



**nafed**

*A Farmers' Cooperative  
60 years in Service*

# Annual Report **2017-18**



**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  
Tel. : 011-26340019



## **SENIOR EXECUTIVES**



**Shri Sanjeev Kumar Chadha**  
Managing Director

**Shri Sunil Kumar Singh**  
Addl. Managing Director

**Shri S.K.Verma**  
Executive Director

**Shri A.K.Rath**  
Executive Director

**Shri Ravi Kainth**  
Executive Director





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## CHAPTER 1

# AN OVERVIEW OF AGRICULTURE IN INDIA

- 1.1 The history of Agriculture in India dates back to Indus Valley Civilization Era and even before that in some parts of Southern India. Agriculture, with its allied sectors, is unquestionably the largest livelihood provider in the country, more so in the vast rural areas. As on February 2018, it is estimated that over 58% of rural Indians depend on agriculture for their livelihood and this sector contributes around 17-18% to the country's GDP. As such, 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.
- 1.2 Post independence, special programmes were undertaken in India to improve food and cash crops supply. The Grow More Food Campaign (1940s) and the Integrated Production Programme (1950s) focused on food and cash crops supply respectively. Five-Year plans of India, oriented towards agricultural development, soon followed. Land reclamation, land development, mechanization, electrification, use of chemicals—fertilizers in particular and development of agriculture oriented 'package approach' of taking a set of actions instead of promoting single aspect soon followed under government supervision. The many 'production revolutions' initiated in India from 1960s onwards included Green Revolution, Yellow Revolution (oilseed: 1986-1990), Operation Flood (dairy: 1970-1996) and Blue Revolution (fishing: 1973-2002) etc. Following the economic reforms of 1991, significant growth was registered in the agricultural sector, which was by now benefiting from the earlier reforms and the newer innovations of Agro-processing and Biotechnology.
- 1.3 India is expected to achieve the ambitious goal of doubling farm income by 2022 due to better momentum expected in the next few years as a result of increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers.
- 1.4 As per third advance estimates, the food grain production in India is estimated at 279.51 million tonnes during 2017-18 crop year. The production of rice and wheat is estimated at 111.52 MT and 98.61 MT respectively in the same period. The production of pulses was estimated between 24.70 to 25.70 million tonnes during 2017-18 for the first time, making India self sufficient in pulses production. This has been made possible due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price by Govt. of India. Meanwhile, the oilseeds production during 2017-18 is projected at 30.638 million tonnes.
- 1.5 India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 307.16 million tonnes in 2017-18 as per second advance estimates. Milk production was estimated at 165.4 million tonnes during 2017-2018, while meat production was 7.4 million tonnes. As per the land use statistics 2013-14, the total geographical area of the country is 328.7 million hectares, of which 141.4 million hectares is the reported net sown area and 200.9 million hectares is the gross cropped area with a cropping intensity of 142 %. The net sown area is 43% of the total geographical area. The net irrigated area is 68.20 million hectares.

## CHAPTER 2

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

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

- Irrigation - “Per Drop, More Crops”
- Quality seeds - Improving seed replacement rate
- Soil test based nutrient management - Distribution of soil health cards
- Post-harvest crop losses - Large investments in warehousing and cold chains
- Value addition to farmers
- Creation of a national agricultural market, removing distortions and e-platform across 585 markets.

2.2 Apart from the above, organic farming is also one of the key thrust areas of Govt. of India and in order to promote organic farming, the Government has launched Paramparagat Krishi Vikas Yojana (PKVY) & Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) schemes aimed at supporting the production and marketing of organic produce in the country to reduce their costs and prices. The current position of organic farming w.r.t. area covered across the country is 23.02 lakh hectares under PKVY, MOVCDNER and National Programme of Organic Production (NPOP).



## CHAPTER 3

### NAFED AT A GLANCE

- 3.1 National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) is an apex organization of marketing cooperatives for agricultural produce in India. It was established on the auspicious day of Gandhi Jayanti on 2nd October 1958 and is registered under the Multi State Co-operative Societies Act. NAFED was founded with the objective to promote the trade of agricultural produce and forest resources across the nation. Agricultural farmers are the main members of Nafed, who have a say in the working of Nafed in the form of members of the General Body. NAFED has three tier structure with Nafed at the top of the tier, primary cooperative marketing / processing societies at the bottom and state level marketing/tribal/commodity federations at the middle. Some National /apex level Marketing / Consumer Cooperative Federations are also members of NAFED.
- 3.2 The activities of Nafed add to the betterment of agriculture and post harvest of the produce. Nafed procures stocks directly from the farmers in regulated mandies in open auction through the cooperative infrastructure thereby providing them a ready market, fair price and preventing their exploitation at the hands of private traders. Also, whenever there is a glut in market due to bumper production when prices tend to crash, Nafed undertakes procurement at the Minimum Support Price under the Price Support Scheme in case of 16 notified commodities (pulses, oilseeds, dehusked coconut, cotton) thereby providing remunerative prices to farmers for their produce.
- 3.3 There are 858 members of NAFED as on 31.03.2018 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.



## NETWORK OF NAFED BRANCHES & SUB-OFFICES

**North Zone**  
Azadpur, Delhi  
CMD, Delhi  
Jaipur  
Chandigarh  
Lucknow  
Shimla - Sub Office  
(5 Branches and 1 Sub Office  
in 5 States)

**West Zone**  
Mumbai  
Nagpur - Sub Office  
Nasik  
Indore  
NBF, Indore  
Ahmedabad  
Rajkot - Sub Office  
(5 Branches and 2 Sub  
Offices in 3 States)

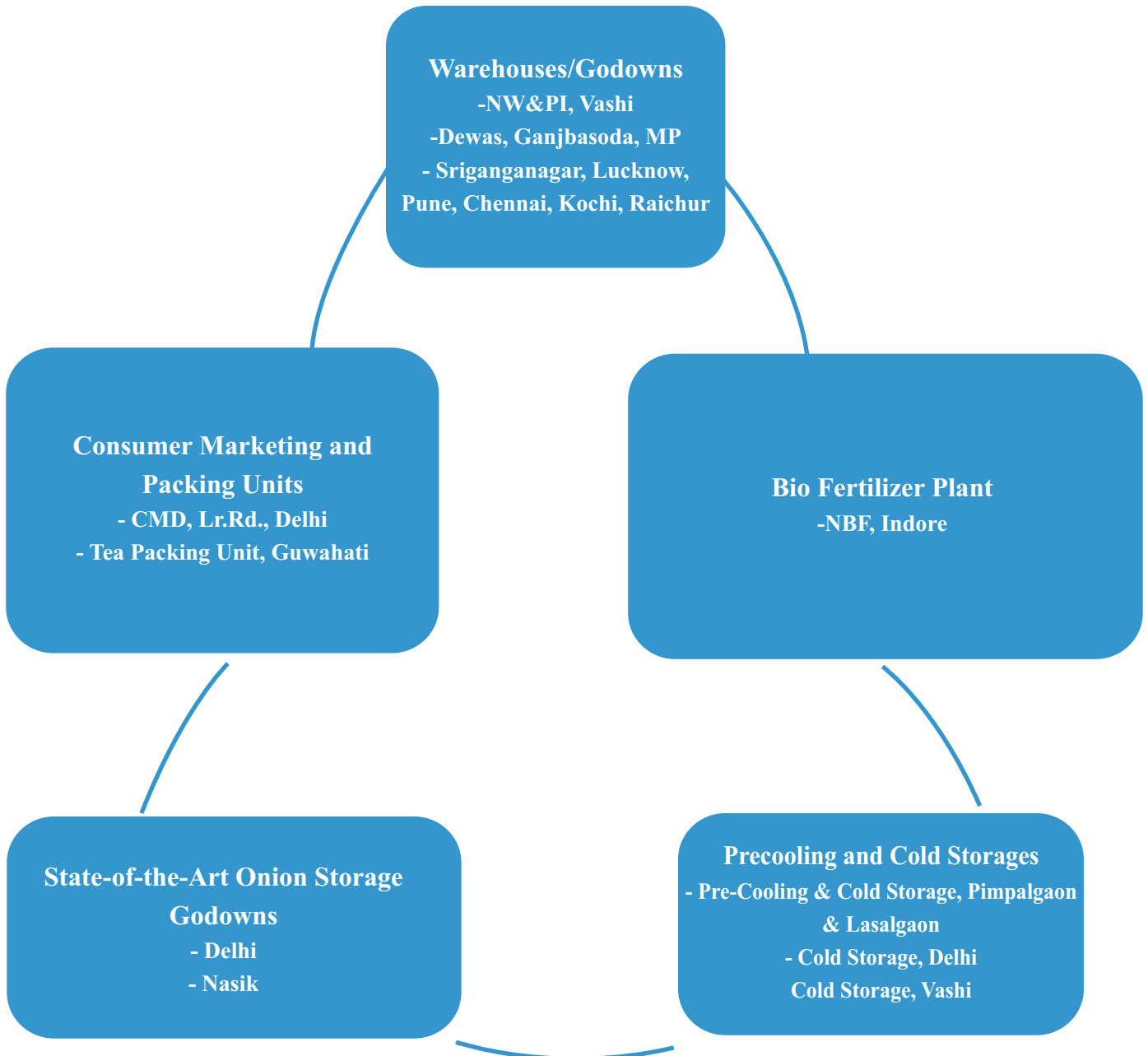
**Corporate  
Office at  
New Delhi**

**East Zone**  
Kolkata  
Guwahati  
Patna  
Bhubneshwar  
Raipur - Sub Office  
(4 Branches and 1 Sub Office  
in 5 States)

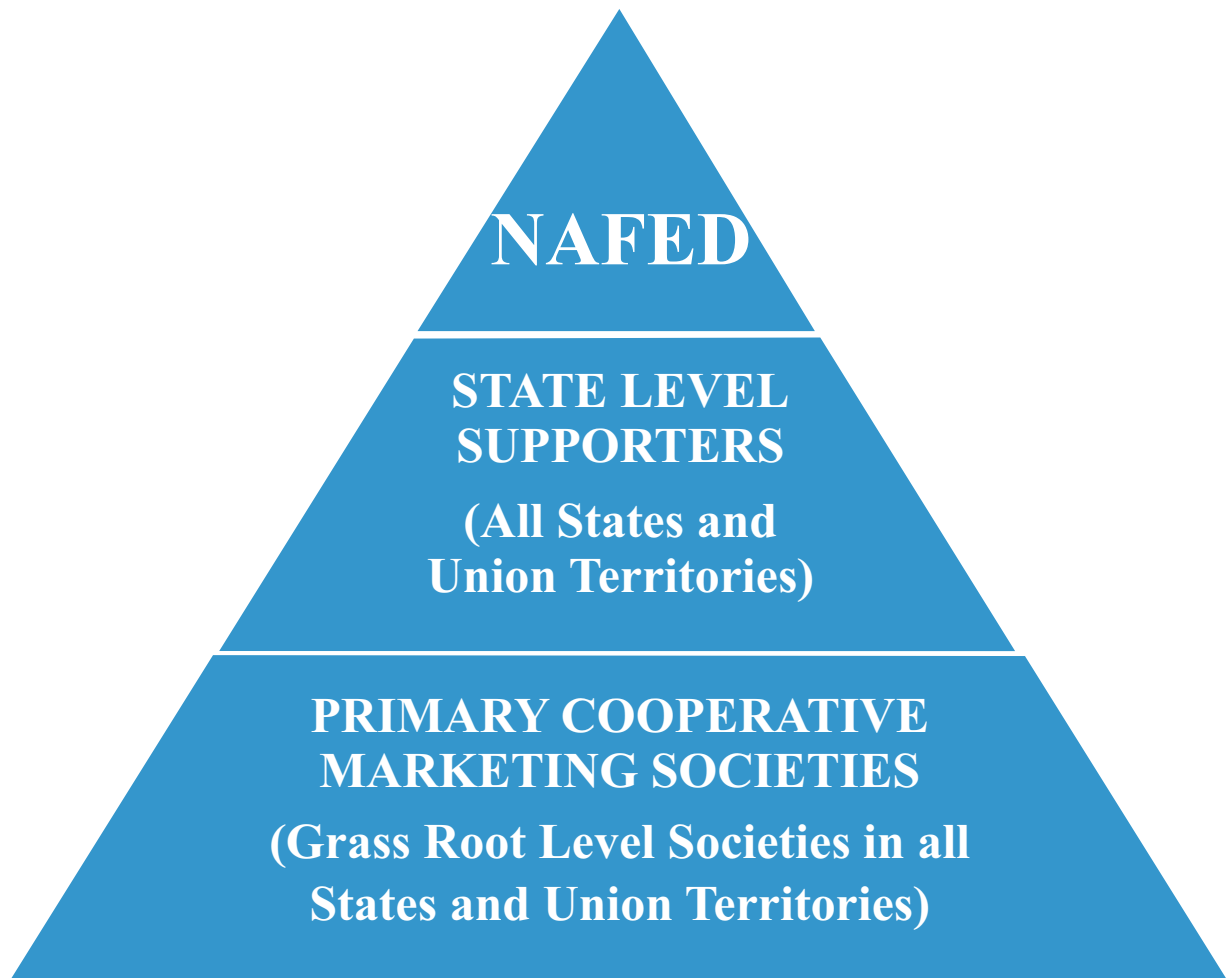
**South Zone**  
Chennai  
Bangalore  
Kochi  
Hyderabad  
Vijaywada - Sub Office  
(4 Branches and 1 Sub Office  
in 5 States)



## ASSETS OF NAFED



## **INFRASTRUCTURE AND REACH OF NAFED**



## CHAPTER 4

# MAJOR BUSINESS AREAS OF NAFED

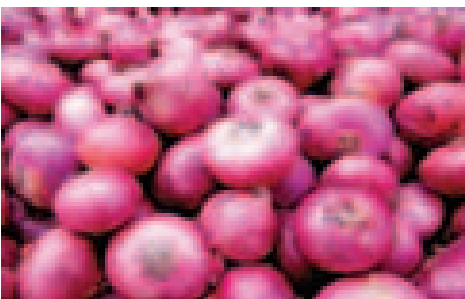
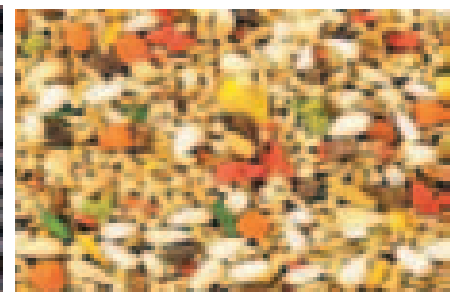
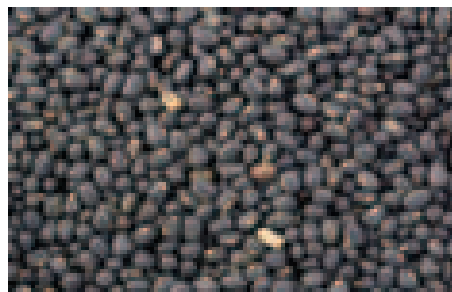
- Procurement of Pulses and Oilseeds under PSS and PSF Schemes of Govt. of India
- Supply of Pulses procured under PSF to different Institutions like Army, CPMFs, State Governments under PDS and MDM schemes
- Bio CNG Production
- Organic Farming
- Consumer Marketing of pulses, tea, spices etc. under the brand name of Nafed all across the country
- International trade
- Post harvest infrastructure like warehouses, cold chains, at the farm level and terminal markets
- Consultancy to overseas countries for establishing mandies / commodity exchanges and other infrastructure for marketing of agricultural produce
- Expansion of Post Harvest Infrastructure
- Certified Seed Production



## CHAPTER 5

### BUSINESS HIGHLIGHTS

- Recorded gross profit of Rs.252.14 Crore during 2017-18, which is the highest ever since the inception of NAFED. Turnover was to the tune of Rs.3212.68 Crore. There is a net profit of Rs.226.81 Crore during the year.
- Continued to be the one of the Central Nodal Agencies of the Government of India for procurement of notified Oilseeds, Pulses & Cotton under Price Support Scheme and the nodal agency for procurement of Copra and De-Husked Coconut under PSS.
- Quantity of 2783178.79 MT of Oilseeds and Pulses valuing Rs. 13595.99 Crore procured under Price Support Scheme (PSS).
- On the direction of Govt. of India, NAFED created buffer stock of Pulses & Onion, procured a quantity of 345802.505 MT of Pulses valuing Rs. 1614.06 Crore and 5136.742 MT of Onion valuing Rs. 13.85 Crore under the Price Stabilization Fund Scheme for creation of the buffer stock.
- The share capital increased from Rs.24.28 Crore to Rs.24.67 Crore as on 31.3.2018.
- Membership of the Federation stood at 858 as on 31.3.2018.
- The federation continued to enjoy the status of Export House as per Certificate of recognition issued by Ministry of Commerce, Government of India.
- Seed business to the tune of Rs.42.49 Crore undertaken during the year through empanelled seed producers under centrally sponsored scheme NMOOP & NFSM for distribution to Government Departments/Institutions during 2017-18.
- Groceries & other Consumer items valued around Rs.144.38 Crore marketed during the year directly to the Consumers and also catered to the Institutional Supplies which include various Fruits & Vegetables valuing Rs.8.41 Crore under outright account in domestic trade.
- Handled Eggs & Poultry feed valued at Rs.2.31 Crore during the year to assist Poultry farmers .



