer Affairs on the recommendation of Committee of Secretaries (CoS).
- Government has taken a decision that all Ministries/Department having schemes with nutrition/protein components or providing food/catering/hospitality services would utilize pulses from the central buffer and offer it in 'kind'. Pulses would also be allocated/released to Central Agencies, Government outfits and its organs/agencies based on need/exigencies. In addition, pulses from the buffer are being utilized to meet the requirement of Army and Central Para-Military Forces. Food Aid has also been provided to Afghanistan as well as towards Flood relief measures undertaken in Kerala.
- The remaining quantity for which no request is received from the States would be released through strategic open market sale based on considerations such as prices, availability, storability and appropriate stock management and with the approval of PSFMC. First-in-First-Out (FIFO) principle along with Dynamic Reserve Price (DRP) - Average of the last seven days modal price of the specific pulses in the mandis situated within 100 km of the godowns where the stock being auctioned is kept criteria are to be followed.



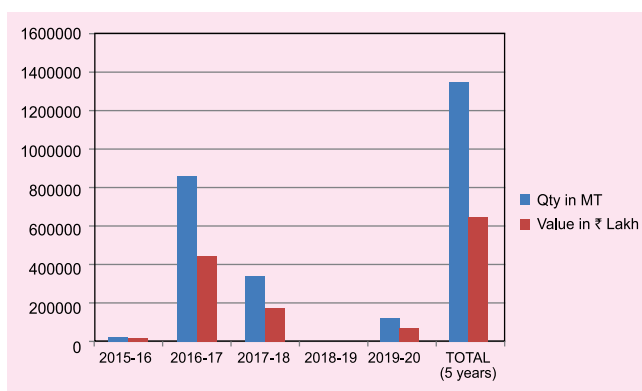
Benefits of buffer stock

- Making available the pulses through the public distribution system from the buffer stock would protect the most vulnerable section of people from the price rise in pulses. Buffer stock of pulses is proven to be most useful in times of extreme situations like the unprecedented lockdown situation due to COVID pandemic. Due to availability of pulses stock, the Government was able to maintain the supply situation and also distribute the pulses to the beneficiaries even when all the normal market operations were completely closed. Buffer stock of pulses would serve any such emergent requirement in times of natural calamities or other unforeseen situations.
- **During 2019-20, a quantity of 1,19,224.15 MT of pulses valuing 691.50 Crore was procured by NAFED under PSF. During the last five years period from 2015-16 to 2019-20, NAFED has handled a total quantity of 13,51,266.16 MT of pulses valuing ₹ 6398.199 Crore under PSF in the interest of the consumers while benefiting the farmers in the process.**

Pulses procured by NAFED under PSF during last 5 years

Year	Pulses Buffer	
	Qty. MT	Value (₹ lakh)
2015-16	21752.94	19110.86
2016-17	864868.76	448335.30
2017-18	345420.31	172373.75
2018-19	-	-
2019-20	119224.15	69150.007
TOTAL	1351266.16	639819.91

Procurement of Pulses by NAFED under PSF during last 5 years



8.2.2 Release of Pulses to States/Union Territories at Discounted Rate for utilization under various Welfare Schemes

A scheme, with the approval of Cabinet was introduced by Department of Agriculture, Co-operation & Farmers Welfare, Govt. of India for release of Pulses procured under Price Support Scheme (PSS) to States/UT Governments for utilization under various Welfare Schemes like Mid - Day Meal (MDM), Integrated Child Development Services (ICDS), Public Distribution System (PDS), etc with central subsidy of ₹ 15/- per Kg over the "Issue Price" as a "One time measure" for a period of 12 months. The scheme was in effect from October 2018 to September, 2019.

Under this scheme, a quantity of more than 10 Lakh MT of major whole Pulses such as Tur, Gram, Moong, Masur & Urad were allocated to 14 States/UT Governments for utilization at their end. Since the stock of these Pulses was under the monitoring of NAFED under PSS, the release of these Pulses was handled by NAFED effectively benefitting the State/UT Governments.



8.2.3 NAFED hosts World Pulses Day Celebrations in New Delhi



NAFED hosted the second World Pulses Day at The Ambedkar International Centre, New Delhi India on 10th February, 2020 in association with Global Pulse Confederation (GPC). This was the first such celebration of its kind in India following the success of the International Year of Pulses celebrated in 2016 in accordance with resolution passed by the United Nations General Assembly.

Shri Narendra Singh Tomar, Hon'ble Minister for Agriculture and Farmers' Welfare was the Chief Guest on the occasion. Important dignitaries who graced the occasion were Minister for Food, Civil Supplies and Consumer Affairs, Govt. of Tripura, Shri Manoj Kanti Deb, Member, NITI Aayog, Dr. Ramesh Chand, Director, Lal Bahadur Shastri National Academy of Administration, Mussoorie, Shri Sanjeev Chopra, CEO, National Rainfed Area Authority, Dr. Ashok Dalwai, FAO Representative to India, Mr. Tomio Shichiri, Global Pulses Confederation (GPC) chairperson Ms. Cindy Brown. Delegates from several countries including Canada, Australia, Argentina, UAE, Myanmar, etc. along with senior Govt. of India Officials, State Officials, Trade & Industry, Foreign Missions, Scientists, Trade Analysts and Media were also present.

The Chief Guest applauded the efforts of NAFED for organizing this important event in India which will

help in promotion of production and consumption of pulses.

NAFED's proposal to the Government of India for creation of buffer stock of Pulses in 2015, followed by voluminous procurement of pulses under PSF/PSS in the recent years, successful operations for supply of milled pulses to Army, Para Military Forces and States have brought a lot of recognition and goodwill to NAFED. These initiatives have also led to significant positive changes in the Pulse Management of the Country. The celebration of World Pulses Day by NAFED in India was an event to mark the success of the contribution of NAFED in Pulse management both in India and abroad.

On the invitation of Global Pulse Confederation (GPC) to Pulses 2019 Convention at Rio-de-Janeiro, Shri Sunil Kumar Singh, AMD, NAFED and Shri Santosh Kumar Verma, ED, NAFED participated in the four day Global Convention from June 10th to June 13th, 2019 along with Shri Awdesh Kumar Choudhary, Economic advisor and Shri Venkat Hariharan Asha, Assistant Director, Department of Food, Distribution & Consumer Affairs, Govt. of India. During the Convention, Mr. Sunil Kumar Singh, AMD, while addressing the dignitaries as a panelist, provided an insight into India's production, supply and demand situation and highlighted the



significant role played by NAFED in stabilizing the domestic pulse market in the wake of unprecedented price rise in 2015 through suggestion for creation of buffer stock of pulses and efficient procurement of pulses at MSP under the PSS and PSF schemes in the interest of the farmers and consumers of the country. NAFED's efficient pulse management was instrumental in boosting the production of pulses in the country, touching self sufficiency.

During the convention, at the initiative of NAFED, an MoU was signed between NAFED and GPC laying down a framework for the two organizations to work together in areas ranging from sharing of knowledge, collaboration in promotion of conferences, events and activities related to production, consumption, research, trade, adoption of best practices for processing, distribution, farming technology and prevention wastage of pulses in the Supply Chain. A MoU was signed by outgoing President of GPC, Mr. Huseyan Arslan and NAFED Additional Managing Director, Sh. Sunil Kumar Singh.

On the invitation of NAFED, a GPC delegation led by its President, Ms. Cindy Brown and comprising of Executive Vice-President, Vice-President, Executive Committee Members, Chairman, Pulse Canada, and Vice-President, American Pulse Association visited NAFED on 8th August, 2019.

The delegation also met the senior officials of Govt. of India in the Ministry of Consumer Affairs and Public Distribution. During the meeting, the efforts of NAFED

in overall Pulse Management in the Country were lauded and signing of MOU between NAFED and GPC was also appreciated by the Ministry officials. It was desired that NAFED should take the lead in setting up a promotional body for pulses. NAFED has accordingly initiated necessary action for establishment of an institutional mechanism for pulses which includes setting up an appropriate legal body with proper nomenclature involving all the stakeholders of Pulse Supply Chain including the Growers, Researchers, Policy Makers, etc. NAFED has also initiated action for fulfillment of Memorandum of Association with GPC. Sh. Sunil Kumar Singh, Additional Managing Director of NAFED is the authorized Focal Officer to coordinate and participate as special observer to the annual meetings or conventions of GPC and its members Sh. Sunil Kumar Singh, AMD, NAFED participated in Montreal 2019 Pulse and Special Crop Convention at Montreal, Canada organized by Canadian Special Crops Association (CSCA) from 20th to 22nd August, 2019. He participated in the session on "Market outlook : Chick Peas". The key note address for the Convention was made by Sh. Dharmendra, IAS, Additional Secretary & Financial Advisor, Department of Consumer Affairs, Govt. of India. During the visit to Canada, he also visited Regina and adjoining Pulse growing fields of Chick Peas, lentils, wheat, barley, canola, flax seeds, canary seeds, green peas, etc.

The above initiatives have helped in establishing NAFED as the Pulse Arm of the Nation and an important Global Pulse Player.



Chairman NAFED welcoming GPC delegation at NAFED Corporate Office in New Delhi



GPC delegation in meeting with NAFED officials



Shri Sunil Kumar Singh, AMD, NAFED, at the Montreal 2019 Pulse and Special Crop Convention at Montreal, Canada

Glimpses of the Second World Pulses Day Celebrations



CHAPTER - 8.3 FOOD GRAINS

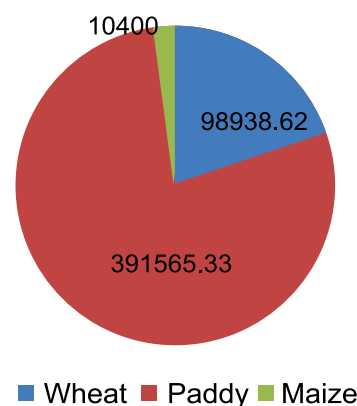
During the financial year 2019–20 NAFED procured Paddy, Wheat and Maize across various states in India. Paddy procurement, touched new heights in the States of Uttar Pradesh, West Bengal, Madhya Pradesh, Uttarakhand and Assam

- NAFED was nominated as a State Agency on behalf of Food Corporation of India and the State Governments under De-centralized Procurement (DCP) Scheme for Wheat and Paddy.
- The Commodity-wise, State-wise procurement details of foodgrains undertaken by NAFED during the year are summarized as below :

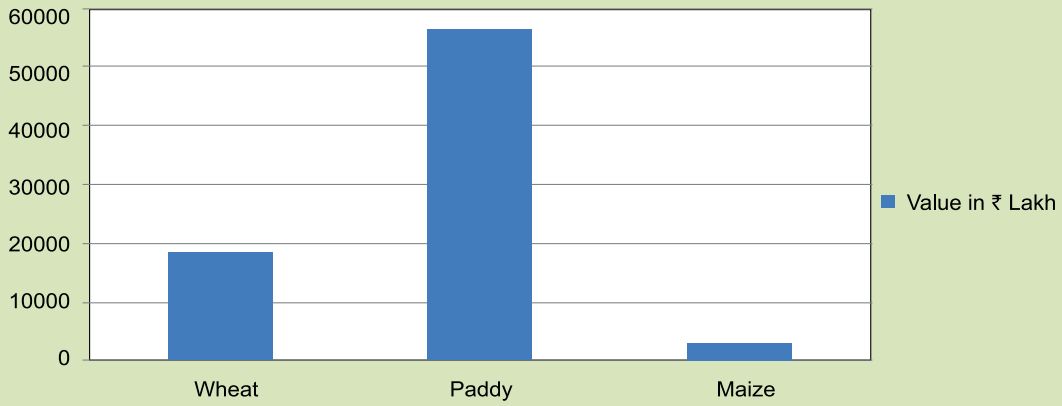
State wise Procurement of Foodgrains during 2019-20

Commodity	State	Qty in MT	Value in ₹ lakh
Wheat	Uttar Pradesh	92258.57	16975.58
	Uttarakhand	6680.05	1299.27
	Total	98938.62	18274.85
Paddy	West Bengal	82077.75	148.97
	Assam	28918.67	5248.74
	Uttar Pradesh	209920.32	38133.80
	Uttarakhand	4096.82	743.57
	Madhya Pradesh	66551.77	12079.15
Total	391565.33	56354.23	
Maize	Karnataka	10400	2745.60

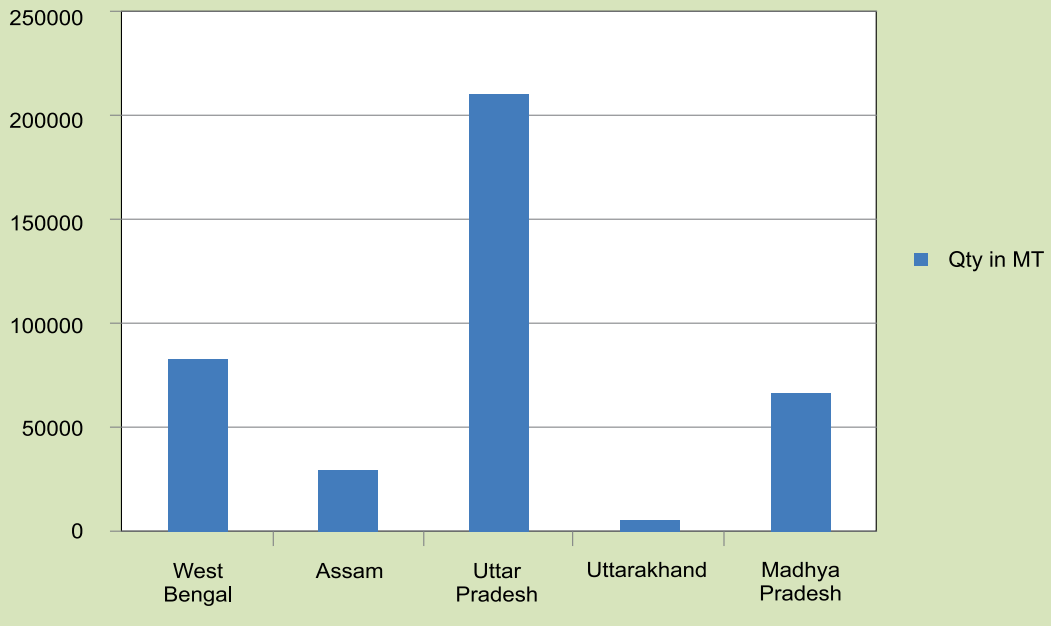
Procurement of Foodgrains during 2019-20 (Qty in MT)



Value of Foodgrains Procured during 2019-20



State Wise Qty. of Paddy Procured during 2019-20



Considering outstanding performance of NAFED during last year, the State Governments of Uttar Pradesh, West Bengal and Assam allocated additional targets of procurement to NAFED for KMY 2020-21.

NAFED also ventured into procurement of Maize in the States of Bihar, in collaboration with various agencies. In the coming year, NAFED aims to increase its presence in Coarse grains procurement in a big way.

CHAPTER - 8.4 OUTRIGHT PROCUREMENT

Outright procurement is undertaken by NAFED in own account utilizing its own funds against budget approved by competent authority of NAFED

- Nafed has been undertaking procurement of oilseeds, pulses, spices, food grains, horticultural and other agricultural produce of farmers all across the country in outright account utilizing its own funds against budgeted allocation.
- Purchases made directly from the farmers in regulated mandies in open auction through the primary cooperative societies.

- Presence of NAFED in the mandies when the farmers bring their produce for sale prevents their exploitation at the hands of the private trade, provides them a ready market and also has a positive psychological impact on the price behaviour in the mandies.

During the year, a quantity of 3,000 MT of Pulses and Spices valuing ₹19 Crore was procured under Outright account.



CHAPTER - 8.5 INSTITUTIONAL SUPPLIES

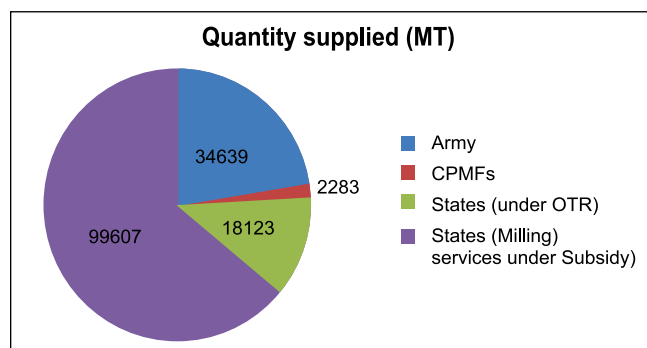
Govt. of India decided to create a buffer stock of five pulses through its Nodal Agencies including NAFED through creation of Price Stabilization Fund Scheme. NAFED was also nominated for supplying milled pulses to the Army and Central Para Military Forces and to States under different welfare schemes such as PDS, MDM and ICDS schemes across India out of the national buffer.

- The institutional supply of pulses is undertaken by NAFED through a customized electronic portal nafed.agribazaar.com which manages the critical tasks of empanelment of millers, mapping, assaying deliveries, payments and logistics for ensuring timely and efficient supplies to the prestigious Institutions.