## CHAPTER 6

### BUSINESS REVIEW

- 6.1 Since its inception, NAFED has been undertaking domestic and international trade of agricultural commodities providing marketing support to the farmers of the country. The domestic operations of NAFED comprise of procurement of agricultural commodities in outright account utilizing and procurement in account of Govt. of India under various schemes like Price Support Scheme, Price Stabilization Fund Scheme, Market Intervention Scheme etc.

#### Outright Procurement

- 6.2 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 utilising its own funds against budgeted allocation. The purchases are made directly from the farmers in regulated mandies in open auction through the primary cooperative societies. The presence of NAFED in the mandies when the farmer brings his produce for sale prevents his exploitation at the hands of the private trade, provides him a ready market and also has a positive psychological impact on the price behavior in the mandies. The procured stocks are liquidated prudently in the market at prevailing rates or may also be exported in the overseas market.

During the year there was no outright procurement by NAFED in own account due to voluminous procurement under PSS / PSF Schemes of Govt. of India.

#### Procurement of Pulses and Oilseeds under Price Support Scheme of Govt. of India

- 6.3 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 into undue losses to the growers and discourage adoption of the modern technology and required inputs. The Government's price policy for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of consumers by making available supplies at reasonable prices with low cost of intermediation. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end, the Government announces Minimum Support Prices (MSP) for 25 major agricultural commodities each year in both the crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP). CACP recommends MSP for twenty two (22) crops and Fair & Remunerative Price (FRP) for sugarcane.
- 6.4 Apart from Sugarcane for which FRP is declared by the Department of Food & Public Distribution, twenty two crops covered under MSP are Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Groundnut-in-shell, Soyabean, Sunflower, Sesamum, Nigerseed, Cotton, Wheat, Barley, Gram, Masur (lentil), Rapeseed/ Mustardseed, Safflower, Jute and Copra. In addition, MSP for Toria and De-Husked Coconut is fixed by the Department on the basis of MSP of Rapeseed/Mustardseed and Copra respectively.
- 6.5 Nafed is one of the Central Nodal Agencies for procurement of 16 notified agricultural commodities of Oilseeds, Pulses and Cotton under Price Support Scheme (PSS) and continues to be the sole Central Nodal

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

### Minimum Support Prices (MSPs) of Oilseeds, Pulses & Cotton fixed by the Government of India during 2017-18 & 2018-19

(MSP Rate: Rs. per quintal for FAQ)

S.No	Commodity	2017-18	2018-19
<b>A.</b>	<b>RABICROPS</b>		
1.	Rapeseed/ Mustard	4000*	
2.	Safflower seed	4100*	
3.	Gram	4400@	
4.	Toria	3900*	
5.	Masur (Lentil)	4250*	
<b>B.</b>	<b>KHARIF CROPS</b>		
1.	Soyabean	3050^	3399
2.	Groundnut -in-shell	4450^	4890
3.	Sunflower Seed	4100*	5388
4.	Sesamum	5300*	6249
5.	Nigerseed	4050*	5877
6.	Moong	5575^	6975
7.	Urad	5400^	5600
8.	Tur (Arhar)	5450^	5675
9.	Cotton (Medium Staple)	4020	5150
10.	Cotton (Long Staple)	4320	5450
<b>C.</b>	<b>PERENNIAL CROPS (Based on the Calendar Year)</b>		
1.	Copra (Milling)	6500	7500
2.	Copra (Ball)	6785	7750
3.	De-husked Coconut	1760	2030

\* Including bonus of Rs.100/-per quintal.

^ Including bonus of Rs.200/ per quintal

@ Including bonus Rs.150/ per quintal

6.6 During the year 2017-18, a total quantity of 2783178.790 MT of Pulses and Oilseeds valuing Rs.13595.99 Crore were procured under Price Support Scheme in different states.

The comparative procurement of Oilseeds and Pulses under taken by NAFED under PSS during last five years is as follows:

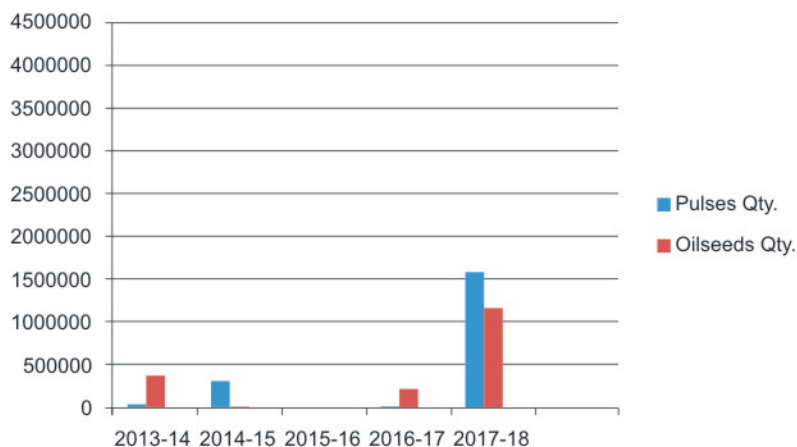
Qty in MT / Value in Rs. Lakh

Procurement of Oilseeds & Pulses under Price Support Scheme of Govt. of India						
Year	Pulses		Oilseeds		Total	
	Qty.	Value	Qty.	Value	Qty.	Value
2013-14	49819	21422	379402	156576	429221	177998
2014-15	313917	97303	12098	4552	326015	101855
2015-16	--	--	4242	1591	4242	1591
2016-17	8268	3968	222169	92562	230437	96530
2017-18	1604922	848912	1178257	510687	2783179	1359599
TOTAL	1976926	971605	1796168	765968	3773094	1737573



### Procurement of Oilseeds & Pulses under Price Support Scheme of Govt. of India During last 5 years

(Qty in MT)



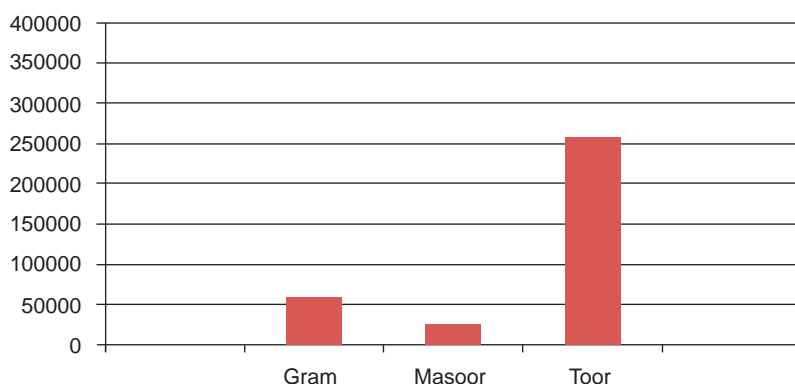
It may be seen that during 2017-18, a record procurement of oilseeds and pulses was made under PSS by NAFED, the highest ever in the history of NAFED.

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

- 6.7 With a view to keep a check on escalating prices, maintaining price stability and ensure availability of stocks to consumers at reasonable prices at all times, Govt. of India decided on 12th September, 2016 to utilize the price stabilization fund for creation of a buffer of 20 lakh tonnes of pulses by way of domestic procurement and imports. The Price Stabilization Fund (PSF) was set up in 2014-15 under the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) to help regulate the price volatility of important agri-horticultural commodities like onion, potatoes and pulses were also added subsequently. The PSF scheme was transferred from DAC&FW to the Department of Consumer Affairs (DOCA) w.e.f. 1st April, 2016.
- 6.8 The scheme provides for maintaining a strategic buffer of aforementioned commodities through direct purchase from farmers/farmers' association at farm gate/Mandi for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation. Nafed was appointed one of the nodal agencies for creating the buffer stock under the scheme besides FCI, SFAC and MMTTC. In compliance to the decision taken, NAFED immediately entered the market and commenced procurement. A quantity of 345420.314 MTs of Pulses valuing Rs.1614.06 Crore was procured by NAFED under PSF during 2017-18.

Buffer Stock of Pulses created by NAFED during 2017-18			
Commodity	Season	Quantity Procured (MT)	Loose Value (Rs. Lakh)
Gram	Rabi - 2017	60272.285	31316.54
Masoor	Rabi - 2017	27071.991	10728.81
Toor	Kharif - 2016	258076.038	119360.16
	<b>Grand Total</b>	<b>345420.314</b>	<b>161405.51</b>

### Buffer Stock of Pulses created by NAFED during 2017-18 (Qty. in MT)





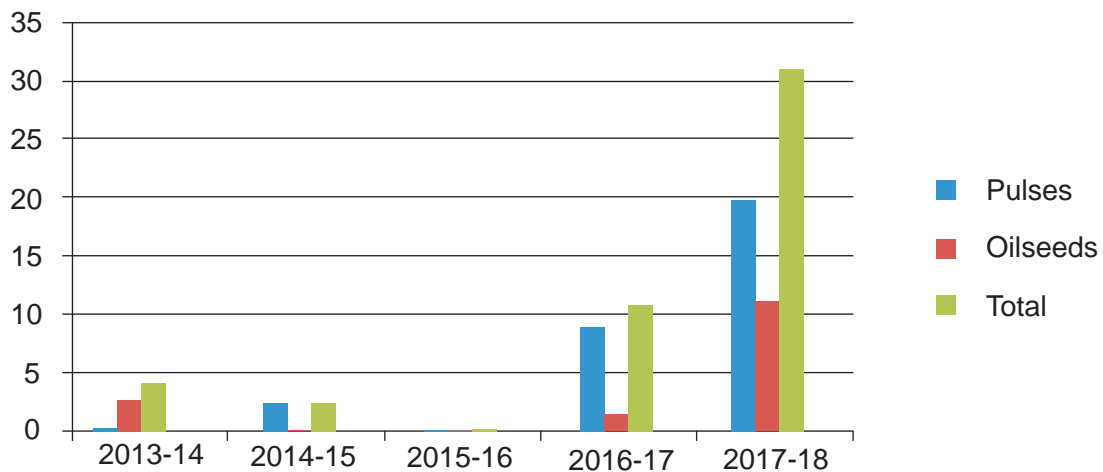
Total procurement of Pulses (PSS & PSF) and Oilseeds (PSS) by NAFED during last five years is as follows:

QTY. IN LAKH MT

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Pulses	0.48	3.14	0.22	8.73	19.50
Oilseeds	3.79	0.12	0.04	2.22	11.78
<b>Total</b>	<b>4.27</b>	<b>3.26</b>	<b>0.26</b>	<b>10.95</b>	<b>31.28</b>

### Total Procurement of Oilseeds and Pulses by NAFED under PSS/PSF during last 5 years

(Qty in Lakh MT)

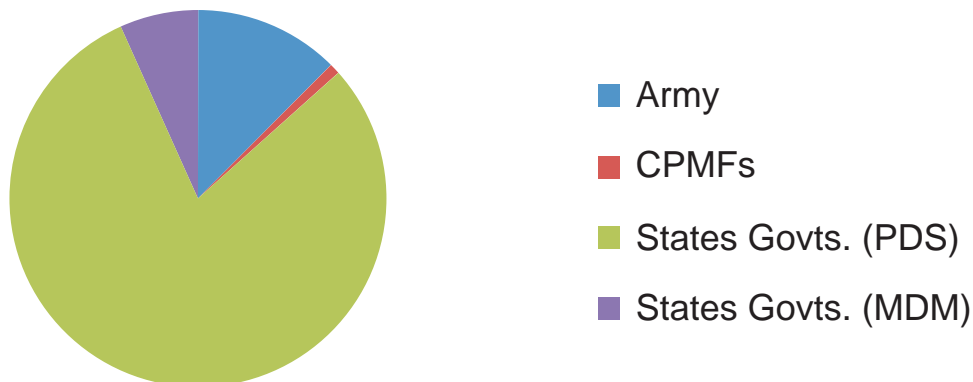


- 6.9 During 2017-18, a quantity of 31.28 Lakh MTs of Oilseeds and Pulses was procured under PSS/PSF Schemes. A sizable quantity of the procured stocks of pulses is under supply to Army and Central Para Military Forces after conversion to Daal in accordance with the decision taken by the Cabinet Secretary on 11.01.2017. The stocks are also being supplied to some states for distribution under the Public Distribution System (PDS) and projects like Mid Day Meals (MDM) and ICDS. The breakup of supplies arranged during 2017-18 is as follows:

#### Supply of Processed Pulses during 2017-18

	Quantity (in MT)
Army	11150.00
CPMFs	604.00
State Govts. (PDS)	71364.50
State Govt. (MDM)	6146.70
<b>Total</b>	<b>89265.20</b>

## Supply of Pulses to different Institutions during 2017-18 (Qty. in MT)



- 6.10 In order to execute the supplies, requisite infrastructure was created by NAFED to ensure quality as per the requirement of the buyers. A full fledged “Institutional Supplies Division” has been created and a team of dedicated officers/staff has been posted in the division. The entire process of supplies has been digitized by installing an electronic portal [nafed.agribazaar.com](http://nafed.agribazaar.com), which has been specially customized for this purpose and manages crucial tasks like empanelment of millers for processing of stocks, assaying and mapping, deliveries, payments, logistics etc. About 250 experienced millers across India have been empanelled through this process after providing wide publicity and following the prescribed procedure. The work of Milling and Supply is assigned to the empanelled Millers on the basis of highest out-turn ratio of Milled pulses
- 6.11 For disposal of stocks in open market, a large number of buyers have been empanelled. The above portal is also being used for conducting e-auction for disposal of stocks. Disposal is also being arranged through the e-auction portal of NCDEX e-Market Limited (NeML) that has a huge base of empanelled buyers. Thus a large data bank of prospective buyers is available through the above portals of NAFED and NeML which ensures transparency, competition and better price recovery.

### Foodgrains

- 6.12 NAFED is undertaking procurement of Paddy under the Price Support Scheme in the states of Uttar Pradesh, West Bengal, Odisha and Assam as one of the State Agencies on behalf of Food Corporation of India / State Government under De-centralized Procurement (DCP) Scheme. NAFED is also undertaking procurement of Wheat in the States of Uttar Pradesh and Rajasthan as one of the State Agencies on behalf of Food Corporation of India/ State Government.
- 6.13 During the year 2017-18, NAFED purchased 114653 MTs of Paddy valued at Rs.18932.21 Lakh in the State of West Bengal, Assam and Uttar Pradesh and 61498.95 MTs of Wheat valued at Rs.9993.56 Lakh in the State of Uttar Pradesh & Rajasthan under the Price Support Scheme.

State wise details of procurement are as follows:

S.No.	Commodity	Procured Qty. (in MTs)	Value (Rs.in Lakh)
<b>Agency Consignment</b>			
<b>Uttar Pradesh</b>	Wheat	60387.870	9813.03
	Paddy	75249.520	12428.44
<b>West Bengal</b>	Paddy	36026.950	5937.96
<b>Assam</b>	Paddy	3376.530	565.81
<b>Rajasthan</b>	Wheat	1111.080	180.53
<b>Total</b>	<b>Wheat</b>	<b>61498.950</b>	<b>9993.56</b>
	<b>Paddy</b>	<b>114653.000</b>	<b>18932.21</b>
	<b>Grand Total</b>	<b>176151.950</b>	<b>28925.77</b>

6.14 During the year, a quantity of 72864.808 MTs of Paddy (CMR) valued at Rs.17037.57 Lakh was disposed off in the state of West Bengal, Assam and Uttar Pradesh and 61234.922 MTs of Wheat valued at Rs.9950.65 Lakh was disposed off in the State of Uttar Pradesh and Rajasthan. The stock was delivered to FCI/ State Govt. of respective States thereby generating a good revenue for the federation.