- More than 400 millers empanelled across the country through the portal for milling, packing and delivery to Institutions.
- The work is assigned to the millers on the basis of highest out-turn-ratio (OTR) of milled pulses.
- A Central Subsidy scheme was launched by DAC&FW, GOI during 2018-19 which continued in 2019-20 also, in which subsidy of ₹ 15/- per kg was allowed on release of pulses for utilization under different welfare schemes of States. NAFED offered its integrated milling and supply services to some of the States viz. Chhattisgarh, Daman & Diu, Kerala, Gujarat and Karnataka under this scheme.

Supply of Processed Pulses by NAFED to the Armed Forces during 2019-20

Institution	Quantity supplied (MT)
Army	34639
CPMFs	2283
States (under OTR)	18123
States(Milling services under Subsidy)	99607



- Arranged processing of Groundnut and supplied 9116 MT Groundnut oil to the state Gujarat during the year.



- Also supplied 7200 MT Jaggery to Chhattisgarh State and 75 MT of milled pulses to Kendriya Bhandar for direct retailing from the PSF buffer.

CHAPTER - 8.6 INTERNATIONAL TRADE



During 2019-20, NAFED shipped humanitarian aid/relief worth ₹ 15.50 Crore to different countries on behalf of Govt. of India.

NAFED has been undertaking import export of various agricultural commodities over the years. The Federation has decades of experience, expertise and well established infrastructure for handling exports and imports of all kinds of agricultural commodities like food grains, pulses, spices, edible oils, de oiled extractions and perishables like fresh fruits and vegetables including onion, garlic, potato, etc. NAFED offices are located at or in proximity to almost all important ports of India. Efforts are being made to further strengthen and augment the international trade business of the federation to generate revenue and make a significant presence in the global market.

Supply / Export of Agricultural items / Articles various countries as humanitarian assistance on behalf of Ministry of External Affairs, Govt. of India :

In the recent years, the Ministry of External Affairs, Govt. of India has been entrusting NAFED the task of organizing shipments of humanitarian/food aid to several countries on behalf of the Govt. of India. NAFED has been executing these challenging assignments successfully, even at short notice.

Reposing trust in NAFED's abilities for arranging supplies as per prescribed quality & time parameters, during FY 2019-20, Ministry of External Affairs, Govt. of India entrusted NAFED the task of arranging shipment of various agri-commodities / household items/articles to different countries towards humanitarian aid / emergency relief material. The details of such supplies made during the year are as follows:

S. No.	Country	Commodity	Quantity	Period	Value (₹ in Lakh)
1	Iran	Blankets, Plastic Sheet, Canned Food, Tea, Sugar, Biscuits, Dehydrated vegetables, Gum Boots, Tents, Hygiene Kits each for men, women and children		May,2019	213.02
2	Namibia	Rice	1000 MT	July,2019	393.00
3	Myanmar	Pulses, Rice, Spices, Edible Oil, Rice Noodles, Salt Plastic Sheets	20,000 Kits	Nov & Dec, 2019	777.00
4	Bangladesh	Family Tents, Office Tents, Search & Rescue Kits, Sewing Machines		Jan, 2020	167.17
TOTAL					1550.19



Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry, Govt. of India vide trade notice no. 02/2019-20 dated 3rd April, 2019 had invited applications from State trading enterprises (STE) for import of 1 lakh MT of feed-grade Maize (corn) under TRQ scheme meant only for poultry feed under actual user condition.

NAFED, being a State Trading Enterprise (STE) under Foreign Trade Policy 2015-20 for import of Maize, applied to DGFT for allocation of quota for import of feed grade maize under DGFT TRQ scheme 2019-20. DGFT, vide trade notice no. 18/2019-20 dated 14.06.2019, allocated quota for import of

50,000 MT feed grade Maize (corn) to NAFED under the scheme on actual user basis.

Upon issuance of the above DGFT trade notice, NAFED initiated necessary action for timely import for the benefit of the poultry segment in the country. Vessel MV OCEAN CROWN carrying 49999.083 MT of Maize sailed from Ukraine sea port on 27.08.2019 and reached Tuticorin sea port, India on 19.09.2019 for discharge of import cargo. Since the import was made for poultry feed purpose, the sale of entire cargo was made to Indian poultry feed manufacturers under actual user condition.



CHAPTER - 8.7

PROMOTING THE ORGANIC ROUTE FOR SUSTAINABLE AGRICULTURE

NEW INDIA POSITIVE INDIA HIGHLIGHTS OF 2017 **myGov**

FARMERS' WELFARE

Organic World Congress, 2017 held in India

India is **one of the oldest organic** agricultural nations of the world

22.5 lakh hectares brought under organic farming

3,60,400 farmers benefited by Paramparagat Krishi Vikas Yojana

[@MyGovIndia](#) www.transformingindia.mygov.in Date: 3rd Jan, 2018

Organic farming is a system which avoids or largely excludes the use of synthetic inputs (such as fertilizers, pesticides, hormones, feed additives etc.) and relies upon crop rotations, crop residues, animal manures, off-farm organic waste, mineral grade rock additives and biological system of nutrient mobilization and plant protection. As per FAO "Organic agriculture is an unique production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity, and this is accomplished by using on-farm agronomic, biological and mechanical methods in exclusion of all synthetic off-farm inputs"



Parampragat Krishi Vikas Yojana (PKVY) 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 the adoption of the organic village by cluster approach and PGS certification.

NAFED has diversified into Organic Farming with a view to make its contribution towards promotion of sustainable agriculture and environment. It has 13 years of experience in the field of Organic Farming and its certification in the states of Uttar Pradesh, Punjab, Bihar and Uttarakhand covering a total area of around 45,000 ha.

Organic Farming Projects presently under implementation:

- Govt. of India has allocated 50 clusters in the

State of Uttarakhand (Nainital) and 50 clusters in the State of Bihar (Champan) to NAFED under PKVY for implementation of organic farming projects. 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 these two states.

- Department of Horticulture, Odisha has allotted 450 hectares of land in 3 districts of Odisha (Koraput, Rayagada and Kalahandi) to NAFED under Mission for Integrated Development Horticulture (NHM) for Adoption and Certification of Organic Farming for Horticulture Crops. Implementation of the project would be undertaken in association with the implementing partners.



Parampragat Krishi Vikas Yojana (PKVY) for Organic Farming



Parampragat Krishi Vikas Yojana, a comprehensive Centrally Sponsored Scheme launched to promote organic farming. Being implemented on a cluster basis on 20 Hectare each.



The target is to promote 10,000 clusters covering 2 lakh Hectare over the period of 3 years, 2015-16 to 2017-18. During the year 2015-16, 7186 clusters have been formed in 29 states and one Union Territory.

CHAPTER - 8.8 INDUSTRIAL UNITS

NAFED has 20 freehold and 31 leasehold properties in the form of Lands, Plots, Residential complexes, Office premises, Godowns, Cold Storage and Industrial units. Rental Income of ₹ 3.34 Cr. was generated during the year by effective utilization of these properties.

- 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.
- During the year, NAFED has purchased additional five properties at Mumbai, Raipur, Chandigarh, Bhopal & Bhubaneswar for use as office premises for an amount of approx ₹ 24.13 Crore.
- Branch Wise Rental Income generated from Industrial Units during 2019-20

S.No	Branch	Rental Income in ₹ lakh
1	Mumbai	48.85
2	Ahmedabad	8.64
3	Cochin	36.24
4	Chennai	81.8
5	Lucknow	29.84
6	Jaipur	36.43
7	Indore	18.07
8	Nasik	91.00
	Total	350.87

List of Nafed Industrial Units

S.No	Location	Branch
1	Bakshi Ka Talab (Shed-1)	Lucknow
2	Bakshi Ka Talab (Shed-2)	Lucknow
3	Mattancherry (Office cum godown)	Cochin
4	Godown Gandhinagar, Cochin	Cochin
5	Godown Gandhinagar, Cochin	Cochin
6	Office space, Gandhinagar, Cochin	Cochin
7	Pune Godown	Nasik

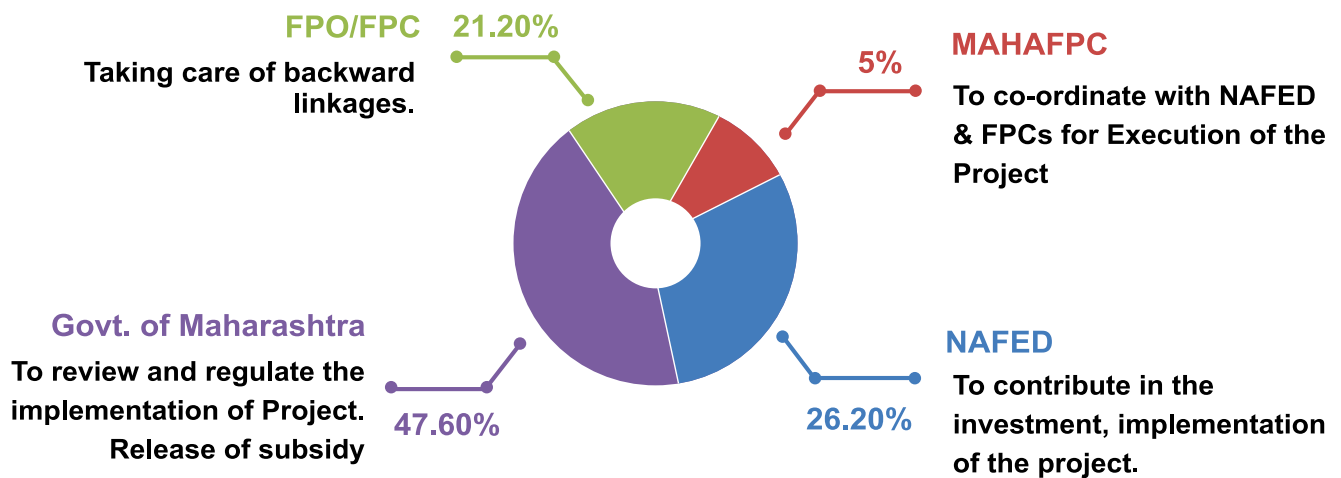
8	Modern Onion Godown, Pimpalgaon	Nasik
9	Two Tier Onion Godown, Lasalgaon	Nasik
10	Pre Cooling Cold Storage Cum Pack House, Pimpalgaon	Nasik
11	Nafed Onion Packing Shed, Pimpalgaon	Nasik
12	Nafed Onion Packing Shed, Lasalgaon	Nasik
13	Nafed Raichur Godown	Bangalore
14	Bhiwandi (Factory Outlet)	Jaipur
15	RICCO, Sriganganagar	Jaipur
16	Bharatpur Godown	Jaipur
17	Hitek Building, opp. Museum, Paldi, Ahmedabad	Ahmedabad
18	Madhavaram (5 Godowns)	Chennai
19	Nagapattinam (3 Godowns and 50% open area)	Chennai
20	Dronagiri / Container Yard	Mumbai
21	Vashi Navi Mumbai / Cold Storage	Mumbai
22	Vashi Navi Mumbai / Mill Godown	Mumbai
23	Plot No.4-A, Sector 19 F, Vashi Navi Mumbai	Mumbai
24	Vashi Navi Mumbai / General Godown	Mumbai
25	Vashi Navi Mumbai / Bond Godown	Mumbai
26	Nafed Godown Siya, Industrial Area, Dewas	Indore
27	Nafed Godown, Baitoli, Ganjbasoda, District, Vidisha	Indore
28	Two Pack house projects 500 MTs each, of Umranalla & Mehrakhapa Sausor, Chhindwara, including Eleven collection centers, 2 refrigerator Van and Seven TATA 407. 11 collection centers - Palakhed, Sanwari, Umreth, Buagora, Navalgaon (Bhchua), Bisapurkala, Sonari Mohgaon (Kuliya), Chandangaon, Gurrariya, Navegaonisra Umariya, Kanhargaon	Indore

PPP-IAD PROJECT

(Public Private Partnership – Integrated Agriculture Development Project)

NAFED is implementing a project under PPP model with the aim of creating necessary storage and marketing infrastructure to facilitate procurement, storage and disposal activities of Onion for various GOI/State Government interventions through NAFED. The infrastructure is being set up at 25 locations, each with storage capacity of 1000 MT.

Project Structure



Actual Photo's of the project under construction at Bhimaghod AGRP Producer Co Ltd,
At Post Pimpalsuti, Tal Shirur, Distt. Pune

CHAPTER - 8.9 NAFED BIO-FERTILIZERS

For sustainable agriculture and environment.....

Bio fertilizers are live or latent micro-organisms having characteristic capability of Fixing atmospheric nitrogen, solubilising unavailable phosphate or composting the agricultural waste.

- NAFED ventured into Bio fertilizers in the year 1984-85, when its first Bio-Fertilizer manufacturing unit was set up in Indore, Madhya Pradesh with annual production capacity of 450 MT.
- The performance of NAFED Bio fertilizers in terms of capacity utilization, quality control, extension and promotion of this noble biotechnology have been duly recognized by the National Productivity Council (Govt. of India) by way of giving away prestigious Best Performance Awards for 11 times until-now.
- The consistent efforts of the R & D team of NAFED Bio fertilizers have led to production of the following product range being sold under the brand name of NAFED.
 - Rhizobium - for leguminous crops

- Azotobacter – for cereals, millets, vegetables and other horticultural crops
- Azospirillum – for maize, bajra, potato, etc
- P.S.B. – for all the crops
- Composting Culture – for decomposition of organic waste
- Trichoderma Viride Bio fungicides – for all crops
- NAFED brand Bio-fertilizers enjoy popularity amongst the farmers despite the prevalent cut throat competition in the trade. The Bio-fertilizers are marketed through NAFED branches across the country to facilitate proper and timely distribution to the buyers. NAFED Bio-fertilizers has also started the production and marketing of liquid bio-fertilizers. The products are helping the farmers to improve the productivity and quality of their crops to greater extent.

● **The total turnover of NAFED Bio-Fertilizers unit, Indore in Bio-Fertilizer category during the year 2019-20 was ₹ 588.95 lakh with gross profit of around ₹ 52.09 lakh.**

NAFED brand range of Bio-Fertilizers



CHAPTER - 8.10 NAFED SEEDS

Farmers' faith forever.....

NAFED is one of the Central Seed Agencies of Department of Agriculture & Farmers Welfare (DAC&FW), Govt of India and undertakes production, distribution and marketing of certified/foundation seed of pulses, oilseeds and cereals. The seed produced under NFSM-Pulses/Oilseeds scheme is distributed to the farmers directly across the country under Minikits Distribution Scheme (Pulses & Oilseeds) of Govt. of India. Besides, NAFED also supplies certified seeds to State Governments under general supplies through tenders and direct orders on nomination basis.

- NAFED Seed and Biofertilizer Division, Indore (NSBD) functions as the seed branch of NAFED which in coordination with all NAFED branches looks after the Seed Business of NAFED.
- Nodal officers have been appointed in NAFED branches (Seed nodal Officers), who look after the seeds business of the branch in coordination with NSBD
- **Key Seed Crops**

Oilseeds: Groundnut, Soybean, Mustard, Linseed, Sesamum, Niger

Pulses: Gram, Moong, Urad, Lentil, Peas, Arhar,

Cereals: Wheat, Paddy, Maize

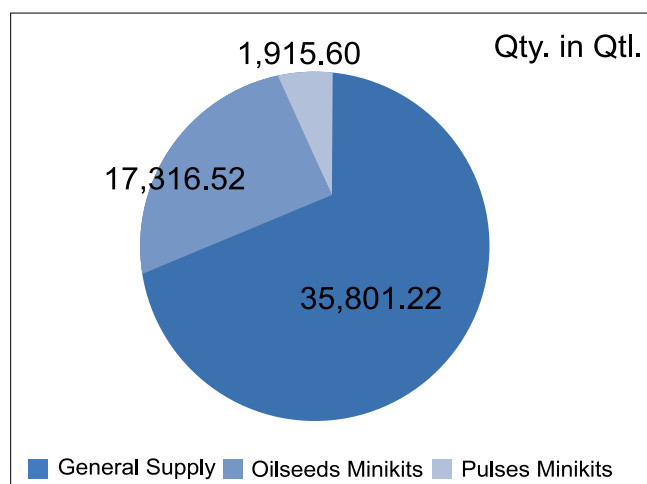
- During 2019-20, NAFED purchased 169.61 Qtls of breeder seed from reputed ICAR institutions through DAC & FW, Govt. of India, which was further multiplied into Foundation seed by farmers under NHRDF /empanelled seed producers across the country. The foundation seed will be used for sowing during 2020-21 for certified seed production.

- **Total seed business of NAFED during 2019-20 was to the tune of 55,033.34 Qtls. valuing ₹ 3457.35 lakh, details as follows:**

- 17,316.52 qtls certified seeds of Oilseeds valuing ₹ 1289.49 Lakh, in the form of minikits under Oilseeds Minikits Distribution scheme of DAC & FW, Govt. of India were distributed during the year.
- 1915.60 qtls certified seed of Pulses valuing ₹ 178.83 Lakh, in the form of minikits (under Pulses Minikits Distribution scheme of DAC & FW, Govt. of India) were supplied to state of AP, Telangana, Odisha, Karnataka, Tamil Nadu, MP, UP, Rajasthan, Jharkhand, Chhattisgarh and Uttarakhand.
- 35,801.22 Qtls certified seed of Pulses, Oilseeds & Cereals (Wheat) valuing ₹ 1989.03 lakh supplied to different states including Rajasthan, HP, Chhattisgarh, Tripura, West Bengal, MP & UP under state distribution schemes.

Sr. No.	Particulars	Qty. In Qtls.	Value (₹ in lakh)	Profit (₹ In Lakh)
1	GENERAL SUPPLY	35,801.22	1989.03	106.04
2	OILSEEDS MINIKITS	17,316.52	1289.49	64.47
3	PULSES MINIKITS	1,915.60	178.83	8.94
	TOTAL	55,033.34	3457.35	179.46

Business undertaken by Seed Division during 2019-20



CHAPTER - 8.11 HORTICULTURE

8.11.1 PROCUREMENT OF ONION AND POTATO UNDER PSF DURING 2019-20 AND ITS DISPOSAL

ONION

As per Direction of Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs, Govt. of India, during 2019-20, NAFED procured 58147 MTs of onions with value of ₹ 76.014 Crore for creating a buffer stock under Price Stabilization Fund (PSF) of Govt. of India.

- During Rabi 2019 season, 57,232 MT of Onion was procured from Maharashtra and Gujarat.
- During Kharif 2019 season, 915 MT of Onion was procured from Rajasthan and Telangana.
- The procurement done directly from farmers through member societies in open auction in Lasalgaon, Pimpalgaon, Alwar APMC and at farm gate through State level FPO Federation and FPOs directly in various districts of Maharashtra, Gujarat and Telangana.
- Procured stock of PSF onion after its preliminary sorting, grading and packing were supplied to different markets and states as per market demand and directions of Department of Consumer Affairs, Government of India. The onion from various storage locations was distributed to the States of Delhi, Jharkhand, Bihar, Odisha, West Bengal, Uttar Pradesh, Karnataka, Kerala, Assam and Haryana.



Besides, stored onion was also supplied to Mother Dairy (SAFAL), Kendriya Bhandar, CMD (NAFED), NCCF, BISCOAUN.

POTATO

A quantity of 45.276 MTs of Potato valuing ₹ 6.290 Lakh was procured during the year and the entire quantity has been disposed off in the open market.

OTHER FRUITS AND VEGETABLES

During the year, NAFED Azadpur Branch sold Fruits & Vegetables with gross value of ₹ 918.24 Lakh and earned a profit of ₹ 45.90 lakh.

8.11.2 PROCUREMENT OF APPLE UNDER SPECIAL MIS DURING 2019-20

Nafed was designated as Central Nodal Agency for procurement of apples during 2019-20 in Jammu and Kashmir under Market Intervention Scheme (MIS). The operation for procurement from the growers was carried out in coordination with Directorate of Planning and Marketing, Department of Horticulture, Jammu and Kashmir, Horticulture Produce Marketing and Processing Corporation Ltd. (JKHPMC).



Procurement of Apple under MIS in Kashmir

- The actual procurement of apples started on 16th September, 2019 from Anantnag and Procurement was in 5 Mandies at Anantnag, Sopore, Srinagar, Shopian and Kulgam.

Braving extreme adverse prevailing situation in the Union territory, a total quantity of 15,590 MT with basic value of ₹69.38 Crore of apple varieties like Delicious, American and Maharaji were procured. Intervention of NAFED with the MIS scheme was a welcome step for farmers giving them an option to sell their produce at remunerative price through a transparent system.

8.11.3: OPERATION GREENS

Ministry of Food Processing Industry (MoFPI), Government of India is implementing a new Scheme "Operation Greens" with a view to promote Farmer Producers Organizations, agri-logistics, processing facilities and professional management towards better value realization by farmers cultivating Tomato, Onion and Potato(TOP). Under the scheme, NAFED is appointed as a Nodal Agency to implement Short Term Price Stabilization Measures for Price Stabilization of TOP Crops.

- NAFED has put in place an online Market Intelligence & Early Warning System (MIEWS) e-platform for monitoring real time prices as well as demand / supply data for TOP (Tomato, Onion, Potato) crops so as to enable informed intervention for price stabilization. The e-Platform is an information repository providing market intelligence, demand forecast, advisory to farmers on future prices, etc. relating to TOP Crops. The e-portal was formed and launched by Hon'ble Union Minister, Food Processing Industries on 26th February, 2020.
- Based on reports on price falls situation and distress sale by farmers in various States, NAFED is sending advisory to the States for considering intervention under the Scheme as per the scheme guidelines.



CHAPTER - 8.12 NAFED'S RETAIL PRESENCE



Serving the Consumers.....

During the year, the total turnover reported from sales of grocery items was ₹ 20.18 crore, including ₹ 1.89 crore from sale of eggs. NAFED plans to expand the retail business across the country through distributors' network. Besides retail sale, NAFED is supplying grocery items to prestigious institutions in the Country including reputed Hospitals, Hotels, Schools and Public Sector Undertakings etc.

- NAFED has been undertaking Consumer Marketing of food, grocery and other items of daily needs for several years with the objective of making available quality products to consumers at affordable prices.
- A chain of "NAFED Bazaar" outlets are operating in Delhi and few other cities. Presently there are

11 outlets of NAFED in Delhi out of which 7 are being operated by franchisees and one outlet each in Gurugram, Panchkula, Kolkata and two in Shimla.

- NAFED Brand pulses, spices and tea are extremely popular amongst the consumers.
- Along with NAFED Brand, these outlets are also selling grocery items of other popular brands with a view to have better footfall at the outlets.
- **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 206.23 MT of tea valuing ₹ 340.46 Lakh was sold by Guwahati Branch during the year generating a profit of ₹ 17.01 Lakh.**



Inauguration of new NAFED Outlet at Panchkula by Dr. Bijender Singh, Chairman, NAFED



Inauguration of NAFED Bazaar at New Moti Bagh, New Delhi



NAFED BAZAAR at Krishi Bhawan

The BRAND NAFED

"Kisan se Kitchen tak"



CHAPTER - 8.13

NATIONAL ANIMAL DISEASE CONTROL PROGRAMME (NADCP)



With 100 percent funding of ₹ 12,652 Crore from the Central Government for a period of five years till 2024, the programme aims at vaccinating over 500 Million Livestock in the country including cattle, buffalo, sheep, goats and pigs against the Foot and Mouth Disease (FMD). The Programme also aims at vaccinating 36 Million Female Bovine Calves annually in its fight against the Brucellosis disease

- As one of the major initiatives towards doubling the Farmers Income, the Hon'ble Prime Minister Shri Narendra Modi launched the National Animal Disease Control Programme (NADCP) for

eradicating the Foot and Mouth Disease (FMD) and Brucellosis prevalent in livestock on 11th September, 2019 from Mathura in Uttar Pradesh.

- NAFED appointed as Programme Logistic Agency (PLA) for this prestigious National Mission on nomination basis on 30.10.2019.
- NAFED to work with the Ministry of Fishery, Animal Husbandry and Dairying, Government of India under NADCP programme and help them realize their mission of eradicating FMD and Brucellosis diseases by the year 2024.
- NAFED to receive 0.5 percent of the total purchase value as service charges.
- Under the programme, NAFED will help in the procurement of FMD vaccines, Brucellosis vaccines, ear-tags & applicators and ensure that the vaccines reach the districts across the country in good condition.
- NAFED to monitor the entire process right from the factory to the district headquarters.
- For implementation of the project, a new Division "NADCP Division" has been created in HO of NAFED which is responsible for ensuring smooth logistics and monitoring of the programme PAN India.





NAFED team headed by Shri Sanjeev Kumar Chadha, MD visited the manufacturing units of M/s Indian Immunological Ltd and M/s Brilliant Biopharma Pvt. Ltd on 17th January, 2020.

- NAFED floated Tenders for procurement of 925 million doses of FMD vaccines, 41.4 million doses of Brucellosis vaccines, 25 Crore ear tags each for small and large animals and 2 lakh Ear Tag applicators on CPP Portal after receiving approval from Department of Animal Husbandry and Dairying, Government of India.
- Tender for FMD vaccines finalized and supply orders worth ₹ 1027 Crore have been placed on M/s Indian Immunological Ltd, M/s Biovet Pvt. Ltd. and M/s Brilliant Biopharma Pvt. Ltd. after following the laid down procedure.
- In the initial phase, NAFED purchased 73 Million doses of Foot and Mouth disease (FMD) vaccines worth ₹ 97.96 crore from their manufacturers after following due tendering process and receiving approval from Govt. of India.
- The procured vaccines have been distributed to State Animal Husbandry Departments of Andhra Pradesh, Telangana, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Madhya Pradesh and Pondicherry.
- To procure ear tags (including applicators), four companies out of eight who participated in the tender namely M/s Mass Transfer Products Industries, M/s Allflex, M/s ID Tech Solutions Pvt Ltd and M/s National Meditek were finalized and awarded orders for supply of 1.28 crore ear tags worth ₹ 11.38 crore to the states of Telangana, Andhra Pradesh, Odisha, Chhattisgarh and Tamil Nadu after following the laid down procedure.

Implementation of NADCP project is a challenging task. It requires a high level of efficiency and performance at all levels for its effective implementation. In order to support the implementation the IT Division of NAFED developed a QR code based Track and Trace System which is capable of tracking each secondary packaging box of different manufacturers across the country and of various other commodities through-out its supply chain during implementation of the project. It acts as one stop access to all stake-holders to monitor and access relevant information and reports. The system has been developed in a record time of 21 days and was launched in January end 2020.



NADCP Team with NAFED Hyderabad Branch officials

CHAPTER - 8.14

AGRI WASTE MANAGEMENT DIVISION

NAFED is focused and targeting on building agri - waste processing facilities and turning waste to fuel, which is green, consumable and efficient. The aim is to take small steps towards building a greener tomorrow and “Swachh Bharat” by setting up 100 Waste Processing Plants across the country. These plants will produce Compressed Bio Gas (CBG) which can be used in Vehicles, Kitchen, Engines etc. CBG Chemical composition is similar to Natural Gas. It is emission free and environmentally green. Social benefits of these plants are direct and indirect employment generation, boost to engineering industries, reduction in import of crude oil, availability of bio fertilisers to farmers, enhancement of organic food and sustainability of the industry.

NAFED aims to be a leading proponent in the quest to solve India’s waste processing problems and Convert waste to Energy Products so as to have Clean, Green and Healthier India

Major activities undertaken by AWM division:

- Signing of Memorandum of Understanding with Indian Oil Corporation Limited (IOCL) for offtake of Bio-CBG produced at waste processing plants.
- Signing of MoU with Ahmedabad Municipal Corporation (AMC) for setting up of 500 TPD Bio CBG plant at Ahmedabad. Ahmedabad Municipal Corporation has earmarked appx. 12 acre land for the project.



- Signing of MoU with Jammu Municipal Corporation (JMC) for setting up of 350 TPD Bio CBG plant at Jammu. JMC has earmarked land for the project.
- Execution of agreement with M/s Triveni Engineering Pvt. Ltd. for setting up of 150 TPD Bio CBG plant at Sabitgarh, Uttar Pradesh.
- Execution of agreement with M/s CEF International Pvt. Ltd. for setting up of Bio CBG plant at Budhana, Uttar Pradesh.
- Proposal sharing with J&K Lake and Waterways Development Authority (JKLAWDA) for setting up of Bio CBG plant at Srinagar. The proposal has been approved by the JKLAWDA.
- Sharing of proposal with HAFED for setting up of Bio CBG plant at Assandh. The proposal has been principally approved by HAFED.
- Signing of agreement with M/s Turquoise Energy Pvt. Ltd. for setting up of Bio CBG plant at Bharuch, Gujarat.
- In the process of signing an agreement with IOCL for sale and marketing of the Manure/Fertilizer through the retail outlets of the IOCL pan India.
- Signing of agreement with M/s CEF International Pvt. Ltd. for the bulk supply of the fertilizer through NBF Indore.



CHAPTER - 9

NATIONAL HORTICULTURE RESEARCH DEVELOPMENT FOUNDATION (NHRDF)

The Research Arm of NAFED

The National Horticultural Research and Development Foundation (NHRDF), was established by NAFED and Associated Shippers on 3rd November, 1977 under the 'Societies Registration Act, 1860 XXI' at Delhi for carrying out research and developmental programme on various export-oriented horticultural crops like onion and garlic. In view of vast export potential, NHRDF also extended its R & D programmes on other export-oriented vegetable crops like okra, tomato, French bean, cowpea, chilli, drumstick, brinjal and cucurbits. The Head Office of the NHRDF is located at "Bagwani Bhawan", Janakpuri, New Delhi.

NHRDF has been honored as a National Level Agency for implementation of various developmental programmes of Mission for Integrated Development of Horticulture (MIDH) since 2005-06, and National Vegetable Initiative for Urban Cluster (NVIUC) of Ministry of Agriculture and Farmers' Welfare, Govt. of India. NHRDF is a voluntary center of ICAR- All India Coordinated Research Project on Vegetable Crops (AICRP-VC) and ICAR-All India Network Research Project on Onion and Garlic (AINRPOG) of the Indian Council of Agricultural Research. The Residue Analysis Laboratory at Nashik has become the part of Monitoring of Pesticide Residue at National Level (MPRNL), Division of Plant Protection.

During the last 43 years of its existence, NHRDF has developed 12 varieties/lines of onion and 18 varieties/lines of garlic for cultivation in different agro-climatic zones/seasons. Out of these, 6 varieties of onion and

11 varieties of garlic have been notified by the Ministry of Agriculture & Farmers Welfare, Govt. of India.

NHRDF has established research stations and extension centers in different states of the country. Presently, there are 5 Regional Research Stations (RRS) and 18 Extension Centers (ECs) across the country. These RRS are located in Maharashtra, Haryana, Tamil Nadu and Odisha. Whereas, ECs are located in main onion- and garlic- growing pockets of the country. The Plant Pathology, Entomology, Plant Physiology, Soil Testing and Biochemistry laboratories are established at Nashik and Karnal.

A Pesticides Residue Analysis Laboratory, (accredited by the National Accreditation Board for Testing and Calibration of Laboratories (NABL) and approved by APEDA and a Wine Testing laboratory (recognized by European Union) have also been established at Nashik (Maharashtra).

One Model Post-Harvest Research Complex at Lasalgaon, Nashik, with 2000 MT capacity has been established for training and providing infrastructural support to onion growers, traders and exporters. The onion storage structures are constructed at RRS, Sinnar and Chitegaon in Maharashtra and Ujwa, Najafgarh in Delhi and Karnal in Haryana for storage of onion bulbs. The garlic storages have been constructed at Boudh, Karnal, and Indore for storage of garlic seed bulbs. NHRDF has established seed processing units and dehumidified seed storage facilities at Lasalgaon and Chitegaon, Phata, Nashik (Maharashtra), Karnal (Haryana), Indore (Madhya



Pradesh), Rajkot (Gujarat), Boudh (Odisha) and Deoria (Uttar Pradesh) and Delhi. The Biocontrol Laboratory has been established at Nashik and Karnal . The Mushroom Spawn Production Unit at Janakpuri and Pasteurized Compost Unit at Ujwa, Najafgarh, New Delhi, have been established to extend services to farmers and entrepreneurs.

NHRDF has also established Information Centers one each at Nashik and Delhi to gather and disseminate information on area, production, marketing, availability and export of horticultural crops, particularly on onion, garlic, tomato and potato and same is being uploaded on daily basis on website www.nhrdf.org for the benefit of farmers, exporters and other stakeholders.

Objectives of NHRDF:

- To undertake, carry on or help in the research and other scientific investigation in the growth and development of different varieties of various export oriented horticultural produce.
- To establish institutes, laboratories, research centers, model farms, study team for promoting better quality and higher yield of horticultural produce, better packaging, transport and shipping with a view to improve the life of the produce and carry on experiments and to provide funds for such work and to educate farmers and disseminate the knowledge and fruits derived by conducting training programmes, seminars etc.
- To investigate and carry on research for assessing demands of the agricultural produce of Indian origin in foreign countries by conducting extensive surveys and undertake research and development of horticultural produce with export potential and to motivate farmers to grow such varieties of horticultural produce with the object of further developing the horticultural exports from India.
- To prepare, edit, print, publish and circulate books, papers and periodicals bearing upon the growth and development of horticultural produce or other scientific and research activities connected therewith, and to establish and maintain collections, libraries, statistics, scientific data and other information relating thereto.
- To appoint investigators to study in India or abroad administration and scientific problems with regard to the scientific research undertaken by the foundation.
- To apply to governments, public bodies, local authorities' corporations and companies or other persons for and to accept grants of money, land donation, gifts, subscriptions and other assistance with a view to promoting the object of the society.
- To undertake and execute any trust which may be conducive to any of the objects of the society.
- To borrow or raise any money which may be required by the Society upon such terms as may be deemed fit.
- To invest the money of the Society not required immediately in accordance with section 11(5) of income tax act, 1961.
- To purchase or take on lease or in exchange, hire or otherwise acquire any real and personal property and in particular any land, buildings, laboratories, machinery, plant, appliances and any rights of privileges necessary or convenient for the purposes of the society and to construct, erect, alter, improve and maintain any building which may from time to time be required for the purposes of the Society and to manage, develop, sell, let, dispose off or mortgage or turn to account or otherwise deal with all or part of the said property.
- To pay all expenses preliminary or incidental to the formation of the Society and its registration.
- To collect and disseminate statistical and other technical information in respect of agriculture in all its aspects.