S.No.	Commodity	Delivered Qty. (In MTs)	Value (Rs.in Lakh)	Gross Profit (Rs.in Lakh)
<b>Agency Consignment</b>				
<b>Lucknow</b>	Wheat	60123.84	10868.33	243.08
	Paddy	79265.66	13281.64	110.94
<b>Kolkata</b>	Paddy	24468.72	5995.76	57.80
<b>Guwahati</b>	Paddy	2262.27	578.13	12.32
<b>Jaipur</b>	Wheat	1111.08	180.53	0.00
	<b>Wheat</b>	<b>61234.92</b>	<b>11048.86</b>	<b>243.08</b>
<b>Total</b>	<b>Paddy</b>	<b>105996.65</b>	<b>19855.53</b>	<b>181.06</b>
	<b>Grand Total</b>	<b>167231.57</b>	<b>30904.39</b>	<b>424.14</b>

## HORTICULTURE

### Procurement and Disposal of Onion under PSF

6.15 As per direction of Department of Agriculture, Cooperation and Farmers Welfare, Govt. of India, Nafed procured a qty. of 5136.742 MTs of onion directly from the farmers in open auction in Lasalgaon Mandi of Maharashtra and Alwar Mandi of Rajasthan under Price Stabilization Fund (PSF) of Govt. of India during the month of September 2017 to March 2018. Procured onion



stocks after its preliminary sorting and grading were dispatched to Delhi for sale through Mother Dairy (SAFAL) outlets and Nafed Adat Shop at Azadpur, Delhi. Service charge of Rs.34.61 lakh was earned in this operation.

## Other Fruits & Vegetables

6.16 During 2017-18, NAFED Azadpur branch sold fruits & vegetables, Onion (procured by Nasik Branch under PSF scheme and Govt. of MP under Market Intervention Scheme) & Garlic supplied by Govt. of Rajasthan (procured under Market Intervention Scheme) and earned a total gross profit of Rs. 110.82 Lakh. Details are as under:-

Commodity	Supplied By	Value in Rs Lakh
Fruits & Vegetables	Azadpur Branch	840.59
Onion	Nashik branch (under PSF scheme of Govt. of India)	610.30
Onion	Govt. of MP (procured under MIS)	418.90
Garlic	Govt. of Rajasthan (procured under MIS)	11.14
	<b>Total</b>	<b>1880.93</b>

## Spices

6.17 During the year, NAFED procured 140.45 MTs of spices valuing Rs.249.55 Lakh in commercial account. The procured stock was sold in domestic market at Rs. 266.66 Lakh, thereby earning a profit of Rs. 15.67 Lakh. Details are as under:

Commodity	Qty Purchased	Purchase Value	Sale Value	Gross Profit
<b>Black Pepper</b>	30.35	144.61	147.20	2.39
<b>Dry Ginger</b>	106.00	100.68	114.88	12.99
<b>Cloves</b>	0.10	0.70	0.72	0.01
<b>Turmeric</b>	4.00	3.56	3.86	0.28
	<b>140.45</b>	<b>249.55</b>	<b>266.66</b>	<b>15.67</b>

Qty in MT / Value in Rs. Lakh



## Seeds & Planting Material

- 6.18 Nafed is one of the Central Seed Production Agencies nominated by Govt. of India and has been undertaking production of breeder, foundation & certified seeds and distribution of certified seeds of pulses and oilseeds under NFSM and NMOOP schemes of Govt. of India. The federation has now commenced marketing of certified seeds of Wheat and Gram through distributor network in the State of Rajasthan.
- 6.19 During the year 2017-18, seeds business of 7030.105 MTs valuing Rs.4248.69 Lakh was undertaken by Nafed through its empanelled seed producers under centrally sponsored scheme NMOOP (1055.107 MTs valuing Rs.906.40 Lakh) and NFSM (5947.998 MTs valuing Rs.3848.90 Lakh) to meet the requirement of various Government Departments / Institutions.



## International Trade

- 6.20 With a view to augment business activities of Nafed, to generate additional revenue and to establish its presence in global market, NAFED created International Trade Division and executed export of various agri-commodities.
- 6.21 During the visit of VVIPs of Govt. of India to different developing / under developed countries, humanitarian assistance of various food / house hold goods is announced. Recognizing NAFED's competence and capability to supply such items as per prescribed quality parameters and time schedule, during 2017-18, Ministry of External Affairs, Govt. of India entrusted NAFED with the task of arranging supply of various agri-commodities / house hold items to several countries as humanitarian AID. The supplies were successfully executed to the complete satisfaction of Govt. of India and the importing countries.

Details are as under :

S.No.	Country	Commodity/Quantity	Month of Supply	Value (in Rs. Lakh)
01.	Bangladesh	Relief material of essential Items / 70000 Packets	Sept. 2017	615.81
02.	Myanmar	Relief material of essential Items / 70000 Packets	Nov. 2017	34.64
03.	Ethiopia	Humanitarian Aid of 1000 MTs Rice	Feb. 2018	371.37
			<b>Total</b>	<b>1021.82</b>



6.22 The MEA has also entrusted Nafed the job of development of an E-Portal for Trading in Agricultural Commodity between India and East African Countries. The project is under execution. Further, Nafed is also following up with the concerned authorities in several countries including Bangladesh, Nepal etc. for export of agri-commodities under Government to Government (G2G) arrangement.



## Consumer Marketing

6.23 NAFED ventured into consumer marketing with a view to diversify its activities and to make available essential items of daily needs like grocery, tea and poultry etc. to the consumers at affordable prices. Nafed is running four outlets and five franchisee shops in Delhi and two in Shimla in the name of Nafed Bazaar for this purpose. Nafed has now planned to expand retail marketing on pan India basis by appointing distributors/state level stockists. Besides direct retailing, Nafed is also supplying grocery and other items to prestigious institutions in the country including reputed Hospitals, Public Sector Undertakings, Schools, hostels etc.

- 6.24 During 2017-18, the turnover of grocery items increased to Rs 18.88 crore from Rs.16.52 crore during the preceding year and overall profit of Rs 1.50 crore was earned in consumer business.
- 6.25 Nafed brand tea is extremely popular amongst the consumers and is now available in three variants and nine flavours in tea bags. Nafed has its own blending and packaging unit at Guwahati. During the year, 200 MTs of Nafed brand tea was sold. The business of eggs was to the tune of Rs 231.23 lakh generating an income of Rs. 26.06 lakh.



## Cotton

- 6.26 Nafed continued to be nodal agency of the Government of India, in addition to Cotton Corporation of India (CCI), for procurement of Cotton at Minimum Support Price (MSP) under PSS. After issuance of latest PSS guidelines by Govt. of India with regard to procurement of cotton under PSS in the year 2014, NAFED has not received any proposal from any State Govt. for procurement of cotton. Therefore, procurement of Cotton under PSS has not been undertaken by NAFED after 2012-13.

## Industrial & Warehousing Units

### Nafed Bio-Fertilizer, Indore

- 6.27 Products manufactured by NAFED Bio-Fertilizer, Indore viz Rhizobium, Azotobacter and PSB continued enjoying the popularity amongst the farming community in the country during the year, despite the prevalent cut-throat competition in the trade. The product Rhizobium and Azotobacter fix atmospheric nitrogen and reduce use of chemical fertilizers. The item PSB enhances the effectiveness of expensive chemical fertilizers like Single Super Phosphate and DAP, has excellent market potential.



Being organic fertilizer and soil friendly, it also enhances soil fertility and ultimately productivity.

- 6.28 Nafed Bio fertilizer products are marketed through branches/centers located at various places to facilitate proper and timely distribution to the buyers in different parts of the country. The Nafed Bio Fertilizer Plant branch has also started the production and marketing of liquid Bio-Fertilizers and other agri-inputs like Trichoderma (biofungicide) required for the farming community. The Bio-Fertilizer branch is facilitating the farmers to improve their productivity as well as quality of their products to greater extent.

Nafed Bio Fertilizer, Indore achieved a turnover of Rs. 97.69 Lakh during 2017-18.



### **Cold Storage, Delhi**

- 6.29 Nafed Cold Storage located at Lawrence Road, Delhi earned Rs.85.48 Lakh during 2017-18 by storing different perishable commodities of private parties.

### **Nafed Warehousing & Processing Industries, Vashi**

- 6.30 The complex, having four components, is mainly utilized for storage of agricultural commodities. Out of these, one godown is being used as bonded warehouse by the Department of Customs. Two godowns & one cold storage are rented out. The total income generated by this unit by way of rental income for the warehousing activities during the year 2017-18 was to the tune of Rs.251.27 Lakh.

### **Nafed Pre-cooling and cold storages, Pimpalgaon/Lasalgaon, Nasik**

- 6.31 The units have been setup to undertake grading and processing and to provide cold storage facilities for grapes & onions for export as well for domestic market. The total income generated by the units during the year 2017-18 was Rs.31.11 Lakh.

### **Project & Properties**

- 6.32 Nafed owns 17 Freehold and 25 Leasehold properties all across India in the form of Lands, Plots, Residential, Office Premises, Godowns, Cold Storage and Industrial Units. Some of the properties which were lying un-utilized have been leased out to generate additional revenue. The vacant plot at Vashi (Navi Mumbai) has been leased out on BOT basis for construction of State-of-the Art Cold Storage of 2400 MT capacity. Rental income of RS.7,40,87,705.00 was generated during the year by effective utilization of Nafed's Properties.

6.33 Further, In order to arrange adequate storage for buffer stocking of Onion procured under Price Stabilization Fund Scheme of Govt. of India, Nafed has floated an expression of interest for construction of Onion Cold Storage of 5000 MTs capacity each at Delhi, Madhya Pradesh, Telangana and Maharashtra.

## Human Resource Development

6.34 In order to identify the training needs and equip the employees with requisite skills and competencies to enable them to perform their tasks more efficiently and effectively for attainment of organizational objectives, HRD of Nafed has compiled the data of each employee of the Federation based on qualification, expertise, experience etc.

6.35 In line with the above, 13 officers and staff members of Nafed were deputed for attending various Programmes / Seminars / Workshops organized by CICTAB, IIFT, ICA and other reputed institutions during the year.

6.36 HRD also encourages students from across the Universities and Colleges to avail opportunities of self development by taking up internship projects of mutual interest in various departments of NAFED. During the year, 44 delegates/students/trainees/faculty members from different institutions visited NAFED to acquaint themselves about the activities of NAFED. Campus interviews were held for recruitment of Management Trainees. Also, a process to recruit skilled manpower with specialization in Consumer and Retail Marketing, Foreign Trade, HR, Logistics and Warehousing and Finance was initiated.



## Personnel

6.37 Personnel Division is the backbone of any organization and plays a crucial role to rationalize the requisite manpower in various Divisions of the organization in the Head Office and Branches on real time basis so as to optimize per employee profit to the Federation. The Personnel Division of Nafed has always endeavored to achieve the above goals and takes pro-active steps for timely promotions and to timely resolve any situation of manpower constraint. In addition, casual / consolidated / outsourced engagements of skilled manpower is also undertaken as and when there is a work pressure due to increasing business activities.

6.38 As on 31.3.2018, the manpower strength of the organization was 347 as against the approved budget of 508. During the year, 13 employees have retired / resigned / expired. 97 eligible employees were promoted to the different posts through meetings of Departmental Promotion Committee.

6.39 A Grievances Cell has been established in the organization to resolve the grievances of employees. Also a number of hospitals at different locations have been empanelled to provide medical facilities to the employees.

## Library

6.40 Nafed has a well stocked library having books on various topics ranging from agriculture, management, fiction etc. Various kinds of journals, reports, magazines and periodicals are also available in the library. Daily press clippings regarding market intelligence, agricultural commodities and news reports pertaining to Nafed are circulated to the business divisions on regular basis. New books on various subjects are added to the library every now and then.



## Public Relations

6.41 The PR Division leaves no stone unturned to achieve the vision of widely spreading awareness about the activities and role of Nafed amongst farmers & consumers. During the year, Nafed participated in various Exhibitions/Kisan Melas/Seminars listed as under:

- Agriculture Krishi Unnati Mela 2018 at New Delhi
- India Today Krishi Summit (Agriculture Conclave 2017)
- International Agriculture & Hort. Expo 2017 at Pragati Maidan

- Agri Vikas 2018 at Bhubneshwar
- National Workshop on Revitalizing Cooperatives organized by VAMNICOM at Pune
- Emerging North East 2018 at Guwahati and many more on all parts of India.



6.42 Besides the above, advertisements / news clippings related to Nafed's business activities are being inserted in some of the leading monthly magazines & periodicals listed below:-

- Gramin Upbhokta magazine
- Bhartiya Rail Magazine
- Lok Panchayat – a Hindi monthly Newsletter
- India Today special issue on “Institution that Build India”
- Hindustan – A Hindi Newspaper

6.43 PR Division also organizes publicity materials including banners, brochures, standees etc. for promotion of Nafed brand and for display in various Exhibitions / Agricultural Fairs / Events etc.

6.44 For preparation of effective documentary films and printing of catchy publicity material for Nafed, the process of empanelment of agencies already empanelled with DAVP is under progress.

### Information Technology

6.45 Following initiatives were taken by IT Division during the Year:

- Modernized/upgraded IT Equipment & Software at Nafed HO and Branches.

- Implementation of TALLY Financial System at HO and Branches
- Migration to new Mail Server ensuring 24x7 seamless services to users across Nafed and New mailing address with “Nafed-india.com” domain commissioned and being used successfully .
- Upgradation of uninterrupted Leased Line for faster/better internet services
- Redesigning of Nafed’s Website with dynamic user friendly components/ features.
- Effective 24x7 Firewall installed on latest server blocking unscrupulous sites.
- Uploading of Tenders/News Items regarding purchase and disposal of agricultural commodities on Web-Site
- For facilitating effective communication in the most cost effective mode, the process of installation of Video Conferencing facility between HO and select Branches initiated.
- Dynamic Features added to Mobile Application System launched by Hon’ble Agricultural Minister, Sh. Radha Mohan Singh ji.
- For effective display of the data of PSS Real-Time Procurement and eye catching photographs of business activities of Nafed, a new Dash Board/Smart TV is under installation at Reception of Nafed HO and Krishi Bhavan.

## Legal & Tie-up

- 6.46 All Divisions and Branches of Nafed are proactively being assisted by the Legal Division. Closely monitoring all pending tie-up, legal cases on all India basis in close coordination with empanelled advocates, Divisions at HO and Branches is being done by the Division. Advocates have been replaced in a few cases after reviewing their performance and success.
- 6.47 The work performances and related positive outcomes of Tie-Up & Legal Division during the year are summarised below:
- Successful execution of Debt Settlement Agreement dated 27.03.2018 with lender banks to settle all outstanding disputes with regard to their outstanding payments.
  - Successful compliance of order dated 23.10.2017 modified by the order dated 13.11.2017 passed by the Division Bench of Hon’ble Delhi High Court in the matter of Alimenta whereby vacating the restraining order subject to deposit of amount in terms of the said order. The requisite money has already been deposited before Registrar General of Delhi High Court.
  - Conclusion of trial in the matter of Alimenta Vs. Nafed (Civil Suit No. 2659/1984) pending adjudication before Hon’ble Bombay High Court and is now reserved for judgement.
  - The execution process in the matter of SGI before Hon’ble Bombay High Court is progressing well to dispose of the security to recover outstanding amount.
  - Successful conviction in 7 criminal complaints u/s 138 of N.I. Act filed by Nafed against M/s Rital Impex and its Proprietor Mr. Rajesh Khanna for dishonour of the cheque worth Rs.46 crore.
  - Positive efforts are being made to settle the matter of a few tie-up defaulters who recently approached Nafed for their respective settlements.

## New Initiatives

- 6.48 Nafed has learnt and understood the threats of mass-burning of biomass/agricultural waste on both environment and human health. NAFED along with its technology partners will setup Bio-CNG plants across the country that will utilize municipal, agriculture, industrial and other wastes to produce effective, efficient and greener energy not only to make a greener tomorrow but also to help farmers to utilize their agricultural waste efficiently.