CHAPTER - 10 IT DIVISION

Leading Nafed in it's Journey toward Accelerated Digitalization

With the level of technological integration into nearly every facet of life, the role of the IT department is extremely significant and integral to the success of any organization. The IT Division of NAFED is extremely efficient and proactive. Apart from the routine work of looking after the installation and maintenance of computer hardware, software and network systems installed at HO and the vast network of NAFED branches, the Division keeps itself fully updated with the technological advancements for upgrading the systems of NAFED as and when required.

The Division, being fully aware that the ability to automate routine tasks is a great way to increase overall efficiency of the organization, is proactive and keeps itself abreast with technological requirements of the business divisions to provide the necessary technological support/solutions . The aim is not only to facilitate smooth execution of tasks but also to enable better monitoring, checks and controls. The Division continued to make advances, providing high tech IT enabled services to NAFED's mainstream activities by delivering / implementing IT solutions to deliver better quality services with emphasis on increased efficiency and improved productivity. Various initiatives were taken during the year as enumerated below:

- In order to support the implementation of NADCP project, the IT Division developed a QR code based Track and Trace System in record time of 21 days. It acts as one stop access to all stake-holders to monitor and access relevant information and reports for smooth implementation of the project across the country.
- Facilitation of Work from Home for officials and staff of NAFED during lockdown by providing the necessary technological support like implementation of Microsoft teams which allowed the employees to collaborate on documents, cloud storage for documents, scheduling audio and video conference etc. The system could also be accessed via browser and mobile devices. Other works from home solutions implemented during the period were video conference solutions and their integration with VC set up at various branches and HO. The VC solutions allowed employees to join the VC meetings from their homes via laptop and mobile devices and hence also facilitating social distancing during Covid-19 outbreak.
- Strengthening of IT infrastructure of NAFED through purchase of new laptops, wireless printers and advanced workstations for staff.
- Installation of Video Conferencing setup in branches.
- Installation of Wireless wi-fi based screen sharing and presentation system in NAFED Board Room Head at HO.
- Commencement of Development work for online on-premise web based HRMS and Payroll software for NAFED.
- Installation of Biometric Attendance Server at NAFED Head Office which will subsequently be linked to HRMS & Payroll software.
- Played commendable role in providing logistical, technical and monitoring support during the World Pulses Day 2020 event and in development of the post event website.



CHAPTER - 11 LEGAL DIVISION



All Divisions and Branches of NAFED are proactively being assisted by the Legal Division. The Division is closely monitoring pending tie-up and legal cases on all India basis in close coordination with empanelled Advocates and Law Firms. The performance and related positive outcome of Tie-up & Legal Division during the year are summarized below:

- Pursuant to a stay granted by Hon'ble Supreme Court on 25.01.2019 against the execution proceedings pending adjudication before Hon'ble Delhi High Court pertaining to a foreign award passed by FOSFA, the Hon'ble Supreme Court finally heard our appeal pertaining to enforcement of foreign award and allowed the Civil Appeal No. 667/2012 of Nafed against the foreign award whereby declaring foreign award as nullity being against the public policy of India and contract executed with Alimenta as unenforceable. The landmark judgment dated 22.04.2020 was passed unanimously by the three judges Bench of Hon'ble Supreme Court. The said judgment brought major relief to Nafed and ended 40 years long pending litigation with Swiss based company Alimenta S.A. The contentions and objections of Nafed heard and accepted by Hon'ble Supreme Court regarding the manner in which the arbitration award was passed by FOSFA. Nafed was saved from paying more than ₹ 400 crore to Swiss company as crystallized by Delhi Court.
- The final arguments in the matter of Mumbai Alimenta matter has been concluded and reserved for judgment on 03.02.2020 and judgment is awaited being reheard on account of discharge of the Board by the earlier Court.
- A judgment dated 18.12.2018 passed by Hon'ble NCDRC in favour of NAFED and against New India Assurance Company 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.
- The writ petition filed by the Gold Star Greens (P) Ltd. at Lucknow Bench of Allahabad High Court against Nafed, UP Beej Nigam & others pertaining to supply of seeds by Nafed through Gold Star Greens (P) Ltd. to UP Beej Nigam, has finally been disposed of by the High court whereby directing UP Beej Nigam to make the payment of admitted quantity of supplied seed to Nafed which will then pay to Gold Star Greens (P) Ltd.
- The petition filed by the tie-up defaulter Handum M/s Industries Ltd. before National Company Law Tribunal at Hyderabad seeking initiation of insolvency process under Insolvency and Bankruptcy Code of India has been disposed of by the NCLT whereby admitting the petition of Handum Industries and allowing all creditors including Nafed to file their respective claims before Insolvency Resolution Professional. Nafed has already filed its claim before IRP.
- An arbitration award dated 27.05.2019 passed by the Arbitrator in favour of NAFED and against Zenith Mining Pvt. Ltd. & Ors. whereby awarding ₹ 59.64 Crore + interest @ 8% in favour of NAFED
- Establishment of Central Registry in the Legal Division, vide Business Circular 142 to compile all MoU, Agreements, Contracts, EOI, RFP, etc executed by the Federation and issue specific numbers to such documents. The compilation work and issuance of Registry Number are being carried out by the Legal Division.
- Auction process with regard to Mega Mall at Mumbai has been started under the supervision of Hon'ble Bombay High Court and the same is under consideration before Hon'ble Bombay High Court.
- Two properties pertaining to tie-up defaulter M/s Rital Impex have been taken over by NAFED through Hon'ble Delhi High Court.
- Hon'ble Delhi High Court has passed orders in favour of NAFED for auction of properties of WDO.

CHAPTER - 12

HRD, PERSONNEL AND PUBLIC RELATION



People are at the heart of any organization and the quality of services delivered by the employees has a direct impact on the attainment of organizational objectives. Employee centric policies and development initiatives drive the human resources to deliver their best. It is therefore the endeavor of the HR Division of NAFED to develop a motivated workforce which is committed and aligned with NAFED's goals and mission.

As on 31st March, 2020, NAFED has a motivated workforce of 375 comprising of 107 officers and 268 other staff. More than 66 percent of the employees are placed at various branches of NAFED across the country.

Talent acquisition: It is the endeavor of the HR Division to identify and develop a well equipped talent pool. Diverse recruitment models are employed to meet dynamic business needs with intake of fresh, domain specialists, outsourcing and on board consultants/ advisors.

Employee welfare

During the year, efforts were made for aligning welfare measures towards enhancement of the quality of work life of employees. Various employee welfare initiatives were implemented ranging from providing canteen facility with free lunch, distribution of free official T-shirts to all employees of the Federation with NAFED logo to be worn on every Friday with the introduction



of informal dress code on Fridays; staff get together on festivals like Holi and other occasions. These measures bring about a feeling of belongingness towards the organization and enhancing the quality of work life of employees.

Training and Development

- Human Resource Development is the integrated use of training, organizing and career development efforts to improve individual, group and organizational effectiveness. In alignment with overall organizational and business strategy, the HR Division continued to facilitate individual and organizational development. Structured in house orientation cum training programmes were organized during the year for all new recruits from the level of AM to AMD. The employees were also deputed to training programmes, workshops, seminars etc. within and outside the country. During the year, 52 employees were trained through in-house training programmes. 8 employees were deputed to different organizations within the country for various training programmes/seminars/ workshops organized by VAMNICOM, CICTAB, IIFT, ICA, NAHRD and other reputed institutions for upgrading their skills and knowledge. Seven Employees attended training programmes/ workshops/seminars at overseas destinations.



- Engaged Administrative Staff College of India (ASCI) Hyderabad, to design and deliver advocacy services, research support, technical and

handholding assistance and capacity building services to NAFED and stakeholders in the various areas of policy, strategy, governance, leadership, organizational effectiveness, management, evaluation studies etc. on need basis and also to provide training to maximum 8 employees of Nafed in a year.

- To build the next generation of professionals, Nafed has compiled the data of each employee of the Federation based on his/her qualification, expertise, experience etc with a view to plan the training needs of the employees vis a vis requirement of the Federation for achieving the desired results.
- Provided internship programs to young professionals, who are yet to complete their degrees / PG with a view to supplement their studies with practical knowledge.
- Conducted campus drive for hiring Summer Interns and encourage students from across the Universities and Colleges to avail opportunities of self development by taking up projects in NAFED based on mutual interest.

Library



NAFED library is well stocked with a wide range of books on various subjects, fictional as well as non fictional apart from a wide variety of journals, periodicals and magazines and agriculture related reports. The operations of library are computerized

though the software Nafed lib which facilitates storage / retrieval of information. Besides, important Agricultural Reports, other media like journals, magazines and periodicals which are important for the employees are available for reference and borrowing. The Library also subscribes to 11 daily newspapers and circulates copies of important news cuttings to MD and Divisional Heads.

Public Relations

In order to spread awareness about its activities and operations, during the year NAFED organized several events in association with other organizations. Some of the events organized and important PR related activities implemented during the year are listed below:

- The first ever India International Cooperative Trade Fair (IICTF) jointly organized by NAFED, in association with NCDCA, NEDAC, APEDA and ITPO at New Delhi from 11th to 13th October, 2019. Hon'ble Agriculture Minister, Shri Narendra Singh Tomar inaugurated the Fair.



- NAFED participated in the following International events / exhibitions during the year:

- 2nd China International Import Expo CIIE 2019 at Shanghai, China represented by Sh. V. Vinay Kumar, Manager
- Malaysian Carnival of Cooperatives' Products and Services (MACCOPS) 2019, Malaysia held from 28th to 30th November, 2019 represented by Sh. Vikas Gupta, Jr. Accountant
- India International Trade Fair from 14th to 27th Nov, 2019 at Pragati Maidan





- Participated in the National events / exhibitions during the year :
 - Prestigious United Nations convention - UNCCD COP14 from 2nd September to 13th September, 2019 at Greater Noida, U.P.

- Rural Business Summit & Trade Fair 2019 from 2nd to 6th Oct, 2019 at Janpath, New Delhi
- 6th Vibrant India 2019 & Meri Dilli Utsav during 18th to 20th October, 2019
- Biofach India 2019 during 7th to 9th Nov, 2018 at Expo Centre, Greater Noida
- Valley of Words during 15th to 17th Nov, 2019 at Dehradun, Uttarakhand
- Sanrachna 2019 during 5th to 7th December, 2019 at Kathua, J&K
- Kisan Sammelan at Jaipur on 17th December, 2019 under the Krishi Dhyan Dhara programme

● **NAFED News Letter:** During the Year three editions of "NAFED News", a quarterly journal of the Federation, were released.

- A special News Letter was also published and released on World Pulses Day.

● **Documentary Films:** Several documentary production films based on various pro-farmer and pro-consumer related activities of NAFED were prepared and released for promotion of Federation's activities. The subjects on which films were prepared included Apple Procurement by NAFED in J&K, Retail Business of NAFED, NAFED Tea, NAFED Seeds and Biofertilizers, Procurement Operations of NAFED, on Screen Launch of NAFED Brand Pulses and Organic Pulses.

- **Placement of Advertisements in the Magazines:** Several advertorials related to NAFED's unique business activities were published in leading magazines & periodicals like India Today, Fortune, Dialogue, Shubh Yatra, Agriculture Outlook, India Empire, Week, Baya, Paryatan, Manthan magazines to name a few.

- The information related to Nafed's business activities was publicized through Social Media like the Twitter account of NAFED.

Glimpses of Participation by NAFED in National events / exhibitions





Launch of Coffee Table Book of NAFED

A Coffee Table Book of NAFED under the caption "NAFED Empowering Farmers" was launched on 10th February, 2020 during the inaugural session of the celebrations of the World Pulses Day organized by NAFED in association with the Global Pulses Confederation (GPC) at the Ambedkar International Centre, New Delhi. The

book was launched to commemorate the glorious and eventful 60 years journey of NAFED since its inception on 2nd October, 1958. The book captures the relentless hard work and challenges faced by NAFED in this arduous journey in the service of farmers of the nation.



CHAPTER - 13

HINDI WORK IN NAFED DURING 2019-20

वर्ष 2019–2020 के दौरान हिंदी में किए गए कार्य

हिंदी एक आधिकारिक भाषा है जो दृढ़ता से भारत के सभी राज्यों को जोड़ती है। इस तथ्य को मद्देनजर रखते हुए, नेफेड एक वाणिज्यिक संगठन होने के बावजूद भी यहां हिंदी में भी कार्य किया जाता है। गैर-हिंदी शाखाओं के साथ पत्राचार भी हिंदी में किया जाता है। महत्वपूर्ण आधिकारिक दस्तावेजों का अनुवाद जैसे बोर्ड एवं सामान्य निकाय की बैठकें, कार्यालय ज्ञापन, एडवर्टाइजिंग टेंडर नोटिस, फॉर्म, संसद के सवालों के जवाब इत्यादि हिंदी में भी किए जाते हैं।

Hindi, the official language strongly connects all states of India. Acknowledging this fact, though NAFED is a commercial organization, the work is also done in Hindi. Apart from this, correspondence with Non-Hindi branches is also done in Hindi.

Presently, translation of important official documents viz, meetings of BOD, and General Body, Office Orders, Advertisement of Tender Notices, Forms, replies of Parliament Questions were outsourced.

CHAPTER - 14 FINANCIALS

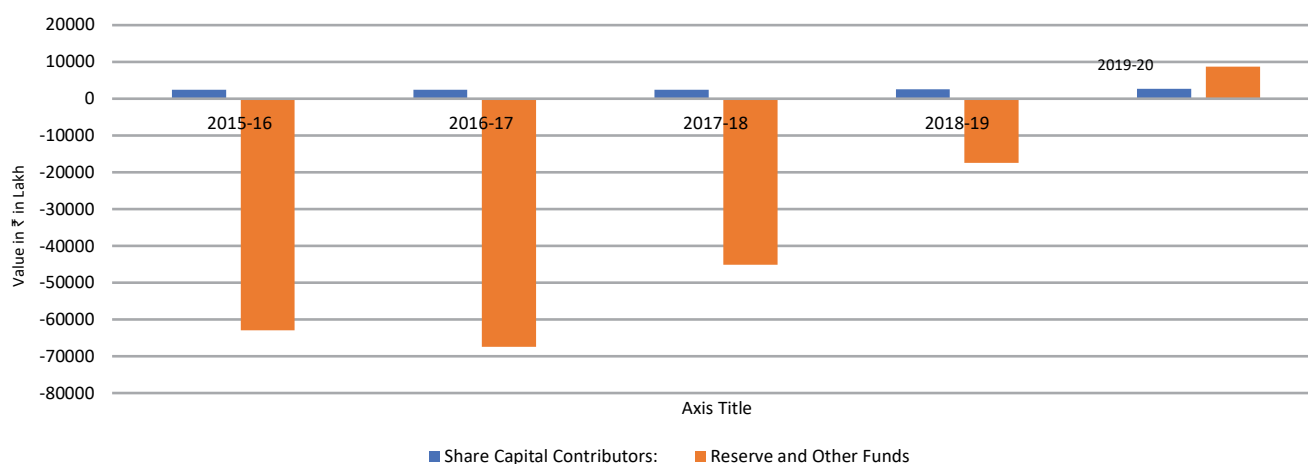
Annexure-I

Share Capital and Own Funds position during the last 5 years

(Value in ₹ Lakh)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Share Capital Contributors: Cooperatives	2417.71	2428.11	2467.18	2540.91	2705.08
Total	2417.71	2428.11	2467.18	2540.91	2705.08
Reserve and Other Funds	(-) 50554.61	(-) 65771.53	(-)70230.24	(-)47912.32	(-)10555.18
Net Profit(+)/Loss (-)	(-) 14806.68	(-) 4074.74	22681.40	27931.38	16565.03
Total own Funds	(-) 62943.58	(-) 67418.16	(-)45081.65	(-)17440.03	8714.93

Share Capital and Own Funds position during the last 5 years

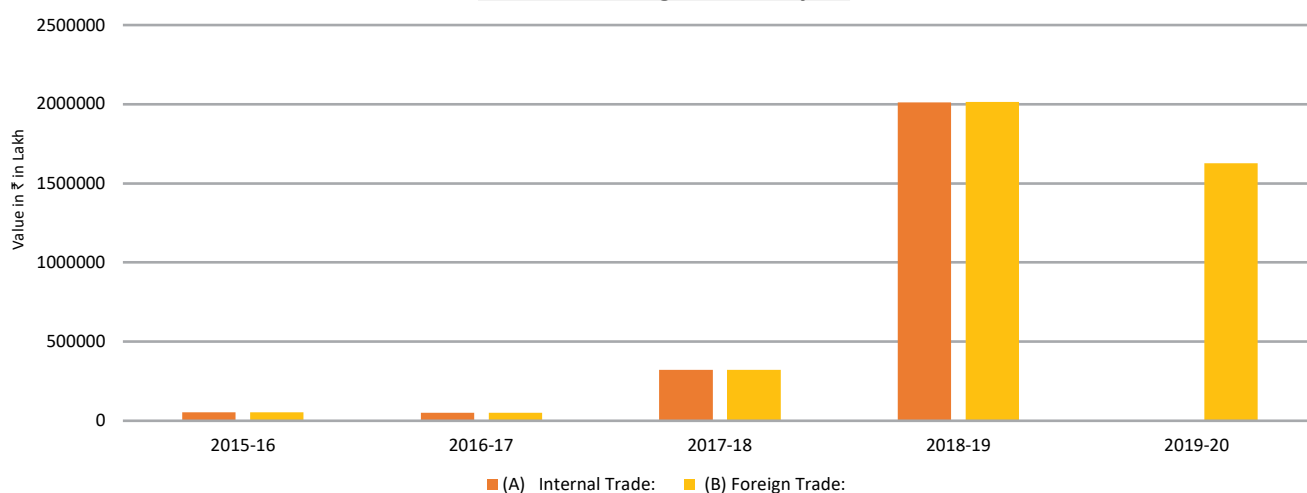


Turnover during the last 5 year

(Value in ₹ Lakh)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
(A) Internal Trade:					
1. Outright	17923.10	24078.83	153433.31	316244.47	185850.24
2. Industrial Units & Seed, Biofertilizers	2672.72	3496.74	4248.70	6580.99	3352.92
3. PSS/ PSF /Sales in GOI account	33822.45	22901.14	163585.64	1688200.96	1437598.20
Total:	54418.27	50476.71	321267.65	2011026.42	1626801.36
(B) Foreign Trade:					
1. Outright Export	---	---	---	2819.29	1296.99
Total:	---	---	---	2819.29	1296.99
Total Turnover (A+B)	54418.27	50476.71	321267.65	2013845.71	1628098.35

Turnover during the last 5 year

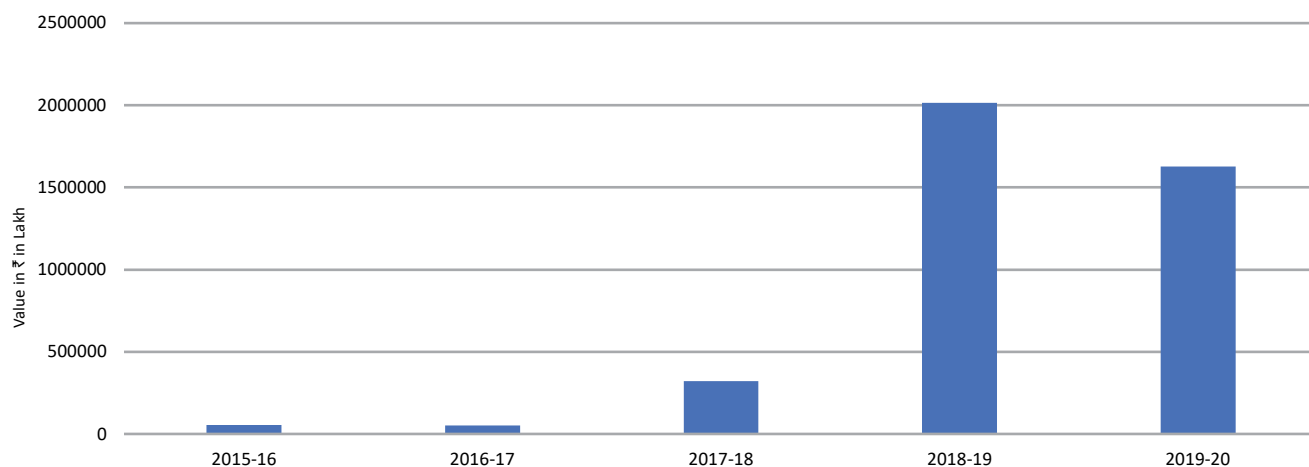


Internal Trade during the last 5 years

(Value in ₹ Lakh)

Commodity	2015-16	2016-17	2017-18	2018-19	2019-20
Outright:*					
Food Grains	15028.91	15392.07	31089.46	55123.08	79094.10
Pulses	27479.36	20528.76	240511.58	1268732.33	751953.20
Oilseeds & Oils	5933.52	2631.31	34673.99	660222.94	704513.96
Spices	499.40	372.29	266.66	432.10	136.00
Horticulture	637.44	1014.97	2359.53	1836.64	13478.83
Cotton	---	---	---	---	---
Jute Goods	110.45	7.39	712.82	---	---
Poultry	205.11	225.53	231.23	250.03	205.89
Fertilizers	122.63	127.98	---	1104.54	608.85
Seed	---	3237.28	774.97	5476.45	2744.07
Misc. Items (Rubber, Sugar, Tea, Salt, etc.)	1728.73	6807.65	6398.71	20668.86	75363.45
Agricultural Inputs	----	----	---	---	---
Industrial Units	2672.72	131.48	4248.70	---	---
Total Internal Trade	54418.27	50476.71	321267.65	2013846.97	1628098.35

*Including PSS/PSF Sale.

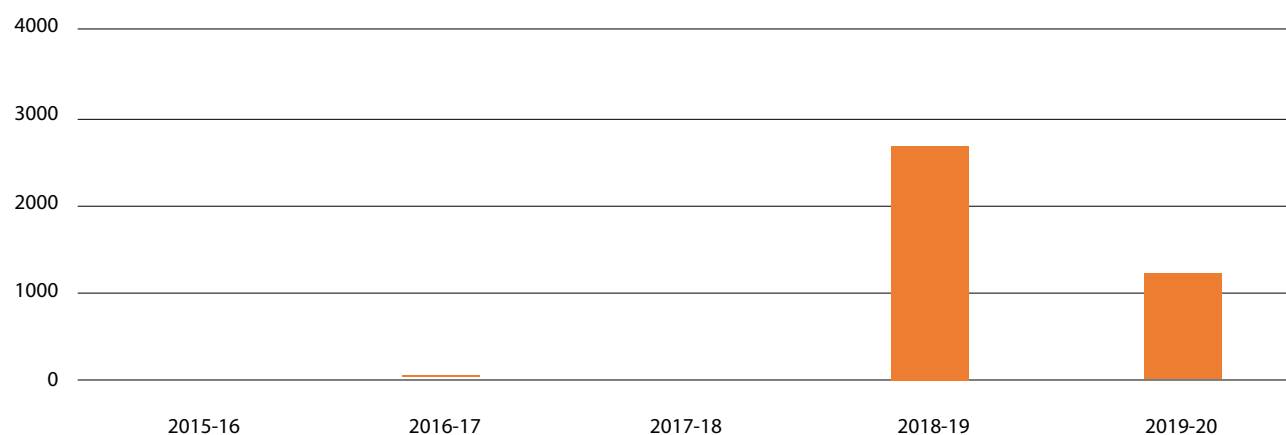
Internal Trade during the last 5 years

International Trade of NAFED during the last 5 years

(Qty. in MTs/Value in ₹ Lakh)

Commodity	2015-16		2016-17		2017-18		2018-19		2019-20	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Outright Exports										
1. Horticulture										
Onion	Nil	Nil	231.02	54.66	Nil	Nil	Nil	Nil		
TOTAL	Nil	Nil	231.02	54.66	Nil	Nil	Nil	Nil		
2. Foodgrains & Pulses										
Rice	Nil	Nil	Nil	Nil	Nil	Nil	2250	859.29	10000	393.00
Rajmah							300	323.10		
Total							2550	1182.39		
1. Others										
Relief Material (Blankets/Sweaters) export to Bangladesh & Myanmar (Qty. in Pieces)	Nil	Nil	Nil	Nil	Nil	Nil	4.25 Lac	1636.90		903.99
Total							4.25 Lac	1636.90		
Total Outright Exports	Nil	Nil	231.02	54.66	Nil	Nil	2550.00 & 4.25 Lakh	2819.29	10000	1296.99
Total Foreign Trade	Nil	Nil	231.02	54.66	Nil	Nil	2550.00 & 4.25 Lakh	2819.29	10000	1296.90

Total Foreign Trade Turnover in ₹ Lakh



Procurement of Oilseeds & Pulses under PSS by NAFED

Commodity	Year	Support Price MSP+ Bonus	Qty. procured in MTs	Value ₹ in Lakh MSP +Bonus	Major State of procurement
1. Soyabean	2016-17	2775	164.09	43.89	Maharashtra
	2017 K	2850+200	72280.731	22045.62	Maharashtra, Rajasthan, Telangana
	2018 K	19483.02	66.22		Maharashtra, Rajasthan, Telangana
2. Groundnut	2013-14	4000	338567	145732.02	Maharashtra, Gujarat, Rajasthan, AP, Karnataka UP and Odisha
	2014-15	4000	8817.68	5105.97	Andhra Pradesh, Odisha
	2016-17	4120+100	210732.02	86821.59	Gujarat
	2017 K	4250+200	1044255.391	464693.65	Gujarat, Rajasthan, AP, Karnataka
	2018 R	4250+200	16.828	7.49	Telangana
	2018 K		717384.17	3508.01	Gujarat, Rajasthan, M.P.
	2019 R		130.76	0.64	Odisha
	2019 K		721074.28	3670.27	Gujarat, Rajasthan, A.P.
3. Mustard seed	2014-15	3050	1714.821	558.56	Rajasthan
	2017-18	3900+100	13682.669	5473.07	Haryana, Rajasthan
	2019 R	4425	1089036.00	4573.95	Haryana, Rajasthan, M.P.
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	Orisha, Haryana and Telangana
	2019 R		3336.33	17.98	Telangana Haryana, Orisha
5. Copra	2012-13	5100 (Milling)	64962	35322.94	Tamilnadu, Kerala, AP, L.Dweep
		5350 (Milling)	9275	5199.35	Karnataka, Kerala.
	2013-14	5250 (Milling)	4117	2463.41	TN, Kerala, AP, L.Dweep, A&N
		5500 (Ball)	29490	17284.74	Karnataka
	2016-17	6240 (Ball)	1836.86	1146.20	Tamilnadu and Karnataka
	5940(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
	2019 R		776360.24	3586.78	Telangana, M.P. Rajasthan, Gujarat
7. Urad	2012-13	3300	1.57	0.63	Rajasthan
	2013-14	4300	77050.806	34543.75	Maharashtra, AP, UP, M.P, Guj.,
	2014-15	4300	7453.262	3611.45	W.B. Raj.
	2017K	4300	6.70	6.56	Karnataka, Jharkhand
	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, Gujarat, Rajasthan, UP, Karnataka, AP and Telangana, M.P.
	2018 K		423527.51	2371.75	Telangana, MP, UP, Gujarat, Rajasthan,
	2019 R		18240.92	102.15	Maharashtra, Odisha, Tamilnadu
	2019 K		132.31	0.75	Rajasthan, Gujarat

8. Arhar	2012-13	3850	16004.835	6328.15	Maharashtra, AP, M.P.
	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 Karnataka
	2017 K	5250+200	603158.686	328721.48	Maharashtra, Gujarat, AP, Tetlangana and Karnataka
	2018 K		275673.52	1564.45	M.P. Karnataka, Telangana
	2019 K		536413.25	3111.20	Maharashtra, Karnataka, Telangana, AP, Gujarat
9. Moong	2016-17	4800+425	8267.58	3968.43	Maharashtra & Karnataka
	2017 K	5375+200	293672.932	163722.66	Maharashtra, Rajasthan, Karnataka, AP, Telangana
	2017 S	4800+425	112407.165	58732.74	MP and Udisha
	2018 K		296073.98	2065.12	Karnataka, Maharashtra MP, Gujarat
	2019 R		26033.03	181.58	Odisha, Tamilnadu
	2019 K		140018.46	987.13	Rajasthan, Telangana, Mah. Karnataka
10. Sesamum seed	2017 K	4800+200	3739.767	1869.88	West Bengal

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

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

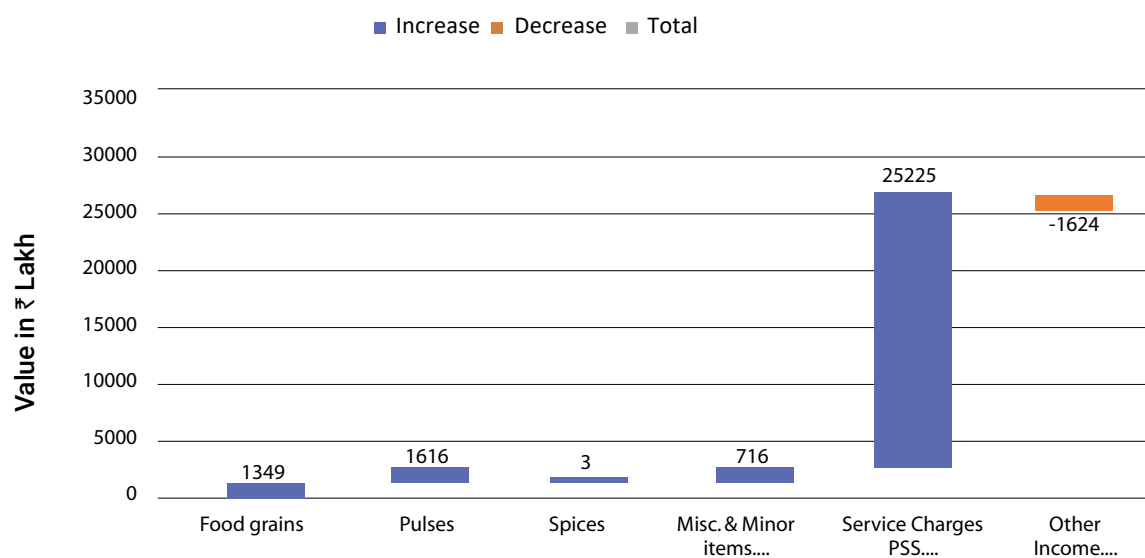
Commodity	Year	Support Price per quintal	Quantity procured in MTs	Value in ₹ Lakh	Major States of Procurement
1. Potato	1997-98	125-130/350	4697	159.27	UP, Karnataka
	2003-04	190	733	21.48	UP
2. Onion	1996-97	300	60	1.98	Karnataka.
3. Eggs (Qty in Lackh No.)	1992-93	65/100	26.99	17.19	AP
	1993-94	75/100	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. Corrianderseed	1998-99	1250	378	45.88	Rajasthan
	2004-05	1450	80	12.48	Rajasthan



Commodity-wise Profit/Loss statement for the year 2019-20

(Value in ₹ Lakh)

Sr. No.	Commodity/Group	Gross Profit/Loss
1.	Food grains	1349.00
2.	Pulses	1616.00
3.	Spices	3.00
4.	Misc. & Minor items including Poultry, Rubber, Tea, Salt, Sugar, Seeds, Fertilizer, Vaccine, Ear Tags etc.	716.00
5.	Service Charges /PSS/PSF/MIS/etc.	25225.00
6.	Others Income/Expenses, etc.	-1624.00
	Gross Profit/Loss	27285.00

Commodity-wise Profit/Loss statement for the year 2019-20

ANNUAL ACCOUNTS

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FOR **VIDYA & CO.**
 CHARTERED ACCOUNTANTS
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 26, RAJENDRA PLACE,
 NEW DELHI - 110008

FOR **APN & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 4232/1, ANSARI ROAD,
 DARYAGANJ,
 NEW DELHI - 110002

FOR **DINESH JAIN & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 A-115, 2ND FLOOR,
 MAIN VIKAS MARG, SHAKARPUR,
 DELHI-110092

INDEPENDENT AUDITORS' REPORT

To,

The Members,

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

Opinion

1. We have audited the 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 2020, 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, Price Stabilization Fund and Market Intervention Scheme 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, 2020 is unascertainable, In our Opinion and to the best of our information and according to the explanations. 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, 2020 , 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.

- 1) 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 total tie-up receivables amounting ₹1015.15 Crore is outstanding since



a long period of more than 10 years (P.Y. ₹ 1015.15 Crore) out of which ₹ 263.13 crore (Previous year ₹.263.13 crore) are stated as secured by realizable and enforceable securities for which no sufficient and appropriate evidences have been provided to us viz latest pyphysical verification and valuation reports in respect of such securtities. A meagre provision of ₹ 4.11 crore has been created against outstanding of ₹ 1015.15 Crore which in our opinion is materially understated as there is no evidence to demonstrate its recovery.

- b) The Federation has valued various items of inventory viz Raw material, packing material and consumable stores, Stock held under back to back/ tie up arrangements and goods in transit at cost instead of lower of cost or net realisable value (NRV). The same is not in accordance with the Accounting Standard 2 – Valuation of Inventories. The federation could not furnish us the NRV of these stocks.

Moreover, a stock of ₹ 89.22 crore (Previous year ₹ 89.22 crore) stated at cost is lying in the warehouse at Hyderabad since 2005-06 for which no latest verification and valuation report is available. Hence, the stock which has been deteriorated/ scarped due to such a prologed period of time need to be stated at lower of cost or NRV.

- c) Claims of ₹ 295.78 crore have been rejected by Govt. Of India and the Fedeartion has re-lodged the claim but has not been realised till date. No

substantive evidence of its' recovery is available with the Federation and the same needs to be treated as doubtful of recovery and should be provided for.