6.49 To handle the social cause, a Memorandum of Understanding has been signed with Indian Oil Corporation Limited (IOCL) to off take Bio-CNG produced at waste processing plants, where NAFED will be producer and seller of Bio-CNG and IOCL will be buyer for the future Bio-CNG production. An MOU has also been executed with technology partner to use agricultural waste, residues, msw, animal wastes and other bio wastes to produce energy outputs and other value added products.



## NHRDF

6.50 The National Horticultural Research and Development Foundation (NHRDF) is a National level Organization was established by National Agricultural Co-op. Marketing Federation of India Ltd. (NAFED) and its Associate Shippers on 3rd November, 1977 under the Societies Registration Act, 1860 at New Delhi with a view to carry out Research and Development activities on various export oriented horticultural crops thereby to increase their yield and quality as also export. Onion and garlic are the two major crops being researched and developed by the Foundation for the past 4 decades. The management of the NHRDF vests in the Managing Committee, which consists of 4 representatives from NAFED comprising of Managing Director, NAFED as an Ex-officio, 5 members from Associate Shippers (onion exporters), 6 from progressive farmers engaged in cultivation of horticultural crops, 4 from eminent scientists / experts in related fields and Director NHRDF as Member Secretary of the committee.

6.51 The NHRDF worked as Nodal Agency for implementing the Central Sector Scheme of Integrated Development of Vegetables including Root and Tuber Crops (IDV) of the Ministry of Agriculture & Farmers Welfare, Government of India from the year 2000-01 to 2004-05. The NHRDF has been designated as a National Level Agency under the Mission for Integrated Development of Horticulture (MIDH) Scheme of the Ministry of Agriculture & Farmers Welfare, Govt. of India for implementing different components of the MIDH through different centres of NHRDF. The NHRDF has also been honoured as a National Level Agency for monitoring of the vegetable development programmes

under the National Vegetable Initiation for Urban Clusters (VIUC) of the Ministry of Agriculture & Farmers Welfare, Government of India. The NHRDF is also a Voluntary Centre for conducting Network Research Programmes under the All India Coordinated Research Programmes (Vegetable Crops) and All India Network Research Project on Onion and Garlic (AINRPOG) of ICAR NHRDF is also imparting training on improved cultivation and post-harvest management of onion and garlic to the Agriculture and Horticulture Officials of SAARC countries like Nepal, Bangladesh, Bhutan & Sri Lanka.

6.52 The Foundation has now started research work on other export oriented crops like Okra, French bean, Bitter gourd, Chilli and Babycorn.

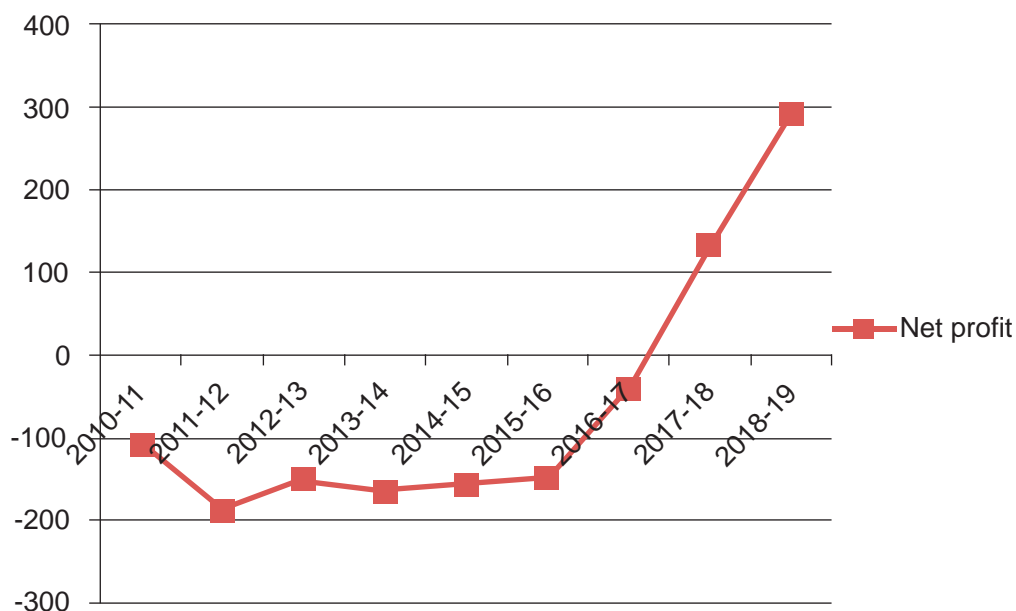
### Settlement with Lending Banks

6.53 NAFED signed the Debt Settlement Deed with lender banks on 27th March, 2018 at its Head Quarters in New Delhi towards one time settlement of its outstanding dues with the bankers. The agreement was signed by Mr. Sunil Kumar Singh, AMD on behalf of NAFED with Sh. A. D. Srinivas, Deputy General Manager of Central Bank of India on behalf of the eight lender banks. The one time settlement with banks has been made at Rs. 478 Crore with cash payment of Rs 220 Crore and assignment of sale rights of one of Nafed's prime properties located at Lawrence Road, New Delhi. The banks are also entitled to the auction rights of the property of one of the defaulters of NAFED's tie up business.

6.54 The Govt. of India had constituted a Committee headed by Additional Secretary & Financial Advisor, Department of Agriculture, Cooperation & Farmers' Welfare comprising of senior officials from the Departments of Expenditure, Financial Services, Cooperation and Managing Director, NAFED, to work out the scheme for the financial revival including the One Time Settlement with the banks. The Committee had held various meetings with the lender banks and decided the OTS in January, 2016.

6.55 Initially, the Govt was to provide the financial assistance through the interest free loan against Nafed's properties. This was however not required as NAFED was able to pay the cash amount of Rs. 220 Crore out of its own income generated on account of record profits earned during 2017-18.

### P/L Position of Nafed during 2010-11 to \*2018-19 (\*first quarter)



6.56 It may be recalled that the defaults in payments by NAFED to its lending bankers had reached a level when NAFED had no money to pay in the year 2011-12. The arduous journey from a period of acute financial crisis, staring at imminent closure to the present when it has reported highest ever profits and wiped out its liabilities to lender banks as well other high value creditors is commendable. The settlement has brought much relief to the Organization and its employees in particular and Cooperative Sector in general and the federation has bounced back much to the relief of the farmers.





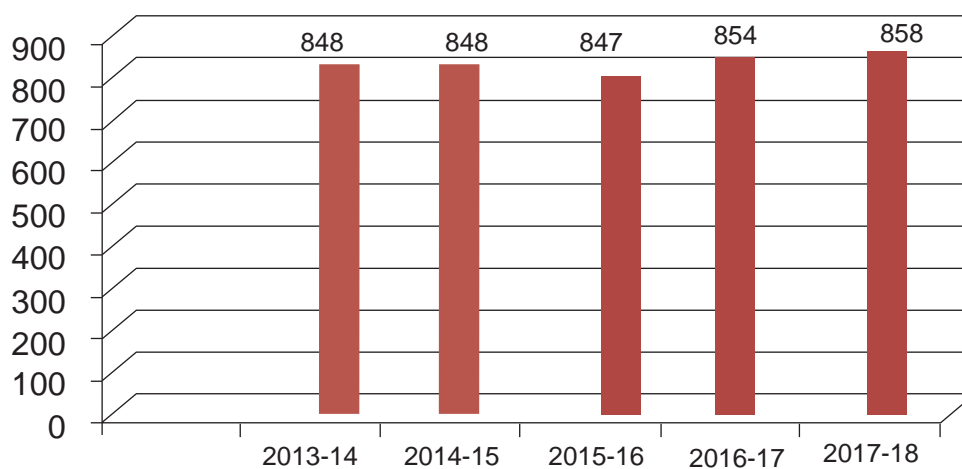
## CHAPTER 7

### MEMBERSHIP

7.1 The membership of NAFED increased from 854 to 858 during the year 2017-18. The detailed composition of the membership as on March 31, 2018 is as under:-

S. No.	Category of Members	Total Number of Members as on 01.04.2017	Total Number of Members as on 31.03.18
1.	State Level Marketing Federations	25	25
2.	Apex Level Marketing Federations	03	03
3.	State Level Tribal & Commodity Federations	24	24
4.	Primary Marketing / Processing Societies	800	804
5.	NCCF & Other National Level Coop. Organizations	02	02
	<b>Total</b>	<b>854</b>	<b>858</b>

#### Growth in Membership during last 5 years



■ Total Number of Members as on 31.03.2018

## CHAPTER 8

# MEETINGS OF THE BOARD OF DIRECTORS AND ANNUAL GENERAL BODY

8.1 NAFED convened various important meetings of Annual General Body, Board of Directors, Executive Committee, Business Committee from time to time to lay down the policies and to conduct and review the affairs of the Federation as per details below:-

Meetings	Number of meetings held	Date
Annual General Body	1	23.09.2017
Board of Directors	4	26.04.2017 28.08.2017 23.09.2017 04.01.2018
Business Committee	3	29.06.2017 28.08.2017 29.11.2017
Executive Committee	3	29.06.2017 28.08.2017 04.01.2018
Finance, Accounts & Audit Committee	2	29.06.2017 28.08.2017
Project Committee	--	--





**nafed**

A Farmers' Cooperative  
60 years in Service



### ACKNOWLEDGEMENT

The Federation places on record its appreciation for the valuable assistance & cooperation received by it during the year 2017-18 from its member constituents and all other cooperative organizations at the National, State and Primary-levels. NAFED is grateful to the Union Ministry of Agriculture, Cooperation & Farmers Welfare, Ministry of Consumer Affairs, Food & Public Distribution, Ministries of Commerce, Finance and External Affairs, whose Policies & Schemes for improving the economic level of the small farmers and tribal, have helped NAFED to achieve its objectives.

Similarly, NAFED would like to place on record its gratitude and appreciation for the cooperation and assistance rendered to it by the Agriculture & Cooperation Departments of the State Governments / UT Administrations, particularly in implementing Price Support Scheme. NAFED is also thankful to DGFT, RBI, NCDC, FCI, APEDA, IFFCO, KRIBHCO, SFAC, NHB, DMS, CWC and SWCs, Civil Supplies Corporations of State Governments, SBI, ICICI, IOB, Punjab & Sind Bank, PNB, UBI, Syndicate Bank, Dena Bank, Central Bank of India, Oriental Bank of Commerce, Bank of Maharashtra, State Bank of Bikaner & Jaipur, Federal Bank, South Indian Bank, State Cooperative Banks of various States and other institutions including business associates and Auditors, who have been extending their cooperation to NAFED in its various activities. The Board of Directors and Management of NAFED place their gratitude on record to all of them.

The Board of Directors also expresses their appreciation for the dedicated and devoted services rendered by the employees under the leadership of the Chairman and the Managing Director.

## CHAPTER 10

### List of the Members of Board of Directors (1st April 2017 to 31st March 2018)

1. Shri V.R. Patel, Chairman
2. Shri Dileep Sanghani, Vice-Chairman
3. Dr. Sunil Kumar Singh, Vice-Chairman
4. Dr. Bijender Singh
5. Dr. Chander Pal Singh Yadav
6. Shri R.S Joon
7. Shri Siby J. Monipally
8. Shri Ashok Thakur, Govt. Nominee
9. Shri Virendra Singh
10. Shri Jagjit Singh Sangwan
11. Shri Vishal Singh
12. Shri Ramakant Bhargava
13. Shri Ranjit Pandey
14. Shri Gurchet Singh
15. Shri Harvinder Kalyan, MLA
16. Shri Aditya Yadav
17. Shri K.V. Suryanarayan Raju
18. Shri Ellapatty M. Murugan
19. Shri Bhanwar Singh Shekhawat
20. Shri Patangay Jayavanth Rao  
( w.e.f. 09.01.2018 )
21. Shri Nana Sahib Dattaji Patil
22. Shri Sanjeev Kumar Chadha, IFS,  
Managing Director

#### **Coopted Directors**

1. Shri Vithal Bhai Bodar

#### **Functional Directors**

1. Shri Sunil Kumar Singh
2. Shri S.K. Verma
3. Shri A.K. Rath
4. Shri A. K Jain

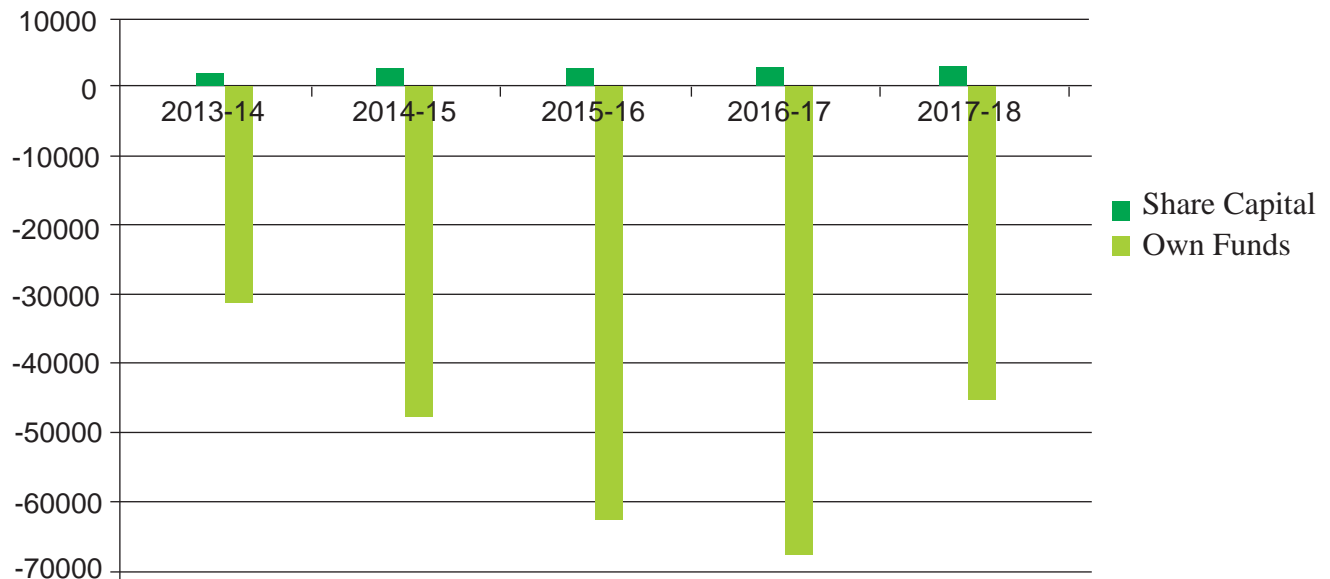
## CHAPTER 11

### Annexure-I

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

(Value in Rs. Lakh)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Share Capital Contributors:					
Cooperatives	2182.83	2406.48	2417.71	2428.11	2467.18
<b>Total</b>	<b>2182.83</b>	<b>2406.48</b>	<b>2417.71</b>	<b>2428.11</b>	<b>2467.18</b>
Reserve and Other Funds					
Funds	(-) 1718.07	(-) 34473.16	(-) 50554.61	(-) 65771.53	(-)70230.24
Net Profit(+)/Loss (-)	(-) 16613.99	(-) 15667.57	(-) 14806.68	(-) 4074.74	22681.40
<b>Total own Funds</b>	<b>(-) 31849.23</b>	<b>(-) 47734.25</b>	<b>(-) 62943.58</b>	<b>(-) 67418.16</b>	<b>(-)45081.65</b>



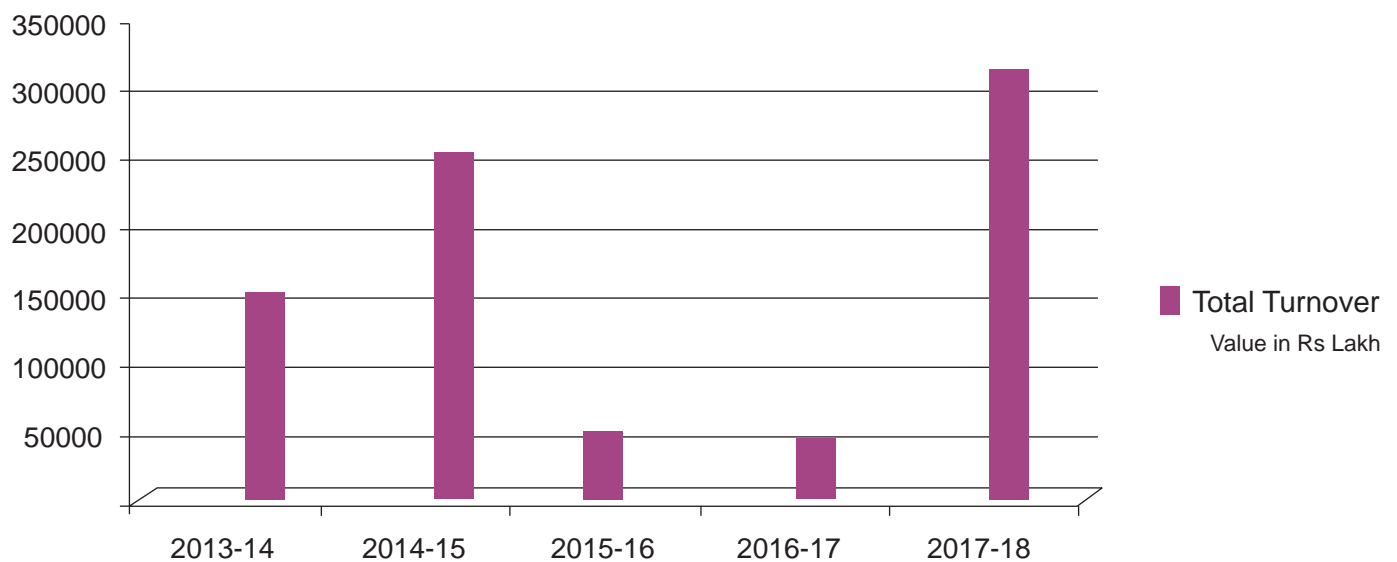
## Annexure-II

# TURNOVER DURING THE LAST 5 YEARS

(Value in Rs. Lakh)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>(A) Internal Trade:</b>					
1. Outright	39561.88	5954.80	17923.10	24078.83	153433.31
2. Agriculture Inputs	11.74	---	---	--	---
3. Industrial Units	1300.08	886.51	2672.72	3496.74	4248.70
4. PSS/ PSF /Sales in GOI account	108212.62	244741.84	33822.45	22901.14	163585.64
<b>Total:</b>	<b>149086.32</b>	<b>251583.15</b>	<b>54418.27</b>	<b>50476.71</b>	<b>321267.65</b>
<b>(B) Foreign Trade:</b>					
1. Outright Export	2799.75	54.66	----	---	---
<b>Total:</b>	<b>2799.75</b>	<b>54.66</b>	<b>----</b>	<b>----</b>	<b>---</b>
<b>Total Turnover (A+B)</b>	<b>151886.07</b>	<b>251637.81</b>	<b>54418.27</b>	<b>50476.71</b>	<b>321267.65</b>

## Total Turnover



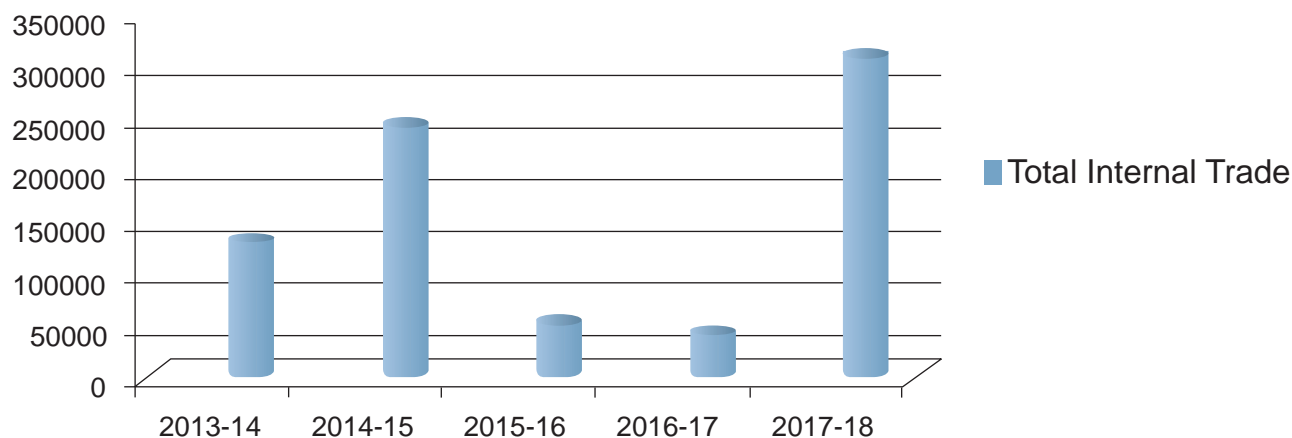
### Annexure-III

## Internal Trade during the last 5 years

(Value in Rs. Lakh)

Commodity	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Outright:*</b>					
Foodgrains	19236.55	2086.23	15028.91	15392.07	31089.46
Pulses	29327.10	106454.34	27479.36	20528.76	240511.58
Oilseeds & Oils	39499.40	131294.20	5933.52	2631.31	34673.99
Spices	562.27	542.33	499.40	372.29	266.66
Horticulture	508.26	616.60	637.44	1014.97	2359.53
Cotton	51745.60	7211.01	----	---	---
Jute Goods	35.83	22.53	110.45	7.39	712.82
Poultry	274.01	205.74	205.11	225.53	231.23
Fertilizers	4157.77	1367.80	122.63	127.98	---
Seed	948.72	817.82	----	3237.28	774.97
Misc. Items (Rubber, Sugar, Tea, Salt, Misc. etc.)	1478.99	895.86	1728.73	6807.65	6398.71
Agricultural Inputs	11.74	-	-----	----	---
Industrial Units	1300.08	68.69	2672.72	131.48	4248.70
<b>Total Internal Trade</b>	<b>149086.32</b>	<b>251583.15</b>	<b>54418.27</b>	<b>50476.71</b>	<b>321267.65</b>

\*Including PSS/PSF Sale.





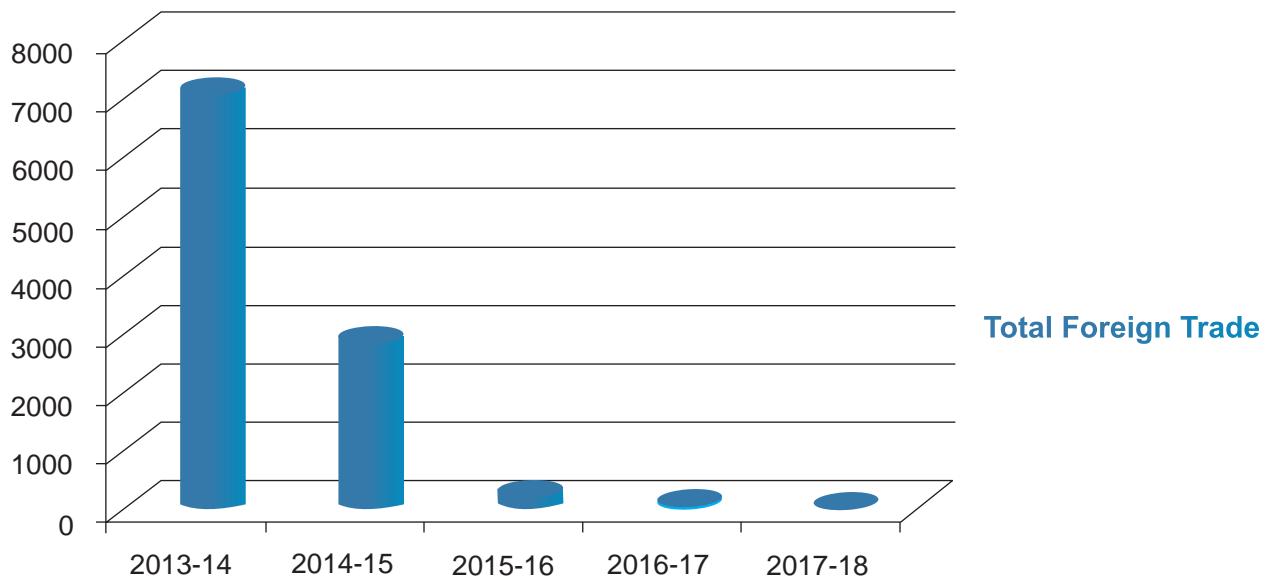
## Annexure – IV

# Commodity-wise Foreign Trade of NAFED during the last 5 years

(Qty. in MTs/Value in Rs. Lakh)

Commodity	2013-14		2014-15		2015-16		2016-17		2017-18	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
<b>Outright Exports</b>										
<b>1. Horticulture</b>										
Onion	7099	2799.75	231.02	54.66	Nil	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>7099</b>	<b>2799.75</b>	<b>231.02</b>	<b>54.66</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Foodgrain &amp; Pulses</b>										
Maize	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Outright Exports</b>	<b>7099</b>	<b>2799.75</b>	<b>231.02</b>	<b>54.66</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Foreign Trade</b>	<b>7099</b>	<b>2799.75</b>	<b>231.02</b>	<b>54.66</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

(Qty in Mts/Value in Rs. Lakh)



## Procurement of Oilseeds, Pulses & Cotton under PSS by NAFED

Commodity	Year	Support Price MSP+Bonus	Qty. procured in MTs	Value Rs. In Lakh MSP+Bonus	Major States of procurement
1. Soyabean	2016-17	2775	164.09	43.89	Maharashtra
	2017 K	2850+200	72280.731	22045.62	Maharashtra, Rajasthan, Telangana
2. Groundnut	2013-14	4000	338567	145732.02	Maharashtra, Gujarat, 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
3. Mustard seed	2014-15	3050	1714.821	558.56	Rajasthan
	2017-18	3900+100	13682.669	5473.07	Haryana, Rajasthan
4. Sunflower seed	2012-13	3700	1499	554.67	Karnataka
	2013-14	3700	4383	1634.22	Karnataka
	2014-15	3750	4153.213	1655.28	Odisha and Haryana
	2015-16	3750	4237.684	1589.13	Odisha and Haryana
	2016-17	3850+100	4949.268	1880.72	Odisha and Haryana
	2017-18	3850+100	6539.042	2582.92	Odisha, Haryana and Telangana
5. Copra	2012-13	5100 (Milling)	64962	35322.94	Tamilnadu, Kerala, AP, L.Dweep
	2013-14	5350 (Milling)	9275	5199.35	Karnataka, Kerala.
		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
7. Urad	2012-13	3300	1.57	0.63	Rajasthan
	2013-14	4300	77050.806	34543.75	Maharashtra, AP, UP, MP, Guj., W.B., Raj., Karnataka, Jharkhand
		4300	7453.262	3611.45	Jharkhand, WB, AP, Maharashtra, UP,
	2014-15	4300	6.70	6.56	Maharashtra
		5200+200	268178.981	144816.65	Maharashtra, Gujarat, Rajasthan, UP, Karnataka, AP and Telangana
	2017 K	5200+200	268178.981	144816.65	Maharashtra, Gujarat, Rajasthan, UP, Karnataka, AP and Telangana
	2017 S	4575+425	15747.647	7873.82	M.P.
2018 R	5200+200	95.010	51.31	Telangana	

8. Arhar	2012-13	3850	16004.835	6328.15	Maharashtra, AP,MP
	2013-14	4300	42693	18755.12	Maharashtra, AP
	2014-15	4300	1079.648	1069.87	Maharashtra, AP
	2016 K	4625+425	196207.900	99084.99	Maharashtra, Gujarat and Karnataka
	2017 K	5250+200	603158.686	328721.48	Maharashtra, Gujarat, AP, Telangana and Karnataka
9. Moong	2016-17	4800+425	8267.58	3968.43	Maharashtra and Karnataka
	2017 K	5375+200	293672.932	163722.66	Maharashtra, Rajasthan, Karnataka, AP, Telangana
	2017 S	4800+425	112407.165	58732.74	M.P. and Odisha
10. Sesamumseed	2017 K	4800+200	3739.767	1869.88	West Bengal
11. Cotton	2012-13	3600/3900	181510.347	70776.83	AP, Maharashtra

Note : K denotes to Kharif Season  
R denotes to Rabi Season  
S denotes 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 Rs. Lakh	Major States of procurement
1. Potato	1997-98	125-130/350	4697	159.27	UP, Karnataka
	2003-04	190	733	21.48	UP
2. Onion	1996-97	300	60	1.98	Karnataka
3. Eggs (Qty in Lac No.)	1992-93	65/100	26.99	17.19	AP
	1993-94	75/100	91.02	61.63	AP
	1994-95	75/100	28.21	37.61	AP
	1995-96	82/100	34.82	32.96	AP, Punjab
	1996-97	110/100	141.43	137.51	AP, Punjab
	1999-2000	100/100	85.89	87.00	AP
	2000-01	90/100	34.93	31.20	AP
	2001-02	100/100	31.75	32.70	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

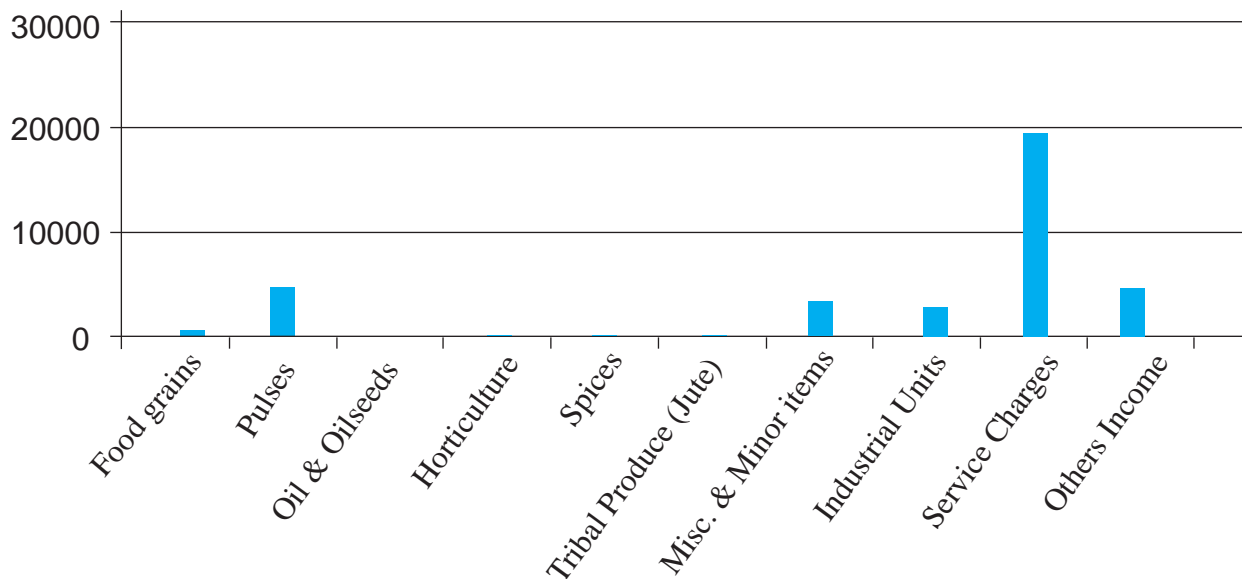
## Annexure – VII

# Commodity-wise Profit/Loss statement for the year 2017-18

(Value in Rs. Lakh)

Sr. No.	Commodity/Group	Gross Profit/Loss
1.	Food grains	448.33
2.	Pulses	4685.80
3.	Oil & Oilseeds	---
4.	Horticulture	39.35
5.	Spices	15.68
6.	Tribal Produce (Jute)	13.87
7.	Misc. & Minor items including Poultry, Rubber, Tea, Salt, Sugar, Seeds, Fertilizer, etc.	313.42
8.	Industrial Units	292.64
9.	Service Charges /PSS/PSF/MIS/etc.	18968.52
10.	Others Income/Expenses, etc.	436.26
	<b>Gross Profit/Loss</b>	<b>25213.87</b>

## Gross Profit/Loss 2017-18



# Annual Accounts

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## CHAPTER 12 (i)

<p><b>GUPTA DUTT &amp; ASSOCIATES</b> CHARTERED ACCOUNTANTS 219, ANARKALI BAZAR JHANDEWALAN EXTENSION NEW DELHI-110055</p>	<p><b>SPMR &amp; ASSOCIATES</b> CHARTERED ACCOUNTANTS 1208, DEVIKA TOWER 6, NEHRU PLACE NEW DELHI-110019</p>
<p><b>VIDYA &amp; CO</b> CHARTERED ACCOUNTANTS 703, PRAGATI TOWER, 26, RAJENDRA PLACE, NEW DELHI -110008</p>	

## INDEPENDENT AUDITORS' REPORT

To  
The Members  
**National Agricultural Co-Operative Marketing Federation of India Ltd**

### Report on the Financial Statements

1. We have audited the accompanying financial statements of National Agricultural Co-Operative Marketing Federation of India Ltd. (hereinafter referred to as "FEDERATION") as at March 31, 2018, which comprises the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are trading operations of commodities on behalf of Government of India under Price Support Scheme Operations and Price Stabilization Fund audited by independent firms of Chartered Accountants and primarily relied upon by us.