- d) The Goods and Service Tax (GST) liability/asset as appearing in the books of accounts as on 31st March 2020 is not reconciled with the GSTN portal. In the absence of reconciliation, the financial impact of the same on profit/loss for the year could not be ascertained.

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, Assets and Liabilities.

- II) The Federation has not made distribution of profit for the year 2017-2018 amounting to ₹ 226.81 crore as per the requirement of Sec. 63(1) and (2) of MSCS Act, 2002. Therefore transfer has not been made to Reserve fund (25%), Co-operative Education fund (1%) and Contingency fund (10%) and these funds have been understated to that extent.
- III) Co-operative Education fund amounting to ₹ 0.53 crore pertaining to earlier years has not been deposited by the Federation.

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.

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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. 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 Responsibilities for the Audit of the Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due

to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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) On account of COVID 19 pandemic, the audit of most of the branches of Federation was conducted from remote location and remote access to books of account through online mode. The review of physical documents and verification was carried out through scanned images of documents, information received through emails, confirmations and explanations provided by the Federation. There are inherent limitations to scanned documents especially w.r.t. availability of original documents with Federation, authenticity of the documents available. Our opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the Federation's management. We wish to highlight that due to the COVID 19 induced restrictions on physical movement, we could not visit the branches for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing.

We draw your attention to Note No. 24 of Schedule 15-Notes & Explanatory statements of the financial statements which states that in view of the management, there is no impact of Covid-19 pandemic on the functioning and finance of the Federation.

(b) We have observed various deviations and weaknesses in the internal financial controls which may have significant impact on functioning of the Federation. A detailed note on the same has been given to the management for further action and improvement.

(c) 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)

(d) The Federation is showing amount payable as well as receivables for supplies received and made under OTR by different branches. The same is not set off with each other, hence both amount payable and receivables are overstated.

(e) The physical verification of stocks was not carried out by the Federation as we were not provided any physical verification reports/ records and we have relied upon the certification by the concerned parties/ CWC/ SWC/ Federation (Refer note no.12 of Schedule 15-Notes & Explanatory Statements).

(f) We have observed certain deficiencies in maintenance of stock records as we have noticed negative balances of stock items godown-wise in many branches, although overall commodity wise stock has been tallied.

(g) Title deed of properties amounting to ₹ 0.18 Crore are yet to be executed in favor of the federation.

(h) The Federation has entered into "One Time settlement Agreement" with the lender banks for loans having outstanding of ₹ 1705.86 Crore as on 31.03.2012, which has been settled for ₹ 478.00 Crore 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 account. The same will be given effect in the year, the Federation obtains no dues 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. 14 of Schedule 15-Notes & Explanatory Statements).

- (i) The Federation has not classified payables as per the disclosure 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. 17 of Schedule 15-Notes & Explanatory Statements).
- (j) The profit / loss under PSS/MIS/PSF / OTR or other schemes are accounted for in the year, the claim is finally settled by the Govt. Of India (Refer note no 7 of Schedule 15-Notes & Explanatory Statements)
- (k) The internal Audit & Control systems need to be strengthened considering the size, operation and nature of business of the Federation.

Report on Other Legal & Regulatory Requirements

- 7. The Balance Sheet, the Statement of Profit and Loss and the cash flow statement 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 for Qualified Opinion Paragraph, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with applicable accounting standards unless otherwise stated.

<p>FOR VIDYA & CO. CHARTERED ACCOUNTANTS FRN: 308022E</p>   <p>CA Sanjeev Prakash Agarwal PARTNER M No: 088663 UDIN: 20088663AAAACD4704</p>	<p>FOR APN & ASSOCIATES CHARTERED ACCOUNTANTS FRN: 001876N</p>   <p>CA Naresh Chand Gupta PARTNER M No: 087235 UDIN: 20087233AAAADD8342</p>	<p>FOR DINESH JAIN & ASSOCIATES CHARTERED ACCOUNTANTS FRN: 004885N</p>   <p>CA Dinesh Kumar Jain PARTNER M No: 082033 UDIN: 20082033AAAACB1780</p>
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Place : New Delhi

Date : 9th September' 2020

**PARA-WISE COMPLIANCE ON AUDITORS' OBSERVATIONS
FOR THE YEAR 2019-2020**

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 2020, 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, Price Stabilization Fund and Market Intervention Scheme audited by independent firms of Chartered Accountants and primarily relied upon by us.</p>	No Comments
<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, 2020 is unascertainable, In our Opinion and to the best of our information and according to the explanations. 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, 2020 , its profits and its cash flow for the year ended on that date.</p>	No Comments
<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>	

l) 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 total tie-up receivables amounting ₹ 1015.15 Crore is outstanding since a long period of more than 10 years (P.Y. ₹1015.15 Crore) out of which ₹ 263.13 crore (Previous year ₹.263.13 crore) are stated as secured by realizable and enforceable securities for which no sufficient and appropriate evidences have been provided to us viz latest physical verification and valuation reports in respect of such securities. A meager provision of ₹ 4.11 crore has been created against outstanding of ₹ 1015.15 Crore which in our opinion is materially understated as there is no evidence to demonstrate its recovery.

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. 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

b) The Federation has valued various items of inventory viz Raw material, packing material and consumable stores, Stock held under back to back/ tie up arrangements and goods in transit at cost instead of lower of cost or net realizable value (NRV). The same is not in accordance with the Accounting Standard 2 – Valuation of Inventories. The federation could not furnish us the NRV of these stocks.

Moreover, a stock of ₹ 89.22 Crore (Previous year ₹ 89.22 Crore) stated at cost is lying in the warehouse at Hyderabad since 2005-06 for which no latest verification and valuation report is available. Hence, the stock which has been deteriorated/ scarpred due to such a prolonged period of time need to be stated at lower of cost or NRV.

In this regard, stocks are purchased in PSS and PSF Operations and as per respective policy of the government, the losses in such operations are borne by the Government of India and Nafed earns service charges in respect of such purchases. In order to claim reimbursement of losses from the GOI, Nafed is required to maintain separate season wise accounts of each commodity. Losses incurred during the year as per audited accounts of each commodity are shown as receivable from the GOI. As such, all the losses/ Profits in respect of PSS/PSF operations are revenue neutral as far as P&L account of Nafed is concerned except to the extent of service charges earned as per Para 12 (b) of policy of the Federation.

Further, accounting for inventories of PSS/PSF stock as per AS-2 will render submission of the periodical P&L Accounts to the GOI nearly impossible as reimbursement of losses are linked to disposal of the stock.

Considering above, policy of valuation of stock in respect of commodities held on behalf of Govt of India under PSS/PSF and any other scheme at cost is followed by Federation to enable claim the actual losses on actual quantity disposed off.

Outright Stocks i.e. Nafed's own stocks are valued at cost or net realisable value whichever is lower as per policy of the Federation & in conformity with AS-2, valuation of inventories.

Further, Since packing materials are not meant for trading purpose, the same are valued at cost as per policy of the Federation. Further, cost of packing material is to be charged to respective commodity at cost as per utilization of the packing material.

<p>c) Claims of ₹ 295.78 Crore have been rejected by Govt. Of India and the Federation has re-lodged the claim but has not been realized till date. No substantive evidence of its' recovery is available with the Federation and the same needs to be treated as doubtful of recovery and should be provided for.</p> <p>d) The Goods and Service Tax (GST) liability/asset as appearing in the books of accounts as on 31st March 2020 is not reconcilable with the GSTN portal. In the absence of reconciliation, the financial impact of the same on profit/loss for the year could not be ascertained.</p> <p>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, Assets and Liabilities.</p> <p>II) The Federation has not made distribution of profit for the year 2017-2018 amounting to ₹ 226.81 Crore as per the requirement of Sec. 63(1) and (2) of MSCS Act, 2002. Therefore transfer has not been made to Reserve fund (25%), Co-operative Education fund (1%) and Contingency fund (10%) and these funds have been understated to that extent.</p> <p>III) Co-operative Education fund amounting to ₹ 0.53 Cr pertaining to earlier years has not been deposited by the Federation.</p> <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.</p>	<p>Further, since as per PSS policy, SLAs are required to arrange gunny bags, only actual quantity of gunny bags used for packing of stock purchased under PSS are accounted for. Only few branches are having packing material that too of very small value.</p> <p>Final decision on re-lodged PSS claims is awaited from GOI.</p> <p>Reconciliation of GST is being carried on and its consequential effect will be accounted for in the books of account during FY 2020-21.</p> <p>The Board of Directors has already recommended distribution of profit for the year 2017-18 in their meeting dated 09.02.2020. Approval of General Body is being taken in coming AGM of 2019-20</p> <p>Funds are being deposited.</p> <p>No Comments</p>
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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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. 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 Responsibilities for the Audit of the Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

No Comments

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) On account of COVID 19 pandemic, the audit of most of the branches of Federation was conducted from remote location and remote access to books of account through online mode. The review of physical documents and verification was carried out through scanned images of documents, information received through emails, confirmations and explanations provided by the Federation. There are inherent limitations to scanned documents especially w.r.t. availability of original documents with Federation, authenticity of the documents available. Our opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the Federation's management. We wish to highlight that due to the COVID 19 induced restrictions on physical movement, we could not visit the branches for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing.

We draw your attention to Note No. 24 of Schedule 15-Notes & Explanatory statements of the financial statements which states that in view of the management, there is no impact of Covid-19 pandemic on the functioning and finance of the Federation.

(b) We have observed various deviations and weaknesses in the internal financial controls which may have significant impact on functioning of the Federation. A detailed note on the same has been given to the management for further action and improvement.


(c) 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)

No Comments

Auditors have given some suggestions for improvement of working of the Federation which are noted for future compliance.

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>(d) The Federation is showing amount payable as well as receivables for supplies received and made under OTR by different branches. The same is not set off with each other, hence both amount payable and receivables are overstated.</p>	<p>Since operations are ongoing, therefore accounts of parties will be adjusted at the time of completion of transaction.</p>
<p>(e) The physical verification of stocks was not carried out by the Federation as we were not provided any physical verification reports/ records and we have relied upon the certification by the concerned parties/CWC/ SWC/ Federation (Refer note no.12 of Schedule 15-Notes & Explanatory Statements).</p>	<p>No comments.</p>
<p>(f) We have observed certain deficiencies in maintenance of stock records as we have noticed negative balances of stock items godown-wise in many branches, although overall commodity wise stock has been tallied.</p>	<p>No comments.</p>
<p>(g) Title deed of properties amounting to ₹ 0.18 Crore are yet to be executed in favor of the federation.</p>	<p>No comments.</p>
<p>(h) The Federation has entered into "One Time settlement Agreement" with the lender banks for loans having outstanding of ₹ 1705.86 Crore as on 31.03.2012, which has been settled for ₹ 478.00 Crore 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 account. The same will be given effect in the year, the Federation obtains no dues 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. 14 of Schedule 15-Notes & Explanatory Statements).</p>	<p>No comments.</p>
<p>(i) The Federation has not classified payables as per the disclosure 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. 17 of Schedule 15-Notes & Explanatory Statements).</p>	<p>No comments.</p>
<p>(j) The profit / loss under PSS/MIS/PSF / OTR or other schemes are accounted for in the year, the claim is finally settled by the Govt. Of India (Refer note no 7 of Schedule 15-Notes & Explanatory Statements)</p>	<p>No comments.</p>
<p>(k) The internal Audit & Control systems need to be strengthened considering the size, operation and nature of business of the Federation.</p>	<p>Noted for Compliance</p>

Report on Other Legal & Regulatory Requirements	
<p>7. The Balance Sheet, the Statement of Profit and Loss and the cash flow statement have been drawn up as per the Multi State Co operative Societies Act, 2002, the Multi State Co operative Societies Rules, 2002.</p>	No comments.
<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>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> <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.</p> <p>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;</p> <p>d) Except for the matter described in the Basis for Qualified Opinion Paragraph, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with applicable accounting standards unless otherwise stated.</p>	No comments.
	 Nidhi Shrivastava General Manager (F & A)

NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
BALANCE SHEET AS AT 31ST MARCH , 2020

PARTICULAR	SCHEDULE NO	AS AT 31-3-2020		AS AT 31-03-2019	
		₹	₹	₹	₹
SOURCES OF FUNDS					
Shareholder's Funds					
Share Capital	1	270,508,500		254,091,000	
Share Application Money		12,013,993		13,043,042	
Reserves & Surplus Fund	2	4,792,543,926		3,849,967,572	
Profit / (Loss) Account	3	(5,226,843,787)	(151,777,368)	(5,848,061,714)	(1,730,960,101)
Loan Funds					
Secured Loans	4		295,805,742,837		270,669,394,517
			295,653,965,469		268,938,434,416
APPLICATION OF FUNDS					
Fixed Assets	5	3,159,789,857		2,949,301,558	
Construction Work in Progress	6	202,936,138		70,592,509	
Investment (Net of provisions)	7	84,127,000	3,446,852,995	84,127,000	3,104,021,067
Net Current Assets					
Current Asset, Loans & Advances	8	425,826,136,716		362,045,429,240	
Less:					
Current Liabilities & Provisions	9	(136,995,081,354)	288,831,055,362	(99,437,329,468)	262,608,099,771
Deferred Tax Asset (Net)			3,376,057,112		3,226,313,578
			295,653,965,469		268,938,434,416
Significant Accounting Policies & Notes on Financial Statements	15				


(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)


(SANJEEV KUMAR GHADHA)
MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE

FOR VIDYA & CO.
CHARTERED ACCOUNTANTS
FRN - 308022E


(CA SANJEEV PRAKASH MASRANI)
PARTNER
M. NO. 083643



FOR APN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 001876N


(CA NAREESH CHAND GUPTA)
PARTNER
M. NO. 087233



FOR DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 004885N


(CA DINESH KUMAR JAIN)
PARTNER
M. NO. 082033



Place : New Delhi
Date : 09.09.2020

NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	SCHEDULE	YEAR ENDED 31-3-2020		YEAR ENDED 31-3-2019	
	NO	₹	₹	₹	₹
INCOME / SALES					
a) Export		129,699,050		281,929,226	
b) Domestic		162,680,136,383		201,102,642,097	
c) Agricultural Machinery & Implements		-	162,809,835,433	-	201,384,571,323
d) Reimbursement of Deficit (excluding interest & Bank Charges etc.) recoverable from Govt. of India on handling of PSS / MIS :-			31,501,657,796		46,526,282,144
e) Reimbursement of Deficit (excluding Bank Charges etc.) recoverable from SFAC on handling of PSF			(16,204,300)		14,228,370,346
Depreciation on Revalued Amount Written Back			35,022,077		36,362,124
Other Income	10		3,376,684,267		4,690,712,997
ACCRETION/(DECRETION) IN STOCK IN TRADE					
Closing Stock		269,902,639,003		253,341,598,733	
Less : Opening Stock		253,341,598,732	16,561,040,271	192,715,992,149	60,625,606,584
Total			214,268,035,543		327,491,905,517



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	SCHEDULE NO	YEAR ENDED 31-03-2020			YEAR ENDED 31-03-2019		
		₹	₹	₹	₹	₹	₹
EXPENDITURE							
Purchases			186,129,245,296			294,739,099,822	
Sales Tax Expense			1,060,584			3,237,607	
Manufacturing and Trading Expense	11		17,202,346,285			21,024,629,226	
Selling and Distribution	12		7,963,920,258			8,070,344,043	
Employees Remuneration & Benefits	13		470,286,752			443,401,026	
Administrative Expenses	14		292,145,092			217,419,167	
Interest Paid to Bank and Others		26,260,487,512			24,597,332,850		
Less : Interest Reimbursable on PSS/MIS Operations transferred to Govt. of India account.		26,233,774,034	26,713,478		24,252,844,447	344,488,403	
Bank Charges		1,582,279			1,822,350		
Less : Bank charges on Govt Operation		1,191,831	390,448	212,086,108,193	1,554,879	267,471	324,842,886,765
Depreciation (Including Amortisation of land)				85,809,183			50,714,934
Total				212,171,917,376			324,893,601,699
Operating Profit / (Loss)				2,096,118,167			2,598,303,819
Excess Provision Written back			297,147,096			9,738,056	
Less : On account of Govt Operation			-	297,147,096		-	9,738,056
Prior Period adjustment(NET)							
l) Income relating to previous year				-		2,055,231	
ii) Expenses relating to previous year			(477,372)	(477,372)		(1,848,069)	207,162
Profit / (Loss) before Tax				2,392,787,891			2,608,249,037
Provision for Taxation							
Provision for Income Tax			886,027,932			300,854,571	
Deferred Tax			(149,743,534)	736,284,398		(485,743,908)	(184,889,337)
PROFIT / (LOSS) FOR THE YEAR				1,656,503,493			2,793,138,374


(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)


(SANJEEV KUMAR GHADHA)
MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE

FOR VIDYA & CO.
CHARTERED ACCOUNTANTS
FRN - 308022E



FOR APN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 001876N



FOR DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN-004885N



Place : New Delhi
Date : 09.09.2020

NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
SCHEDULE - 1 : SHARE CAPITAL

PARTICULARS	AS AT 31-03-2020	AS AT 31-03-2019
	₹	₹
<u>AUTHORISED CAPITAL :</u>		
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
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL :</u>		
6557 Shares (Previous year 6139) of Rs.25000/- each	163,925,000	153,475,000
34 Shares of (Previous year 34) of ₹ 5000/- each	170,000	170,000
41877 Shares (Previous year 39490) of ₹ 2500 each	104,692,500	98,725,000
1721 Shares (Previous year 1721) of ₹ 1000/- each	1,721,000	1,721,000
	270,508,500	254,091,000



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

PARTICULARS	AS AT 31-03-2019 ₹	ALLOCATION / ADDITION DURING THE YEAR ₹	TRANSFER / ADJUSTMENT DURING THE YEAR ₹	AS AT 31-03-2020 ₹
General Reserves	394,986,793	698,284,594	-	1,093,271,387
Education Fund	5,310,581	27,931,384	27,931,384	5,310,581
Contingent Fund	782,843,890	279,313,837	-	1,062,157,727
Price Fluctuation Fund (Ordinary)	165,391,930	-	-	165,391,930
Revaluation Reserve	2,501,434,378	-	35,022,077	2,466,412,301
	3,849,967,572	1,005,529,815	62,953,461	4,792,543,926



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
SCHEDULE - 3 : PROFIT / (LOSS) ACCOUNT

PARTICULARS		YEAR ENDED 31-03-2020	YEAR ENDED 31-03-2019
		₹	₹
Profit / (Loss) brought forward		(5,848,061,714)	(8,641,200,088)
Profit / (Loss) for the Year		1,656,503,493	2,793,138,374
		(4,191,558,221)	(5,848,061,714)
Less: Appropriated as per decision of the General Body Meeting Dated 06.09.2019			
General Reserve Fund	698,284,594		
Education Fund	27,931,384		
Contingent Fund	279,313,837		
Dividend payable	29,755,751	1,035,285,566	-
		(5,226,843,787)	(5,848,061,714)



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

PARTICULARS	AS AT 31-03-2020		AS AT 31-03-2019	
	₹	₹	₹	₹
A. CASH CREDIT (Secured against hypothecation of PSS Stocks and Govt. Guarantee)				
i) State Bank of India	133,896,607,641		119,301,272,687	
ii) Punjab National Bank	39,512,421,815		39,047,396,970	
iii) Punjab & Sindh Bank	25,739,197,355		28,633,718,344	
iv) Canara Bank	53,747,050,814		44,187,172,874	
v) Andhra Bank	16,777,535,055		15,428,750,847	
vi) Allahabad Bank	1,319,247,362	270,992,060,042	-	246,598,311,722
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		1,690,139,739	
ii) Punjab National Bank	2,092,863,745		2,092,863,745	
iii) Central Bank of India	3,270,456,875	-	3,270,456,875	
iv) Oriental Bank of Commerce	1,608,856,101		1,608,856,101	
v) South Indian Bank	1,389,047,846		1,389,047,846	
vi) Bank of Maharashtra	2,461,169,224		2,461,169,224	
vii) State Bank of Bikaner & Jaipur	1,380,146,096		1,380,146,096	
viii) Syndicate Bank	872,205,281		872,205,281	
viii) Interest Accrued	9,306,197,888	24,071,082,795	9,306,197,888	24,071,082,795
C. SHORT TERM LOAN FROM NATIONAL COOPERATIVE DEVELOPMENT CORPORATION FOR WORKING CAPITAL UNDER CORPORATION SPONSORED SCHEME	742,600,000	742,600,000		-
Total (A + B+ C)		295,805,742,837		270,669,394,517



NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI
SCHEDULE - 5 : FIXED ASSETS AS ON 31.03.2020

S. No.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		ORIGINAL COST AS ON 01.04.2019	ADDITIONS / ADJUST. DURING THE YEAR	DELETION / ADJUST. DURING THE YEAR	GROSS BLOCK AS ON 31.03.2020	ACCUM. DEPN. UPTO 31.03.2019	ADJUST. OF ACCUMULATED DEPRECIATION	DEPRECIATION UPTO 31.03.2020	AS ON 31.03.2020	AS ON 31.03.2019
1	LAND	2,834,357,655.00	-	-	2,834,357,655.00	240,508,268.00	-	258,179,625.00	2,576,178,030.00	2,593,849,387.00
2	BUILDING									
a)	FACTORY	51,828,922.00	-	-	51,828,922.00	38,829,654.00	-	40,135,502.00	11,693,420.00	12,999,268.00
b)	OFFICE	238,771,311.00	237,770,025.00	-	476,541,336.00	151,690,614.00	-	31,187,291.00	293,663,432.00	87,080,697.00
c)	WAREHOUSE	263,232,953.00	-	-	263,232,953.00	169,722,173.00	-	6,165,981.00	87,344,800.00	94,520,307.00
d)	OTHERS	170,799,210.00	-	-	170,799,210.00	59,485,682.00	-	5,601,298.00	105,712,230.00	110,304,001.00
e)	TEMPORARY STRUCTURE	4,273,106.00	26,502,901.00	7,091.00	30,768,916.00	3,981,813.00	(7,091.00)	14,692,399.00	16,076,515.00	291,293.00
	TOTAL (a to e)	728,905,502.00	264,272,926.00	7,091.00	993,171,337.00	423,709,936.00	(7,091.00)	54,976,095.00	514,490,397.00	305,195,566.00
3	FURNITURE & FIXTURES	25,180,335.00	12,642,981.00	1,034,155.00	36,789,161.00	19,018,380.00	(866,502.00)	1,463,974.00	17,173,309.00	6,161,955.00
4	PLANT & MACHINERY	57,323,551.00	-	-	57,323,551.00	48,713,423.00	-	1,271,931.00	7,338,196.00	8,610,127.00
5	ELECTRICAL INSTALLATION	48,637,481.00	6,898,794.00	1,043,424.00	54,492,850.00	27,186,996.00	(953,738.00)	4,661,788.00	23,597,804.00	21,450,485.00
6	OTHER EQUIPMENTS	49,758,748.00	6,926,712.00	1,333,041.00	55,352,419.00	39,856,931.00	(1,302,753.00)	4,411,514.00	12,386,729.00	9,901,818.00
7	OFFICE EQUIPMENTS	906,724.00	2,197.00	459,815.00	449,107.00	849,714.00	(457,819.00)	3,300.00	53,913.00	57,010.00
8	VEHICLES	6,346,560.00	5,843,496.00	1,757.00	12,188,299.00	2,271,351.00	(1,757.00)	1,347,225.00	8,571,480.00	4,075,209.00
	TOTAL (4 to 8)	162,973,064.00	19,671,199.00	2,838,037.00	179,806,226.00	118,878,415.00	(2,716,067.00)	11,695,758.00	51,948,122.00	44,094,650.00
	TOTAL THIS YEAR	3,751,416,556.00	296,587,106.00	3,879,283.00	4,044,124,379.00	802,114,999.00	(3,589,660.00)	85,809,184.00	3,159,789,868.00	2,949,301,558.00
	TOTAL LAST YEAR	3,727,168,145.00	30,644,885.00	6,396,473.00	3,751,416,557.00	756,931,739.00	(5,531,673.00)	50,714,934.00	2,949,301,558.00	2,970,236,407.00



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 6 : CONSTRUCTION WORK IN PROGRESS

PARTICULARS	AS AT 31-03-2020	AS AT 31-03-2019
	₹	₹
Opening Balance	70,592,509	49,103
Addition During the year	132,343,629	70,543,406
	202,936,138	70,592,509
Adjustment during the year	-	-
	202,936,138	70,592,509



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
SCHEDULE - 7 : INVESTMENTS

(PAGE 1 OF 2)

PARTICULARS	AS AT 31-03-2020		AS AT 31-03-2019	
	₹	₹	₹	₹
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 Rs.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 Rs.10,000/- each of National Cooperative Bank of India Ltd.,		500,000		500,000
1 fully paid up share of Rs.25,000/- of Tribal Cooperative Marketing Development Federation of India Ltd., New Delhi.		25,000		25,000
05 fully paid up shares of Rs.100000/- each of TRIFED, New Delhi		500,000		500,000



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
SCHEDULE - 7 : INVESTMENTS**

(PAGE 2 OF 2)

PARTICULARS	AS AT 31-03-2020		AS AT 31-03-2019	
	₹	₹	₹	₹
305 fully paid up shares of ₹ 1,00,000 each of KRIBHCO, Noida		30,500,000		30,500,000
04 fully paid up shares of Rs.10,000/- each of KRIBHCO, Noida		40,000		40,000
02 fully paid up shares of Rs.25,000/- each of KRIBHCO, Noida		50,000		50,000
9000 fully paid up shares of Rs 2000/- each of National Coop Consumers Fed of India Ltd., New Delhi		18,000,000		18,000,000
100 fully paid up shares of Rs.50/- each of Nagaland State Cooperative Society		5,000		5,000
5000 fully paid up shares of Rs.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		-		-
Less: Impairment	10,000,000		10,000,000	
	10,000,000		10,000,000	
100 Shares of Rs.10/- each of National Spot Exchange Ltd		1,000		1,000
Less: Impairment	1,000		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 Rs.10/- each of National Multi Commodity exchange of India Ltd., Ahmedabad.		5,000,000		5,000,000
Less: Impairment	5,000,000		5,000,000	
250000 fully paid up shares of Rs.10/- each at a Premium of Rs 5/- against Right Issue of National Multi Commodity exchange of India Ltd, Ahmedabad		3,750,000		3,750,000
Less: Impairment	3,750,000		3,750,000	
200000 fully paid up shares of Rs.10/- each of NSS Satpura Agro Development Company Ltd., New Delhi		2,000,000		2,000,000
Less: Impairment	2,000,000		2,000,000	
C. OTHERS				
Small Farmers Agri Business Consortium, New Delhi		2,000,000		2,000,000
TOTAL (A+B+C+D)		84,127,000		84,127,000



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 8 : CURRENT ASSETS, LOANS & ADVANCES

(PAGE 1 OF 2)

PARTICULARS	AS AT 31-03-2020			AS AT 31-03-2019		
	₹	₹	₹	₹	₹	₹
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 Stabilisation Fund		267,120,275,721			251,803,426,546	
ii) Other commodities		2,782,363,282	269,902,639,003		1,538,172,187	253,341,598,733
Packing Materials			2,831,630			3,157,239
Consumables Stores and Spares in hand			9,224			9,224
SUNDRY DEBTORS (UNSECURED)						
i) Debts exceeding six months:						
Considered Good	676,535,502			1,608,794,469		
Considered doubtful	194,595,570			128,195,910		
	871,131,072			1,736,990,379		
Less: Provision	194,595,570	676,535,502		128,195,910	1,608,794,469	
ii) Other debts		2,835,523,547	3,512,059,049		1,415,570,384	3,024,364,853
iii) Subsidy Receivable			7,382,858,826			4,371,709,487
iv) Amount Receivable from GOI on accounts of MIS/PSS Operations(net)						
Amount receivable from GOI towards deficit on handling commodities under PSS/MIS		190,113,855,526			132,678,083,586	
Less: Amount received from GOI against handling of PSS/MIS Operations		83,777,709,137				
			106,336,146,389		63,814,309,947	68,863,773,639



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 8 : CURRENT ASSETS, LOANS & ADVANCES

(PAGE 2 OF 2)

PARTICULARS	AS AT 31-03-2020			AS AT 31-03-2019		
	₹	₹	₹	₹	₹	₹
CASH & BANK BALANCES						
i) Cash in hand		386,396			392,118	
ii) Cheque in hand/remittance in transit		1,697,805,912			304,088,078	
iii) Fixed Deposit		-			250,000,000	
iv) With scheduled & Nationalised banks in Current & Saving Accounts		9,224,042,325	10,922,234,633		5,580,291,443	6,134,771,639
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	149,186			245,399		
ii) Other Advances(Employees)	5,503,442	5,652,628		4,774,461	5,019,860	
Other Advances						
Advances for Goods & Services	4,003,918,995			6,155,196,053		
Less: Provision for Doubtful recovery	-	4,003,918,995		2,900,000	6,152,296,053	
Claims & Other Recoverable	12,587,990,148			9,005,816,417		
Security & other deposits	246,960,904			234,253,078		
	12,834,951,052			9,240,069,495		
Less: Considered Doubtful	18,239,639	12,816,711,413		28,178,450	9,211,891,045	
Advances against Tie-up business	10,151,549,415	10,151,549,415		10,151,549,415	10,151,549,415	
Other Advances (Including Advance Tax)		787,779,660			783,949,197	
Prepaid Expenses		1,745,852	27,767,357,963		1,338,857	26,306,044,426
			425,826,136,716			362,045,429,240



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS

PARTICULARS	AS AT 31-03-2020		AS AT 31-03-2019	
	₹	₹	₹	₹
Sundry Creditors		33,180,829,469		21,092,033,058
Security Deposit		763,925,057		415,877,387
Advance for Supplies		12,094,775,226		13,880,921,300
Interest accrued		1,529,916,922		460,420,263
Other Liabilities (including rebate payable to members)		15,537,847,372		9,577,179,119
Capital grant received in advance		10,567,906		10,567,906
Subsidy received in advance		206,026,560		121,557,000
Amount received from Ministry of Consumer Affairs, Food & Public Distribution for procurement of ,Pulses & Onion under Price Stablisation Fund through SFAC		72,732,907,192		53,469,923,975
Amount received from Ministry of Food Processing Industries for procurement of Tomato , Onion & Potato Under TOP Scheme		-		55,000,000
PROVISIONS				
Income Tax	886,027,932		300,854,571	
Misc. provisions	52,257,717	938,285,649	52,994,888	353,849,459
		136,995,081,354		99,437,329,468



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
SCHEUDLE - 10 : OTHER INCOME

PARTICULARS	YEAR ENDED 31-03-2020		YEAR ENDED 31-03-2019	
	₹	₹	₹	₹
Service Charges		2,711,400,530		4,131,990,266
Claims Lodged		159,962,894		81,015,583
Interest Received				
i) Fixed deposits	59,174,421		63,401,029	
ii) Other activities	195,651,040		187,681,706	
	254,825,461		251,082,735	
Less: Received on behalf of GOI for PSS Operation	69,272,723		90,095,399	
Less: Received on behalf of GOI for PSF Operation-SFAC	22,704,325	162,848,413	22,710,927	138,276,409
Dividend on investment		10,118,000		9,521,200
Profit / (Loss) on sale of Fixed Asset		28,563		4,867,404
Admission Fees		30,000		1,549,000
Other Receipts (Including unclaimed credit written back)		332,295,867		323,493,135
		3,376,684,267		4,690,712,997



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 11 : MANUFACTURING & TRADING EXPENSES

PARTICULARS	YEAR ENDED 31-03-2020	YEAR ENDED 31-03-2019
	₹	₹
Plant Maintenance	-	223,176
Power & Fuel Charges	639,164	634,974
Processing Charges	996,227	1,267,350
Other Procurement Expenses	4,982,915,098	9,121,054,716
Freight & Cartage	2,479,666,927	2,141,931,647
Transit Insurance	18,127,255	15,314,095
Octroi	70,331	54,086
Licence Fee	285,253	328,897
Grading & Standardisation Expenses	423,633,529	352,425,152
Godown Rent, Storage & Fumigation Expenses	8,727,989,977	7,545,713,443
Labour Charges	422,138,219	1,000
Claim Rejected	145,884,305	1,845,680,690
	17,202,346,285	21,024,629,226



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 12 : SELLING AND DISTRIBUTION EXPENSES

PARTICULARS	YEAR ENDED 31-03-2020		YEAR ENDED 31-03-2019	
	₹	₹	₹	₹
Packing & Forwarding				
Opening stock	3,157,239		3,997,594	
Add: Purchases	6,291,993,619		6,545,287,134	
	6,295,150,858		6,549,284,728	
Less: Closing stock	2,831,630	6,292,319,228	3,157,239	6,546,127,489
Freight and Cartage		81,901,655		28,911,406
Survey & Supervision		47,714,275		93,143,096
Godown Insurance		744,597,378		792,796,394
Brokerage & Commission		34,342,164		66,533,306
Sample Expenses		573,386		163,609
Advertisement & Publicity		12,724,603		7,131,364
Other selling Expenses		713,957,506		449,990,765
Provision for Bad and Doubtful Debts/ Advances		35,790,063		85,546,614
		7,963,920,258		8,070,344,043



NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI

SCHEDULE - 13 : EMPLOYEES REMUNERATION AND BENEFITS

PARTICULARS	YEAR ENDED 31-03-2020	YEAR ENDED 31-03-2019
	₹	₹
Salaries	384,056,646	358,911,855
Bonus	738,370	318,397
Ex Gratia	19,541,726	-
ESI / Medical Charges	8,335,292	5,868,227
Contribution to Provident Fund	30,879,832	28,136,652
Staff welfare Expenses	5,930,420	4,523,527
Deposit Linked Insurance	1,011,263	828,512
Group Insurance Scheme	68,866	73,666
Contribution to Benevolent Fund	289,180	162,340
Staff Recruitment Expenses	-	1,385,733
Staff Training Expenses	262,209	1,827,039
Gratuity	19,172,948	41,365,078
	470,286,752	443,401,026



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

PARTICULARS	YEAR ENDED 31-03-2020 ₹	YEAR ENDED 31-03-2019 ₹
Rent, Rate & Taxes	15,868,045	32,359,408
Electricity and Water	8,593,671	12,628,508
Insurance	1,669,492	1,113,385
Telephone & Telex Expenses	2,422,642	2,263,960
Postage & Telegram	895,327	1,117,546
Printing & Stationery	3,639,307	3,299,225
New papers & Journals	376,141	329,062
Dues & Membership fee	2,259,751	1,227,186
General Body/Directors meeting Expenses	11,181,347	6,399,402
Travel Expenses Directors	5,682,687	2,811,739
Travel Expenses Others	36,987,242	41,879,558
Watch & Ward Expenses	22,140,556	11,744,069
General Charges	17,854,237	16,439,943
Vehicle Maintenance	2,475,385	1,916,143
Repairs & Renewals	7,150,697	15,084,897
Data Processing charges	4,198,075	2,250,519
Professional Fee-Consultant	11,284,698	17,514,436
Professional Fee-Legal	16,620,971	-
Audit Fee (Including Tax Audit Fees)	1,295,000	1,295,000
Internal Audit Fees	998,193	-
Guest House Maintenance	312,098	102,322
Donation	87,500,000	9,990,277
Staff Recruitment Expenses	3,129,197	-
Entertainment	3,322,158	3,206,332
Impairment Loss	-	20,751,000
Conference & Seminars	283,116	321,233
Fixed Assets Write off	3,139	10,688
Tax Demand & Appeal Charges	743	-
Business Promotion Expenses	24,001,177	11,363,330
	292,145,092	217,419,167



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

SCHEDULE-15

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 as per the records 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.