### Management's Responsibility for the Financial Statements

2. The Federation's Management is responsible for 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 Standards issued by Institute of Chartered Accountants of India as applicable to the Federation and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## Auditors' Responsibility

3. 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 to design audit procedures that are appropriate in the circumstances, but not for 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.

## Basis for Qualified Opinion

4. On the following points, we are unable to ascertain and report the impact on the Balance Sheet and Statement of Profit and Loss.
- A. The financial statements of the Federation have been prepared on going concern basis notwithstanding the fact that its net worth is completely eroded. The appropriateness of the said basis is inter-alia dependent on the Federation's ability to improve its financial performance, realization of debts and one time settlement from the banks.**
- B. We refer to Para 4.a above of the report and note No 22 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15 regarding recognition of Deferred Tax Asset amounting to Rs. 11,75,14,511/-. In the absence of substantial evidence, we are unable to comment on virtual certainty of realization of Deferred Tax Asset in future.**

**In our opinion to that extent the profit for the year in the Statement of Profit & Loss is overstated and accumulated losses in the Balance Sheet are understated.**

- C. Provisions have not been held in the following cases:**
- i. Out of Tie-up receivables of Rs.1065.61 Crore (Pr. Year Rs.1066.73 Crore), receivables amounting to Rs.263.13 Crore (Previous Year Rs. 272.29 Crore) are secured by realizable and enforceable tangible assets in form of collateral Securities. Provision of Rs. 4.11 crore has been created against outstanding of Rs 1065.61 Crore (Refer note No.6 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15).**





- ii. Deductions are accounted for in the year of settlement against PSS/MIS operation-wise claim submitted to Ministry of Agriculture & Farmers Welfare, Ministry of Consumer Affairs, Government of India. (Refer note no 7 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15).
- iii. Arbitration award in favor of M/s Alimenta SA, Geneva for US\$ 45,26,000, Interest thereon US\$ 49850301 and Cost & Fee UK Pounds 12,395. The amount works out to Rs. 364.82 Crore after converting them at the applicable exchange rate at the closing date of financial year (Refer note No 1.a of Notes & Explanatory Statements forming part of Financial Statements Schedule 15).
- D. 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 note No. 8 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15).
- E. Substantive evidence of physical verification of security was not available in respect of advances against tie up business. Hence, authenticity of the same could not be verified.
- F. The loan amounting to Rs. 270.61 Crores from Central Bank of India is shown as secured in anticipation of Govt. Guarantee. (Refer Note no 15 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15).
- G. Stock lying with the third parties, the physical verification has not been carried out by us and we have relied upon the certification by the concerned parties/ Federation (Refer Note no 13 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15). Also refer note no.24 of Notes & Explanatory Statements forming part of Financial Statements Schedule 15 regarding suspected fraud detected and recoveries made by the federation.
- H. There are unserviceable fixed assets amounting to WDV Rs. 3,58,579/- as on 31.03.2018 included in Fixed Assets and depreciation amounting Rs. 30,345/- is charged on these Assets in the absence of necessary adjustment in the books. The Fixed Assets are over-stated to the tune of WDV.

We are of the opinion that there may be unascertained amount requiring disclosure in addition to the ascertained amount that will have an effect on the Profit, Asset and Liabilities and furnishing the aggregate effect of only the ascertained amount will not be appropriate, hence we are not furnishing the aggregate effect of the ascertained amount on the Profit, Asset and Liabilities.

#### Qualified Opinion:

5. Except for the effects of the matters described in the basis for qualified opinion in Para 4 above, Including the matters whose effect on the profit for the year and on assets and liabilities as at March 31<sup>st</sup> 2018 is






unascertainable, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required under the Act in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the of the Federation as at March 31, 2018;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

6. We further report that:

- (a) We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as specified in the Multi State Cooperative Societies Act 2002 have been kept by the Federation so far as appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the matter described in the Basis of Qualified Opinion Paragraph, the Balance Sheet, Profit & Loss Statement and Cash Flow Statement comply with the accounting standards.

<p><b>GUPTA DUTT &amp; ASSOCIATES CHARTERED ACCOUNTANTS</b></p>  <p>(Ravi Gupta) <b>PARTNER</b> M No: 086728 FRN: 009979N</p>	<p><b>SPMR &amp; ASSOCIATES CHARTERED ACCOUNTANTS</b></p>  <p>(Prmod Kr. Maheshwar) <b>PARTNER</b> M No: 085362 FRN: 007578N</p>
<p><b>VIDYA &amp; CO. CHARTERED ACCOUNTANTS</b></p>  <p>(Sanjeev Prakash Agrawal) <b>PARTNER</b> M No: 088663 FRN: 308022E</p> <p><b>PLACE: NEW DELHI DATED: 18.08.2018</b></p>	

## CHAPTER 12 (ii)

# PARA-WISE COMPLIANCE ON AUDITORS' OBSERVATIONS FOR THE YEAR 2017-2018

AUDIT OBSERVATION	COMPLIANCE
<p><b>Report on the Financial Statements</b></p> <p>1. We have audited the accompanying financial statements of <b>National Agricultural Co-Operative Marketing Federation of India Ltd.</b> (hereinafter referred to as "FEDERATION") as at March 31, 2018, which comprises the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are trading operations of commodities on behalf of Government of India under Price Support Scheme Operations and Price Stabilization Fund audited by independent firms of Chartered Accountants and primarily relied upon by us.</p> <p><b>Management's Responsibility for the Financial Statements</b></p> <p>2. The Federation's Management is responsible for 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 Standards issued by Institute of Chartered Accountants of India as applicable to the Federation and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p><b>Auditors' Responsibility</b></p> <p>3. Our responsibility is to express an opinion on these financial statements based on our audit. We</p>	<p>No Comments</p> <p>No Comments</p> <p>No Comments</p>

<p>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.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p><b>Basis for Qualified Opinion</b></p> <p>4. On the following points, we are unable to ascertain and report the impact on the Balance Sheet and Statement of Profit and Loss.</p> <p>A. The financial statements of the Federation have been prepared on going concern basis notwithstanding the fact that its net worth is completely eroded. The appropriateness of the said basis is inter-alia dependent on the Federation's ability to improve its financial performance, realization of debts and one time</p>	<p>No Comments</p>
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<p>settlement from the Banks.</p> <p>B. We refer to Para 4.A above of the report and note No 22 of Notes &amp; Explanatory Statements forming part of Financial Statements Schedule 15 regarding recognition of Deferred Tax Asset amounting to Rs 11,75,14,511/- In the absence of substantial evidence, we are unable to comment on virtual certainty of realization of Deferred Tax Asset in future. In our opinion to that extent the Profit for the year in the Statement of Profit and Loss and accumulated losses in the Balance Sheet are understated.</p> <p>C. Provisions have not been held in the following cases:-</p> <p>i. Out of Tie-up receivables amounting to Rs 1065.61 Crore (P.Y.Rs 1066.73 Crore), receivables amounting to Rs. 263.13 Crore (Previous year Rs. 272.29 Crore) are secured by realizable and enforceable tangible assets in form of collateral securities, provision of Rs. 4.11 crore has been created against outstanding of Rs. 1065.61 crore (Refer note no. 6 of Notes &amp; Explanatory statements forming part of Financial statements schedule 15)</p>	<p>The management is of the view that the operation of the Federation will generate sufficient profit in near future and there is virtual certainty that Deferred Tax Asset can be realized in near future.</p> <p>NAFED has not made provision in respect of following items due to the reasons mentioned against each:</p> <p>During the year 2003-04 to 2005-06, Nafed undertook tie-up/back to back business with private parties both in agricultural and non-agricultural/non-traditional items. Under this business model funds were mostly made available to the parties for procurement and subsequent hypothecation of stocks in favor of Nafed. In some cases, a few tie-up parties diverted the funds for the purposes other than those specified in the MOU/agreement. 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,</p>
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<p>ii. Deduction are accounted for in the year of settlement against PSS/MIS operation-wise claim submitted to Ministry of Agriculture &amp; Farmers Welfare and Ministry of Consumer Affairs, Government of India. (Refer note no 7 of Notes &amp; Explanatory Statements forming part of Financial Statements Schedule 15)</p> <p>iii. Arbitration award in favor of M/s Alimenta SA, Geneva was for US\$ 45,26,000, Interest thereon US\$ 49850301 and Cost &amp; Fee UK Pounds 12,394.55. The amount works out to Rs 364.82 Crore after converting them at the applicable exchange rate at the closing date of financial year. (Refer to note No “1.a” Notes &amp; Explanatory Statements forming part of Financial Statements Schedule 15)</p> <p>D Balances in respect of Debtors, Creditors and Loans &amp; Advances are subject to confirmation</p>	<p>necessary action to auction the property as per direction of court is being taken. CBI/EOW has also filed charge sheets before the appropriate courts in all the complaints filed by NAFED. Since litigation is a long drawn and time consuming process, in order to expedite recoveries from interested tie-up defaulters, the Board of Directors in its meeting held on 9.7.2010 has approved the comprehensive one time settlement policy based on RBI guidelines. In view of the above stated actions, it is expected that some recoveries shall be effected in due course of time.</p> <p>No Comments</p> <p>In a commercial dispute with M/s Alimenta S A Geneva regarding non-fulfillment of supply contract to the party, International Arbitration council based at London has given the award in favor of Alimenta S A Geneva asking NAFED to pay award amount US\$ 45,26,000 plus interest and fee &amp; cost of UK Pound 12,395 The interest liability calculated by NAFED on the award amount comes to US\$ 5,15,44,082. The total liability works out to Rs. 364.82 Crore after converting the same at applicable exchange rate as on 31st March, 2018. The award is under challenge in Delhi High Court. Based on expert legal advice, the Federation considers the disputed case, likely to be decided in favor of NAFED, as such it has not provided for the liability in its books but has considered it only a contingent liability.</p> <p>Meanwhile in the process of pursuing litigation in Indian Courts, the Federation furnished BG/FDR of Rs. 80.98 Crore favoring Registrar, Delhi High Court. The amount is parked in ‘Miscellaneous Receivable’ in the books of the Federation.</p> <p>For confirmation of balances we have already issued letters to the concerned parties/societies. A few of</p>
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<p>and reconciliation. Consequential effect of the same on Financial Statements could not be ascertained. (Refer to note No. “8” Notes &amp; Explanatory Statements forming part of Financial Statements Schedule 15)</p> <p>E. Substantive evidence of physical verification of security was not available in respect of advances against tie up business. Hence, authenticity of the same could not be verified.</p> <p>F. The loan amounting to Rs 270.61 Crores sanctioned by the Central Bank of India in anticipation of Govt. Guarantee and shown as Secured Loan by the Federation is not backed by any guarantee (Refer point no 15 of Notes &amp; Explanatory Statements forming part of Financial Statements Schedule 15)</p> <p>G. Stock lying with the third parties, the physical verification has not been carried out by us and we have relied upon the certification by the concerned parties/Federation (Refer Note no 13 of Notes &amp; Explanatory Statements forming part of Financial Statements Schedule 15). Also refer note no. 24 of Notes &amp; Explanatory Statements forming part of Financial Statements Schedule regarding suspected fraud detected and recoveries made by the Federation.</p>	<p>them have responded. As regards reconciliation, in many cases the accounts have been reconciled with the federation/ primary societies and parties. Steps are being taken to reconcile the remaining accounts.</p> <p>Collateral Securities available with the federation against the advances for tie up business are of the nature of Agriculture Land, Residential Buildings, Hotels, Mall, Car, Paintings and Shops etc. Barring a few, documents of collateral securities are in the possession of the federation at Head Office / branches. Moreover, in the majority of recovery suits, Courts have restrained the parties to create third party interests in the properties.</p> <p>Loan facility from Central Bank of India amounting Rs. 270.61 Crore as on 31st March 2018 (Previous Year Rs. 310.82 Crore), was extended in anticipation of Government Guarantee, as part of the earlier Financial restructuring proposal submitted to the Government. However, the guarantee could not be provided by the Government as the restructuring proposal was required to be scaled down to build in sacrifices on the part of all stake holders.</p> <p>State Government of Gujarat had appointed State Level Agencies (SLAs) and Procuring Societies for procurement of Groundnut under PSS during Kharif 2017-18 in the State of Gujarat. Accordingly, NAFED entered into agreement with the SLAs appointed by State Government of Gujarat and SLAs entered into agreement with Procuring Societies for procurement at mandi level. As per the terms and conditions of agreement entered into between SLAs and NAFED Ahmedabad Branch, SLAs were responsible from procurement of Groundnut as per FAQ specifications upto submission of clean warehouse receipts (reflecting the stocks as FAQ or grade equivalent to FAQ) to NAFED. During the procurement of Groundnut, State Government of Gujarat and SLAs had consistently been requested to undertake the procurement strictly as per PSS guidelines.</p> <p>NAFED had received clean warehouse receipts</p>
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	<p>reflecting the stocks as FAQ and accordingly the payment was released to SLAs. So, the quality of the procured stock of Groundnut was supposed to be as per FAQ specifications. In case of any mis- happening in godowns after issuance of clean warehouse receipts, the responsibility of the same lies with the warehousing agencies.</p> <p>NAFED had deployed Surveyors at storage point for checking of stocks as per FAQ. The surveyors have randomly checked the stocks at storage point as it was not possible to check each and every bag of Groundnut and the stocks found as per FAQ in random checking was accepted and the stocks not found as per FAQ in random checking was rejected. NAFED relies on the warehouse receipts issued by warehousing agencies reflecting the quantity and quality of the stock which is a valid document for releasing the payment.</p> <p>When the warehousing agency i.e. GSWC informed the discrepancy in WHRs, SLAs have been advised to reconcile the stocks deposited by them with GSWC and provide the reconciled figure. In the meanwhile, debit note to the extent of reported difference in the quantity by GSWC were issued to SLAs. The SLA, M/s Gujpro has also lodged FIR against the concerned FPO.</p> <p>For maintaining greater transparency in PSS procurement, NAFED has launched e-samridhi portal from Kharif 2017 which is linked with Aadhar &amp; payment gateway and facilitates the PSS operations right from farmers' registration up to payment to the farmers directly into their bank account.</p> <p>When GSWC had expressed its inability to arrange adequate storage space, Government of Gujrat has decided to engage APMC board for arranging the storage space and to issue warehouse receipts after checking the stock. It was also decided that the SLA's would maintain the stock, get it insured and ensure its safety in the warehouse arranged by APMC board. Minutes of the meeting Dated 04.12.2017 and 11.12.2017 held under the Chairmanship of Additional Chief Secretary, Agriculture, Cooperation</p>
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<p><b>H. There are unserviceable fixed assets amounting to WDV Rs. 3,65,579/- as on 31.03.2018 including in Fixed Assets and depreciation amounting Rs. 30,345/- is charged on these Assets in the absence of necessary adjustment in the books. The Fixed Assets are over stated to the tune of WDV.</b></p> <p><b>We are of the opinion that there may be unascertained amount requiring disclosure in addition to the ascertained amount that will have an effect on the Profit,, Asset and Liabilities and furnishing the aggregate effect of only the ascertained amount will not be appropriate, hence we are not furnishing the aggregate effect of the ascertained amount on the Profit, Asset and Liabilities.</b></p> <p><b>Qualified Opinion:</b></p> <p>5. Except for the effects of the matters described in the basis for qualified opinion in Para 4 above, Including the matters whose effect on the Profit for the year and on assets and liabilities as at March 31st, 2018 is unascertainable, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required under the Act in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India:</p> <p>(a) In the case of the Balance Sheet, of the state of affairs of the Federation as at March 31, 2018;</p> <p>(b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and</p> <p>(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.</p> <p><b>Report on Other Legal and Regulatory Requirements</b></p> <p>6. We further report that:</p>	<p>and Farmers Welfare Department, Government of Gujarat deciding the above are enclosed herewith.</p> <p>No Comments</p> <p>In the opinion of the management, there is no unascertained amount, which can be ascertained as on 31.03.2018.</p>
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- (a) We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as specified in the Multi State Cooperative Societies Act 2002 have been kept by the Federation so far as appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) **Except for the matter described in the Basis of Qualified Opinion Paragraph,** the Balance Sheet, Profit & Loss Statement and Cash Flow Statement comply with the accounting standards.