(NEDHI SHRIVASTAVA)
GENERAL MANAGER (FA&A)




(SANJEEV KUMAR OHADHA)
MANAGING DIRECTOR



Place : New Delhi
Date : 09.09.2020

B. NOTES & EXPLANATORY STATEMENTS

1. Contingent Liabilities:

a) Claims against the Federation not acknowledged as debt are ₹ 867.88 Crore (Previous Year ₹780.05 Crore) which includes:

i.) ₹ 311.83 Crore (Previous Year ₹279.48 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, the party has filed a suit at Mumbai High court asking NAFED to pay US\$ 58,20,000 plus interest. The interest liability calculated by NAFED on the amount comes to US\$ 3,55,45,002. The total liability works out to US\$ 41365002 equivalent to ₹ 311.83 Crore after converting the same at applicable exchange rate as on 31st March, 2020. The award is under challenge in Mumbai 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 a contingent liability.

ii.) ₹ 448.34 Crore (Previous Year ₹399.67 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\$ 5,49,31,644. The total liability works out to US\$ 59457644 equivalent to ₹ 448.34 Crore after converting the same at applicable exchange rate as on 31st March, 2020. Nafed has won the case in Supreme court of India decided on 22.04.2020 and the award is held to be unenforceable. But as a review petition can still be filed to challenge the judgement, Nafed consider it as a contingent liability.

b) Estimated liability of ₹ 118.75 Crore (Previous Year ₹55.06 Crore) on account of Income Tax demands as below:

(₹ in Crore)

S.N	Assessment Year	Demand Raised	Demand adj from payable refund/ Amount Paid	Appeal Status	Remarks
1.	1986-87	0.14	0.14	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.
	1987-88	1.79	1.79		
	1988-89	1.18	1.18		
	1989-90	4.86	4.86		
	1990-91	0.79	0.79		
	1991-92	3.31	3.31		
	1992-93	4.56	4.56		
	1993-94	3.86	3.86		
	1994-95	<u>9.27</u>	<u>9.27</u>		
		29.76	29.76		



2.	2001-02 & 2002-03	2.40	2.40	Supreme Court	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	-do-	-do-
7.	2009-10	0.00	1.19	ITAT	Refund adj agt AY 2011-12 demands
8.	2010-11	13.91	24.06	ITAT & CIT(A)	Appeal in favour of Nafed partly and demand reduced. Refund of AY 2013-14 adjusted against demands.
9.	2011-12	9.23	0.00	CIT(A)	Order u/s 154 – Demand raised.
10.	2012-13	0.00	0.69	-Do-	Refund adj against AY 2011-12 demands
11.	2013-14	0.00	2.30	-Do-	Refund adj against AY 2011-12 demands
12.	2014-15	0.01	0.69	-Do-	Refund adj against AY 2011-12 demands
13.	2017-18	2.71	0.39	AO	Demand created in r/o old PAN of Nafed along with created demand u/s 143(1)
14.	2018-19 and 2019-20	60.73	0.00	-Do-	Demand created in account of disallowance of brought forward losses
	Total	118.75	61.48		

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 for interest on the above demand has been considered under contingent liabilities. The amount of ₹61.48 Crore (Previous Year ₹ 61.09 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 ₹ 30.97Crore (Previous Year ₹ 0.29 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 has been booked in the accounts against the above.
- Title Deeds of properties costing ₹ 0.18 Crore (Previous Year ₹ 0.18 Crore) are yet to be executed in favor of the Federation.
- Subscription towards share capital received ₹ 1.20 Crore (Previous Year ₹ 1.30 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.

6. Current Assets, Loans and advances include overdue Tie up receivables amounting to ₹ 1015.15 Crore (Previous Year ₹ 1015.15 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 ₹ 1015.15 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.

7. PSS/MIS 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, 2020 are given below:

S. No.	Particulars	Amount (₹ in Crore)
a.	Receivable on account of deficit under PSS/MIS (Previous Year ₹ 13,267.81 crore)	19,011.39
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 ₹6,381.43 Crore)	8,377.78
c.	Net Balance (a-b) (Previous Year ₹ 6,886.38 Crore)	10,633.61

The management is hopeful that soon all the claims will be settled by Govt. of India and full claim 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. 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.
11. Purchases as on 31st March, 2020 include a sum of ₹ 491.31 Crore (Previous Year ₹ 709.31 Crore) for which bills are pending to be received. Bills amounting to ₹317.41 Crore (Previous Year ₹ 688.96 Crore) have been received from the parties till the date of finalization of balance sheet.
12. 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.



13. Depreciation amounting to ₹3.50 Crore (Previous Year ₹3.64 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.
14. 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 which includes 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, 2020. 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.

15. **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 2020, an amount of ₹3.09 Crore (Previous Year ₹2.81 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 31.03.2019	As on 31.03.2020
Discount Rate	7.50%	7.25%
Salary Escalation	6.00%	7.00%

During the year, the Federation has paid ₹1.70 Crore (Previous Year ₹4.00 Crore) as contribution to fund based on advice received from LIC and charged to Profit and Loss Account during the year.

B. **Detail of Post Retirement Leave Encashment Plan is as under**

Assumption	As on 31.03.2019	As on 31.03.2020
Discount Rate	8.00%	7.25%
Salary Escalation	6.00%	6.00%



During the year, the Federation has paid ₹2.68 Crore (Previous Year ₹1.27 Crore) as contribution to fund based on advice received from LIC and charged ₹2.34 Crore (Previous Year ₹4.36) Crore to Profit and Loss Account during the year

16. 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 Lakh representing 50% of the paid-up capital of the company. Further, an amount of ₹65,19,285 (P.Y. ₹65,19,285) 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	(2019-20) (in ₹)	(2018-19) (in ₹)
1.	Shri Sanjeev Kumar Chadha, IFS	Managing Director	35,34,040	30,45,116
2.	Shri Sunil Kumar Singh	Addl. Managing Director	34,03,018	25,41,228
3.	Shri S. K. Verma	Executive Director	26,51,881	29,30,415
4.	Shri A. K. Rath	Executive Director	26,41,492	29,25,615
5.	Shri Ravi Kainth	Executive Director (Retd)	59,95,846	28,31,036
6.	Smt Nidhi Shrivastava	General Manager(F&A)	13,87,050	58,143

17. 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.
18. 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.
19. 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.
20. The Financial Statements are prepared under the Historical Cost Convention except land and building, which are re-valued from time to time.
21. The accounts of the Federation have been prepared on going concern basis despite the accumulated losses of ₹522.68 Crore (Previous Year ₹584.81 Crore) and negative net worth, 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 ₹ 14.97 Crore (Previous Year ₹ 48.57 Crore) as Deferred Tax Assets (Net). The components of DTA/DTL as on 31.03.2020 are as under:

Particulars	Current Year (₹)	Previous Year (₹)
A. Deferred Tax Assets		
Profit / (-) Unabsorbed Losses	--	0
Difference in WDV of Fixed Assets	49,92,84,097	22,79,46,321
Employee Benefits	--	1,46,644
Provision for Bad & Doubtful debts	6,63,99,660	15,94,14,034
Disallowances u/s 43(B) of Income Tax Act	10,04,68,96,594	10,04,68,96,594
Total (A)	10,61,25,80,351	10,43,44,03,593
B. Deferred Tax Liabilities		
Alimenta Interest Liability claimed in Income Tax computation but not accounted in books	1,20,31,77,333	1,20,31,77,333
Employee Benefits	1,02,260	
Total (B)	1,20,32,79,593	1,20,31,77,333
Deferred Tax Assets : NET (A-B)	9,40,93,00,758	9,23,12,26,260
Tax Effect	3,37,60,57,112	3,22,63,13,578

22. 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.
23. Details / Information required as per AS-3 (Cash Flow Statement), AS-17 (Segment Reporting) are annexed.
24. In view of the management, there is no impact of Covid-19 pandemic on the functioning and finance of the federation.
25. Previous year figures have been regrouped, rearranged and re-casted wherever considered necessary. Figures have been rounded off to the nearest rupees.


(NIDHI SHRIVASTAVA)
GENERAL MANAGER (F&A)


(SANJEEV KUMAR GHADHA)
MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE

FOR VIDYA & CO.
CHARTERED ACCOUNTANTS
FRN - 308022E



FOR APN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 001876N



FOR DINESH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN-004885N



Place : New Delhi
Date : 09.09.2020

NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
CASH FLOW STATEMENT FOR THE YEAR 2019-2020

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
	Details	Amount	Details	Amount
A : Cash flow from Operating Activities				
Net Profit as per P & L A/c		1,656,503,493		2,793,138,374
Adjustments For :				
Depreciation & Amortisation	85,809,183		50,714,934	
Dep on revalued amt written back	(35,022,077)		(36,362,124)	
Interest Income	(162,848,413)		(138,276,409)	
Dividend Income	(10,118,000)		(9,521,200)	
Interest Expenses	26,713,478		344,488,403	
Profit / Loss on sale of fixed assets	(28,563)		(4,867,404)	
Fixed assets write off	3,139	(95,491,253)	10,688	206,186,887
Operating Profit before Working Capital Changes		1,561,012,240		2,999,325,261
Decrease/(Increase) in Sundry Debtors	(3,498,843,535)		(4,179,136,393)	
Decrease/(Increase) in amount recoverable from Govt.	(37,472,372,750)		(55,033,626,380)	
Decrease/(Increases) in Advances to suppliers/other advances	2,143,506,832		12,691,534,757	
Decrease/(Increase) in Inventories	(16,560,714,661)		(60,624,766,229)	
Increase in claims	(3,604,820,368)		(5,023,301,209)	
Increase/(Decrease) in Current Liability	37,408,008,352		(18,265,952,792)	
Payment of Education Fund	(27,931,384)	(21,613,167,514)		(130,435,248,246)
Net Cash from / (used in) Operating Activities : (A)		(20,052,155,274)		(127,435,922,985)
B : Cash flow from Investing Activities				
Purchase of Fixed Asset/Adjustment of Construction WIP	(428,930,735)		(101,188,291)	
Decrease / (increase) in Investment	-		20,751,000	
Interest Received	162,848,413		138,276,409	
Dividend Received	10,118,000		9,521,200	
Sale of Fixed Assets	315,047		5,721,516	
Net Cash from / (used in) Investing Activities : (B)		(255,649,275)		73,081,834
C : Cash Flow from Financing Activities				
Proceeds from Issuance of Share capital	16,417,500.00		7,372,500.00	
Increase in General Reserve Fund	-		13,600.00	
Increase in share application money	(1,029,049)		1,039,000	
Dividend payable	(29,755,751)		-	
Increase in secured loans	25,136,348,320		132,505,698,502	
Interest Paid	(26,713,478)		(344,488,403)	
Net Cash from / (used in) Financing Activities : (C)		25,095,267,543		132,169,635,200
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		4,787,462,994		4,806,794,049
Cash & Cash equivalents at the beginning of period	(See Note 1)	6,134,771,639	(See Note 1)	1,327,977,590
Cash & Cash equivalents at the end of period	(See Note 1)	10,922,234,633	(See Note 1)	6,134,771,639

Notes to Cash flow Statement

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

	31.03.2020	31.03.2019
Cash in hand and balance with bank -	10,922,234,633	6,134,771,639
	10,922,234,633	6,134,771,639


(NIDHI SHRIVASTAVA)
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Place : New Delhi
Date : 09.09.2020

**NATIONAL AGRICULTURAL COOPERATIVE MARKETING
FEDERATION OF INDIA LTD, NEW DELHI
FINANCIAL YEAR 2019-2020**

S. NO.	PARTICULARS	II PSS BUSINESS	IV OTHER BUSINESS	V UNALLOCABLE ITEMS	TOTAL FOR THE YEAR 2019-2020	I AGRICULTURAL BUSINESS	II PSS BUSINESS	IV OTHER BUSINESS	V UNALLOCABLE ITEMS	TOTAL FOR THE YEAR 2018-2019
A.	SEGMENT REVENUE:									
i	SALES	143,697,739,326	8,931,331,339	37,646	162,809,835,433	17,723,739,572	168,787,939,765	11,699,761,534	3,173,130,451	201,384,571,323
ii	SERVICE CHARGES (PSF / PSS)	2,316,843,628	144,173,039	-	2,711,400,530	2,560,846,053	226,197,634	1,344,946,579	-	4,131,990,266
iii	OTHER INCOME	280,089,292	91,254,668	241,787,462	694,150,204	52,457,299	7,501,147,221	263,951,325	4,072,086,361	11,889,642,206
	GROSS SALES/INCOME (i+ii+iii)	146,294,672,245	9,166,759,045	241,825,109	166,215,386,166	20,337,042,925	176,515,284,620	13,308,659,438	7,245,216,813	217,406,203,796
B	SEGMENT RESULTS (GROSS PROFIT)	(12,433,344,446)	11,620,301,719	718,296,090	2,667,945,402	18,228,688,306	(22,482,932,539)	570,566,759	7,031,857,868	3,348,180,394
a	ADD: UNALLOCABLE INCOME	5,538,533	-	332,848,540	347,579,722	-	-	-	393,150,114	393,150,114
b	LESS: UNALLOCABLE EXPENCES	-	-	1,690,828,397	1,690,828,397	-	-	-	1,179,388,812	1,179,388,812
c	PROFIT (a+b-c) BEFORE EXCEPTIONAL ITEMS	(12,427,805,913)	11,620,301,719	(639,683,768)	1,324,696,727	18,228,688,306	(22,482,932,539)	570,566,759	6,245,619,169	2,561,941,696
d	EXCEPTIONAL ITEMS	-	-	331,806,766	331,806,766	-	-	-	46,307,342	46,307,342
e	PROFIT BEFORE TAX (c+d)	(12,427,805,913)	11,620,301,719	(307,877,002)	1,656,503,493	18,228,688,306	(22,482,932,539)	570,566,759	6,291,926,511	2,608,249,038
C	SEGMENT ASSETS	280,626,871,153	7,413,337,542	-	394,884,433,694	18,491,322,690	186,843,017,134	78,295,512,747	59,942,122,948	343,571,975,519
a	UNALLOCABLE ASSETS	-	-	34,411,687,017	34,411,687,017	-	-	-	-	21,603,505,787
b	TOTAL ASSETS (C+a)	280,626,871,153	7,413,337,542	34,411,687,017	429,296,120,711	18,491,322,690	186,843,017,134	78,295,512,748	59,942,122,948	365,175,481,306
D	SEGMENT LIABILITIES	388,230,061,061	7,149,495,552	-	402,379,685,118	24,926,230,258	300,925,121,487	11,510,567,382	5,349,668,598	342,711,587,726
a	UNALLOCABLE LIABILITIES	-	-	26,916,435,593	26,916,435,593	-	-	-	-	22,463,893,580
b	TOTAL LIABILITIES (D+a)	388,230,061,061	7,149,495,552	26,916,435,593	429,296,120,711	24,926,230,258	300,925,121,487	11,510,567,382	5,349,668,598	365,175,481,306
E	CAPITAL EXPENDITURE INCURRED DURING THE YEAR	-	-	428,930,734	428,930,734	-	-	-	-	30,644,885
F	DEPRECIATION	-	-	85,809,183	85,809,183	-	-	-	-	50,714,934
G	NON-CASH EXPENDITURE OTHER THAN DEPRECIATION	-	-	6,169,895,362	6,169,895,362	-	-	-	282,930,876	1,945,294,452



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GENERAL MANAGER (F&A)

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