(Ashutosh Mahajan)  
Manager (F & A)  
For General Manager (F&A)

## CHAPTER 12 (iii)

# NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI BALANCE SHEET AS AT 31ST MARCH, 2018

	SCHEDULE NO	AS AT 31-3-2018		AS AT 31-03-2017	
		₹	₹	₹	₹
<b>SOURCES OF FUNDS</b>					
<b>Shareholder's Funds</b>					
Share Capital	1	246,718,500		242,811,000	
Share Application Money		12,004,042		802,800	
Reserves & Surplus Fund	2	3,886,316,096		3,924,713,222	
Profit / (Loss) Account	3	<u>(8,641,200,088)</u>	(4,496,161,450)	<u>(10,909,340,390)</u>	(6,741,013,368)
<b>Loan Funds</b>					
Secured Loans	4		128,857,498,128		38,506,924,096
			<b>124,361,336,678</b>		<b>31,765,910,728</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Asset	5	2,970,236,407		3,005,745,892	
Construction Work in Progress	6	49,103		-	
Investment (Net of provisions )	7	<u>104,878,000</u>	3,075,163,510	<u>94,873,000</u>	3,100,618,892
<b>Net Current Assets</b>					
Current Asset, Loans & Advances	8	245,069,339,737		103,145,810,591	
Less:					
Current Liabilities & Provisions	9	<u>126,523,736,239</u>	118,545,603,498	<u>77,103,573,914</u>	26,042,236,677
Deferred Tax Asset (Net)			2,740,569,670		2,623,055,159
			<b>124,361,336,678</b>		<b>31,765,910,728</b>
Significant Accounting Policies & Notes	15				



## CHAPTER 12 (iv)

### NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

	SCHEDULE NO	YEAR ENDED 31-3-2018		YEAR ENDED 31-3-2017	
		₹	₹	₹	₹
<b>INCOME / SALES</b>					
a) Export					
b) Domestic		32,126,765,516		5,047,670,768	
c) Implements		-	32,126,765,516	-	5,047,670,768
Reimbursement of Deficit (excluding interest & Bank Charges etc.) recoverable from Govt. of India on handling of :-					
i) Milling Copra 2012		5,015,965			
ii) Sesamum Seed Kharif-2010		-		1,150	
iii) Urad K - 2012		-		1,150	
iv) Milling Copra 2013		-		3,180	
v) GN Pods Kharif 2013		-		1,150	
vi) Toor K-2013		-		(3,391,369)	
vii) Urad K-2013		-		1,150	
viii) Gram R-2014		-		1,150	
ix) Mustard Seed Rabi 2014		-		1,150	
x) Mustard Seed Rabi 2017		156,044,815		-	
xi) Sunflower Seed Rabi 2014		-		(2,206,351)	
xii) Sunflower Seed Rabi 2016		2,300		67,656,262	
xiii) Sunflower Seed Rabi 2017		110,640,467		-	
xiv) Ball Copra 2016		(32,351,659)		(2,300,161)	
xv) Milling Copra 2016		(43,516,690)		(16,245,346)	
xvi) GN Pods Kharif- 2016		1,748,465,597		23,136,302	
xvii) Moong Kharif -2016		103,079,776		2,504,885	
xviii) Toor Kharif -2016		1,311,137,346		-	
xix) Soyabean Kharif-2016		771,307		26,671	
xx) GN Pods Rabi-2017		15,926,276			
xxi) Moong Summer-2017		223,510,405			
xxii) Urad Summer-2017		77,319,709			
xxiii) Urad Kharif-2017		64,346,332			
xxiv) Sesamum Seed Kharif-2017		59,657,611			
xxv) Moong Kharif -2017		157,484,451			
xxvi) GN Pods Kharif-2017		148,147,880			
xxvii) Soyabean Kharif-2016		(154,932,089)			
xxviii) Toor Kharif -2017		17,010,568			
xxix) Mustard Seed Rabi-2018		153,645			
xxx) Gram Rabi-2018		2,442,256			
xxxi) Urad Rabi-2018		2,359			



	SCHEDULE NO	YEAR ENDED 31-3-2018		YEAR ENDED 31-3-2017	
		₹	₹	₹	₹
xxxii) GN Pods Rabi-2018		2,360	3,970,360,985		69,190,973
Reimbursement of Deficit (excluding Bank Charges) recoverable from SFAC on handling of:-					
i) Toor Kharif - 2015		1,005,489,130		88,272,282	
ii) Toor Dal (Milled) 2015		-		-	
iii) Urad Kharif 2015		46,424,590		27,664,603	
iv) Onion -2016		-		43,220,278	
v) Gram Rabi-2016		68,996		(421,105,684)	
vi) Masoor Rabi-2016		43,716,573		19,907,972	
vii) Moong Kharif-2016		1,035,370,667		52,718,523	
viii) Toor Kharif - 2016		1,969,968,209		19,447,247	
ix) Urad Kharif 2016		334,140,994	-	24,346,678	-
x) Onion -2017		19,452,933			
xi) Gram Rabi-2017		59,671,394			
xii) Masoor Rabi-2017		30,694,478	4,544,997,963		(145,528,101)
Depreciation on Revalued Amount Written Back			39,041,535		41,023,516
Other Income	10		2,539,942,385		1,787,451,135
ACCRETION/(DECRETION) IN STOCK IN TRADE					
Closing Stock		192,715,992,149		58,809,194,934	
Less : Opening Stock		58,809,194,934	133,906,797,215	2,957,131,949	55,852,062,985
<b>Total</b>			<b>177,127,905,599</b>		<b>62,651,871,276</b>



## CHAPTER 12 (iv)

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

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	SCHEDULE NO	YEAR ENDED 31-03-2018			YEAR ENDED 31-03-2017		
		₹	₹	₹	₹	₹	₹
<b>EXPENDITURE</b>							
Purchases			163,054,247,127			57,626,342,740	
Sales Tax on transfer of Stock			2,139,557			881,382	
Manufacturing and Trading	11		8,751,121,169			2,460,447,727	
Selling and Distribution	12		2,604,829,529			993,987,027	
Employees Remuneration and Benefits	13		380,634,777			239,581,984	
Administrative Expenses	14		109,608,232			90,413,617	
Interest Paid to Bank and Others		4,144,021,283			2,830,406,639		
Less : Interest Reimbursable on PSS/MIS Operations transferred to Govt. of India account.		4,144,020,554	729		1,053,017,436	1,777,389,203	
Bank Charges		385,211			226,257		
Less : Bank charges on Govt Operation		15,089	370,122	174,902,951,242	29,203	197,054	63,189,240,734
Depreciation(Including Amortisation of land)				50,751,617			54,747,222
<b>Total</b>				<b>174,953,702,859</b>			<b>63,243,987,956</b>
<b>Operating Profit / (Loss)</b>				2,174,202,740			(592,116,680)
Excess Provision Written back			3,399,838			1,759,649	
Less : On account of Govt Operation			-	3,399,838		-	1,759,649
Prior Period adjustment(NET)							
I) Income relating to previous year			279,409			2,346,944	
ii) Expenses relating to previous year			(4,130,196)	(3,850,787)		(286,553)	2,060,391
<b>Profit / (Loss) Before Exceptional Item &amp; Tax</b>				<b>2,173,751,791</b>			<b>(588,296,640)</b>
Exceptional Item				23,126,000			-
<b>Profit / (Loss) Before Tax &amp; After Exceptional Item</b>				<b>2,150,625,791</b>			<b>(588,296,640)</b>
Provision for Taxation				-			-
Deferred Tax				(117,514,511)			(180,822,459)
<b>PROFIT / (LOSS) FOR THE YEAR</b>				<b>2,268,140,302</b>			<b>(407,474,181)</b>



## CHAPTER 12 (v) SCHEDULE -1

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

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
<b>AUTHORISED CAPITAL:</b>		
30000 Shares (Previous Year 30000) of Rs. 25000/- each	750,000,000	750,000,000
34 Shares (Previous Year 34) of Rs. 5000 each	170,000	170,000
100000 Shares of (previous year 100000) of Rs. 2500/- each	250,000,000	250,000,000
1721 Shares (previous year 1721) of Rs. 1000/- each	1,721,000	1,721,000
	<b>1,001,891,000</b>	<b>1,001,891,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL:</b>		
5989 Shares (previous year 5869) of Rs.25000/- each	149,725,000	146,725,000
34 Shares of (Previous year 34) of Rs. 5000/- each	170,000	170,000
38041 Shares(previous year 37678) of Rs. 2500 each	95,102,500	94,195,000
1721 Shares (previous year 1721) of Rs. 1000/- each	1,721,000	1,721,000
	<b>246,718,500</b>	<b>242,811,000</b>



## SCHEDULE -2

### NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI RESERVES AND SURPLUS FUNDS

PARTICULARS	AS AT 31-03-2017	ALLOCATION / ADDITION DURING THE YEAR	TRANSFER / ADJUSTMENT DURING THE YEAR	AS AT 31-03-2018
	₹	₹	₹	₹
General Reserves	394,328,786	644,407	-	394,973,193
Building Fund	110,849,215		110,849,215	-
Education Fund	5,310,581		-	5,310,581
Contingent Fund	579,455,559	203,388,331	-	782,843,890
Dividend Equilisation Fund	15,339,402		15,339,402	-
Price Fluctuation Fund (Ordinary)	165,391,930		-	165,391,930
Price Fluctuation Fund (Special)	1,846,737		1,846,737	-
Bonus Fund	221,186		221,186	-
Primary Society Development Fund	21,350,000		21,350,000	-
Development Reserve Fund	225,000		225,000	-
Revaluation Reserve	2,576,838,035		39,041,533	2,537,796,502
Investment Allowance Reserve	260,817		260,817	-
Farmers Welfare Fund	2,900,000		2,900,000	-
Poultry Risk Fund	300,000		300,000	-
Common Good Fund	1,112,564		1,112,564	-
Share Capital Redemption Fund	2,070,100		2,070,100	-
Export Development Reserve	2,953,310		2,953,310	-
Human Resources Development Fund	8,260,000		8,260,000	-
Patronage Rebate Reserve	15,500,000		15,500,000	-
State Coop. Mktg. Fedn. Rehabilitation Fund	20,000,000		20,000,000	-
Employees Welfare Fund	200,000	-	200,000	-
	<b>3,924,713,222</b>	<b>204,032,738</b>	<b>242,429,864</b>	<b>3,886,316,096</b>





## SCHEDULE -3

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

## PROFIT / (LOSS) ACCOUNT

PARTICULARS	YEAR ENDED 31-03-2018 ₹	YEAR ENDED 31-03-2017 ₹
Profit / (Loss) brought forward	(10,909,340,390)	(10,501,866,209)
Profit / (Loss) for the Year	2,268,140,302	(407,474,181)
	(8,641,200,088)	(10,909,340,390)



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

**SECURED LOANS**

(PAGE 1 OF 2)

PARTICULARS	AS AT 31-03-2018		AS AT 31-03-2017	
	₹		₹	
<b>A. TERM LOAN FROM NATIONAL COOPERATIVE DEVELOPMENT CORPORATION FOR PROJECTS &amp; WORKING CAPITAL</b> (Secured by way of mortgage of land & building and plant & machinery at Vashi)		-		-
<b>B. CASH CREDIT</b>				
i) State Bank of India (Secured against hypothecation of PSS Stocks and Govt. Guarantee)	114,052,613,220		13,662,904,898	
ii) State Bank of India (Secured against hypothecation of PSF Stocks and letter of Comfort issued by Min of Agriculture & Farmers Welfare)	-		4,996,524,398	
iii) Federal Bank (Secured against	1,694,719,709		1,946,619,709	
iv) Punjab National Bank hypothecation	221,532,540		254,437,304	
v) Central Bank of India of stocks)	343,698,073	116,312,563,542	394,770,927	21,255,257,236
<b>C. SHORT TERM LOAN FROM BANKS</b>				
i) National Cooperative Development Corporation (Secured against hypothecation of PSS Stocks and and letter of Comfort issued by Min of Agriculture & Farmers Welfare)	-		2,842,609,893	



## SCHEDULE -4

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

## SECURED LOANS

(PAGE 2 OF 2)

PARTICULARS	AS AT 31-03-2018		AS AT 31-03-2017	
	₹		₹	
ii) Oriental Bank of Commerce	1,613,216,066		1,853,016,066	
iii) Central Bank of India	229,518,059		263,623,989	
iv) South Indian Bank	1,392,811,824		1,599,811,824	
v) Bank of Maharashtra	2,467,837,215		2,834,637,215	
vi) State Bank of Bikaner & Jaipur	1,383,886,071		1,589,586,071	
vii) Syndicate Bank	874,565,354		1,004,365,354	
viii) Punjab National Bank (Secured against hypothecation of Stocks)	1,876,999,251	9,838,833,842	2,155,794,487	14,143,444,899
<b>D. LONG TERM LOAN FROM BANKS</b>				
(i) Central Bank of India (Secured against pending execution of Guarantee by Central Government)		2,706,100,744		3,108,221,961
		<b>128,857,498,128</b>		<b>38,506,924,096</b>



**NATIONAL AGRICULTURAL COOPERATIVE MARKETING  
FEDERATION OF INDIA LTD, NEW DELHI  
FIXED ASSETS AS ON 31.03.2018**

**SCHEDULE -5**

S. No.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		ORIGINAL COST AS ON 01.04.2017	ADDITIONS / ADJUST. DURING THE YEAR	DELETION/ ADJUST. DURING THE YEAR	GROSS BLOCK AS ON 31.03.2018	ACCU. DEPN. UPTO 31.03.2017	ADJUST. OF ACCUMULATED DEPRECIATION	DEPRECIATION FOR THE YEAR 2017-18	DEPRECIATION UPTO 31.03.2018	AS ON 31-03-2018	AS ON 31-03-2017
1	LAND	2,834,357,655.00	-	-	2,834,357,655.00	205,165,554.00	-	17,671,357.00	222,836,911.00	2,611,520,744.00	2,629,192,103.00
2	BUILDING										
	a) FACTORY	55,036,420.00	-	-	55,036,420.00	38,263,585.00	(2,008,881.00)	1,124,008.00	37,378,712.00	17,657,708.00	16,745,962.00
	b) OFFICE	242,818,004.00	189,382.00	-	243,007,386.00	137,185,703.00	(40,942.00)	9,593,996.00	146,738,757.00	96,268,629.00	105,632,301.00
	c) WAREHOUSE	245,884,068.00	-	-	245,884,068.00	146,390,078.00	8,143,926.00	7,546,529.00	162,080,533.00	83,803,535.00	99,520,863.00
	d) OTHERS	180,956,210.00	-	-	180,956,210.00	53,492,341.00	(6,094,103.00)	7,206,278.00	54,604,516.00	126,351,694.00	127,463,869.00
	e) TEMPORARY STRUCTURE	3,624,994.00	406,566.00	-	4,031,560.00	3,624,993.00	-	162,626.00	3,787,619.00	243,941.00	-
	TOTAL (a to e)	728,319,696.00	595,948.00	-	728,915,644.00	378,956,700.00	-	25,633,437.00	404,590,137.00	324,325,507.00	349,362,995.00
3	FURNITURE & FIXTURES	23,027,314.00	882,900.00	84,795.00	23,825,419.00	18,242,234.00	(70,740.00)	526,007.00	18,697,501.00	5,127,918.00	4,785,080.00
4	PLANT & MACHINERY	56,669,353.00	654,198.00	-	57,323,551.00	45,512,795.00	-	1,704,239.00	47,217,034.00	10,106,517.00	11,156,558.00
5	ELECTRICAL INSTALLATION	27,608,494.00	4,219,730.00	858,288.00	30,969,935.00	22,630,237.00	(555,866.00)	1,486,205.00	23,560,576.00	7,409,359.00	4,672,868.00
6	OTHER EQUIPMENTS	42,699,142.00	5,567,704.00	4,380,840.00	43,886,007.00	37,920,846.00	(4,529,368.00)	3,045,662.00	36,437,140.00	7,448,866.00	5,083,690.00
7	OFFICE EQUIPMENTS	964,955.00	-	7,100.00	957,855.00	885,909.00	(6,914.00)	11,830.00	890,825.00	67,030.00	79,042.00
8	VEHICLES	4,739,028.00	3,565,015.00	1,371,964.00	6,932,079.00	3,325,470.00	(1,296,736.00)	672,880.00	2,701,614.00	4,230,465.00	1,413,556.00
	TOTAL (4 to 8)	132,680,972.00	14,006,647.00	6,618,192.00	140,069,427.00	110,275,257.00	(6,388,884.00)	6,920,817.00	110,807,190.00	29,262,238.00	22,405,714.00
	TOTAL THIS YEAR	3,718,385,637.00	15,485,495.00	6,702,987.00	3,727,168,145.00	712,639,745.00	(6,459,624.00)	50,751,618.00	756,931,739.00	2,970,236,407.00	3,005,745,892.00
	TOTAL LAST YEAR	3,717,802,467.00	8,227,604.00	7,644,431.00	3,718,385,640.00	659,914,328.00	(2,021,802.00)	54,747,222.00	712,639,748.00	3,005,745,892.00	3,057,888,139.00



## SCHEDULE -6

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

## CONSTRUCTION WORK IN PROGRESS

PARTICULARS	AS AT 31-03-2018 ₹	AS AT 31-03-2017 ₹
Opening Balance	-	23,002
Addition During the year	49,103	-
	49,103	23,002
Adjustment during the year	-	23,002
	<b>49,103</b>	-



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

**INVESTMENTS**

(PAGE 1 OF 2)

PARTICULARS	AS AT 31-03-2018		AS AT 31-03-2017	
	₹		₹	
<b>INVESTMENT (UNQUOTED) AT COST</b>				
<b>A. IN COOPERATIVE SOCIETIES</b>				
100 fully paid up shares of Rs. 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 Rs. 10000/- each of Indian Farmers Fertilizers Cooperative Limited, New Delhi.		70,000		70,000
1000 fully paid up shares of Rs. 2000/- each of National Cooperative Consumers Federation of India Limited, New Delhi.		2,000,000		2,000,000
25 fully paid up shares of Rs. 20000/- each of Sriganaganagar Cotton Seed Processing Sahakari Samiti Ltd., Sriganaganagar		500,000		500,000
1 fully paid up share of Rs. 1000/- of Maharashtra State Cooperative Bank Ltd., Mumbai		1,000		1,000
1 fully paid up share of Rs. 1000/- of Rajasthan Rajya Sahakari Bhawan Prabhand sahakari sangh Ltd, Jaipur		1,000		1,000
276 fully paid up shares of Rs. 5000/- each of Indian Tourism Cooperative Ltd., (COOPTOUR), New Delhi.	1,380,000		1,380,000	
Less : Provision for diminution in the value	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



## SCHEDULE -7

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

## INVESTMENTS

(PAGE 2 OF 2)

PARTICULARS	AS AT 31-03-2018		AS AT 31-03-2017	
	₹		₹	
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
305 fully paid up shares of Rs.100000/- 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		-
100 fully paid up shares of Rs.50/- each of Nagaland State Cooperative Society		5,000		-
5000 fully paid up shares of Rs.2000/- each of National Consumer Cooperative Federation Ltd, New Delhi		10,000,000		-
<b>TOTAL : (A)</b>		<b>82,127,000</b>		<b>54,122,000</b>
<b>B. IN COMPANIES</b>				
1000000 shares of Rs. 10/- each of Konark Jute Ltd., Bhubneshwer		10,000,000		10,000,000
100 Shares of Rs.10/- each of National Spot Exchange Ltd		1,000		1,000
100000 fully paid up shares of Rs. 10/- each of Ladak Food Ltd., New Delhi.	1,000,000		1,000,000	
Less : Provision for diminution in the value	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
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
200000 fully paid up shares of Rs.10/- each of NSS Satpura Agro Development Company Ltd., New Delhi		2,000,000		2,000,000
		<b>20,751,000</b>		<b>20,751,000</b>
<b>C. SHARE APPLICATION MONEY</b>				
Investment in National Cooperative Consumers Federation of India Limited, New Delhi		-		18,000,000
<b>D. OTHERS</b>				
Small Farmers Agri Business Consortium, New Delhi		2,000,000		2,000,000
<b>TOTAL (A+B+C+D)</b>		<b>104,878,000</b>		<b>94,873,000</b>



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

(PAGE 1 OF 2)

	AS AT 31-03-2018		AS AT 31-03-2017	
	₹	₹	₹	₹
<b>A) CURRENT ASSETS</b>				
<b>INVENTORY</b> (as taken, valued & certified by the management)				
i) Commodities held on behalf of Govt. of India Under Price support Scheme / Price Stabilsation Fund	191,369,772,490		57,455,110,707	
ii) Other commodities	1,346,219,659	192,715,992,149	1,354,084,227	58,809,194,934
Packing Materials		3,997,594		1,314,260
Consumables Stores and Spares in hand		9,224		9,224
<b>INVESTMENT IN JOINT VENTURE</b>		-		
<b>SUNDRY DEBTORS (UNSECURED)</b>				
i) Debts exceeding six months:				
Considered Good	933,368,727		182,261,354	
Considered doubtful	118,472,837		119,139,981	
	1,051,841,564		301,401,335	
Less: Provision	118,472,837	933,368,727	119,139,981	182,261,354
ii) Other debts	2,283,569,220	3,216,937,947	692,030,107	874,291,461
iii) Amount Receivable from GOI on a/c of MIS/PSS Operations(net)				
Amount recoverable from GOI towards deficit on handling commodities under PSS/MIS (Net after adjustment of Provisions for doubtful recovery)	69,984,579,928		58,267,344,474	
Less: Amount received from GOI as advance for PSS/MIS Operations plus resultant Surplus on different operations minus amount refunded/ paid to Govt./ State Agencies	56,154,432,669	13,830,147,259	47,417,527,935	10,849,816,539





## SCHEDULE -8

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

(PAGE 2 OF 2)

	AS AT 31-03-2018		AS AT 31-03-2017	
	₹	₹	₹	₹
<b>CASH &amp; BANK BALANCES</b>				
I) Cash in hand		570,204		694,954
ii) Cheque in hand/remittance in transit		51,362,184		29,327,629
iii) Fixed Deposit with scheduled banks - PSS funds meant for PSS Exps/ Security Deposit Payable		-		600,469,684
iv) With scheduled & Cooperative banks in Current & Cash Credit Accounts		1,276,045,202	1,327,977,590	3,515,123,511
				4,145,615,779
<b>B) LOANS &amp; ADVANCES</b>				
Advance recoverable in cash or in kind or for value to be received (considered good unless otherwise stated)				
Advance to staff :-				
i) Secured against equitable mortgage of residential houses & Hypohecation of vehicles.		417,591		701,482
ii) Other Advances (Employees)		2,132,564	2,550,155	2,100,205
				2,801,687
Advances for Goods & Services	18,367,113,886		16,000,246,033	
Less: Provision for Doubtful recovery	2,900,000		3,157,547	
				15,997,088,486
Claims & Other Recoverable	3,690,892,241		895,483,421	
Security & other deposits	523,008,567		192,350,572	
	4,213,900,808		1,087,833,993	
Less: Claim & Deposits Considered Doubtful	25,310,972		23,189,229	
				1,064,644,764
Advance for expenses			225	
Other Advance :-				52
i) Advances against Tie-up business				
Secured	2,631,300,000		2,722,900,000	
Unsecured	8,024,800,000	10,656,100,000	7,944,358,508	10,667,258,508
ii) Other Advances		760,469,952		732,929,286
Prepaid Expenses			2,353,920	845,611
		<b>245,069,339,737</b>		<b>103,145,810,591</b>



## SCHEDULE -9

### NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI CURRENT LIABILITIES AND PROVISIONS

PARTICULARS	AS AT 31-03-2018		AS AT 31-03-2017	
	₹		₹	
<b>CURRENT LIABILITIES</b>				
Sundry Creditors		53,922,180,826		29,406,116,361
Security Deposit		246,596,511		132,357,641
Advance for Supplies		1,662,592,320		494,084,883
Interest accrued but not due on loans & others		9,611,737,975		9,616,829,874
Other Liabilities (including rebate payable to members)		3,461,552,743		2,089,891,965
Capital grant received in advance		10,567,906		10,567,906
Amount received from Ministry of Consumer Affairs, Food & Public Distribution for procurement of ,Pulses & Onion under Price Stablisation Fund through SFAC		54,965,618,298		35,318,497,261
<b>PROVISIONS</b>				
For claims		-		-
Misc. provisions	2,642,889,660	2,642,889,660	35,228,023	35,228,023
		<b>126,523,736,239</b>		<b>77,103,573,914</b>



## SCHEDULE -10

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

## OTHER INCOME

PARTICULARS	YEAR ENDED 31-03-2018		YEAR ENDED 31-03-2017	
		₹		₹
Service Charges		1,896,852,149		1,363,333,247
Claims Lodged		391,053,039		4,735,428
Interest on fixed deposits and other activities				
i) Interest on fixed deposits	76,242		104,738	
ii) Interest on other activities	248,739,693		92,423,837	
	248,815,935		92,528,575	
Less: Received on behalf of GOI for PSS Operation	18,659,608		894,263	
Less: Received on behalf of GOI for PSF Operation-SFAC	83,921,295	146,235,032	64,499,384	27,134,928
Dividend on investment		8,603,500		10,133,000
Profit / (Loss) on sale of Fixed Asset		5,502		-
Admission Fees		5,000		1,007,000
Other Receipts (Including unclaimed credit written back)		97,188,163		381,107,532
		<b>2,539,942,385</b>		<b>1,787,451,135</b>



## SCHEDULE -11

### NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI MANUFACTURING & TRADING EXPENSES

PARTICULARS	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
	₹	₹
Plant Maintenance	2,077,586	2,093,654
Work shop/ Factory Supplies	948	5,389
Power & Fuel Charges	3,854,565	4,948,603
Processing Charges	1,152,458	1,038,206
Other Procurement Expenses	4,323,264,541	1,791,850,489
Freight & Cartage	2,248,601,467	473,875,637
Transit Insurance	1,360,581	6,791,667
Octroi	57,959	78,203
Licence Fee	95,901	180,049
Grading & Standardisation	125,013,109	26,098,613
Godown Rent, storage & fumigation expenses	2,044,789,002	153,384,932
Wharfage & Demurrage	-	-
Wages / Salaries	20,640	-
Claim Rejected	832,412	102,285
	<b>8,751,121,169</b>	<b>2,460,447,727</b>



## SCHEDULE -12

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

## SELLING AND DISTRIBUTION EXPENSES

PARTICULARS	YEAR ENDED 31-03-2018		YEAR ENDED 31-03-2017	
	₹		₹	
<b>Packing &amp; Forwarding</b>				
Opening stock	1,314,260		2,192,590	
Add: Purchases	2,228,192,684		914,986,142	
	2,229,506,944		917,178,732	
Less: Closing stock	3,997,594	2,225,509,350	1,314,260	915,864,472
Freight and Cartage		6,561,485		12,687,130
Survey & Supervision		20,327,459		7,585,096
Godown Insurance		137,532,983		45,513,489
L/C Negotiation Charges		117,780,278		-
Brokerage & Commision		77,368,750		5,709,088
Trade Discount		(214)		-
Sample Expenses		80,370		66,788
Advertisement & Publicity		6,252,798		1,882,735
Other selling Expenses		9,407,964		62,723
Provison for Bad and Doubtful Debts/Advances		4,008,306		4,615,506
		<b>2,604,829,529</b>		<b>993,987,027</b>



## SCHEDULE -13

# NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI EMPLOYEES REMUNERATION AND BENEFITS

PARTICULARS	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
	₹	₹
Salaries	311,462,350	207,636,572
Overtime	-	-
Bonus	482,549	370,224
ESI / Medical Charges	5,397,668	4,825,254
Contribution to Provident Fund	25,653,109	21,234,543
Staff welfare Expenses	2,123,361	1,524,663
Deposit Linked Insurance	885,552	1,025,020
Group Insurance Scheme	73,841	76,988
Contribution to Benevolent Fund	111,510	109,230
Staff Recruitment Expenses	231,554	168,060
Staff Training Expenses	-	55,000
Gratuity	34,213,283	2,556,430
	<b>380,634,777</b>	<b>239,581,984</b>



## SCHEDULE -14

### NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI ADMINISTRATIVE EXPENSES

PARTICULARS	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
	₹	₹
Rent, Rate & Taxes (Includes rent for staff accomodation)	8,864,156	9,668,429
Electricity and Water	9,051,584	8,582,153
Insurance	1,346,093	1,099,174
Telephone & Telex Expenses	2,556,425	2,384,847
Postage & Telegram	762,443	603,743
Printing & Stationery	2,149,509	1,471,660
New papers & Journals	167,347	154,442
Dues & Membership fee	590,663	715,989
General Body/Directors meeting Expenses	5,582,295	3,270,423
Travel Expenses Directors	2,143,301	1,384,614
Travel Expenses Others	25,298,369	21,015,464
Watch & Ward Expenses	9,607,993	8,712,372
General Charges	32,590,990	5,857,828
Vehicle Maintenance	1,530,426	1,529,856
Repairs & Renewals	9,815,624	4,341,859
Data Processing charges	855,853	1,937,468
Professional Fee(Including Internal & Tax Audit Fee)	11,752,125	13,811,283
Audit Fee	900,000	858,750
Guest House Maintenance	62,935	270,524
Entertainment	1,738,173	1,000,794
Conference & Seminars	164,847	-
Business Promotion Expenses	5,203,081	1,741,945
	<b>132,734,232</b>	<b>90,413,617</b>



## CHAPTER 12 (vi)

### SCHEDULE -15

# NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

## A. SIGNIFICANT ACCOUNTING POLICIES:

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

### 2. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect 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 Account.

#### **8. INVENTORY:**

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



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

- |  |  |
|--|--|
| i) Agricultural commodities & Finished goods (including gunny bags)                                    | At cost or market / realizable value which ever is lower (at the respective places/branches where the stocks are held) |
| ii) Raw-materials, packing materials 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 sale price minus profit margin  |
- 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.

  
(Arvind Kumar Jain)  
General Manager (F&A)

  
(Sanjay Kumar Chahal)  
Managing Director

Date: 18.08.2018  
Place: New Delhi



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

**B. NOTES & EXPLANATORY STATEMENTS**

**1. Contingent Liabilities:**

- a) Claims against the Federation not acknowledged as debt ₹ 696.02 Crore (Previous Year ₹ 640.55 Crore) includes ₹ 364.82 Crore (Previous Year ₹ 352.67 Crore) on account of suit filed towards compensation for non-fulfillment of export obligations 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\$ 5,15,44,082. The total liability works out to ₹ 364.82 Crore after converting the same at applicable exchange rate as on 31st March, 2018. The award is under challenge in Delhi High Court. Based on expert legal advice, the Federation considers the disputed case, likely to be decided in favour of NAFED, as such it has not provided for the liability in its books but has considered it only a contingent liability.

Meanwhile in the process of pursuing litigation in Indian Courts, the Federation furnished BG/FDR of ₹ 80.98 Crore favoring Registrar, Delhi High Court. The amount is parked in 'Miscellaneous Receivable' in the books of the Federation.

- b) Estimated liability of ₹ 55.98 Crore (Previous Year ₹ 32.16 Crore) on account of Income Tax demands as below:

(₹ in Crore)

S.N.	Assessment Year	Demand Raised	Amount Paid	Appeal Status	Remarks
1.	1986-87	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 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	9.27	9.27		
			29.76		



(₹ in Crore)

S.N.	Assessment Year	Demand Raised	Amount Paid	Appeal Status	Remarks
2.	2002-03	2.40	2.40	ITAT / Delhi High Court	Claiming relief in other ground in ITAT by Deptt. Claiming relief on substantial grounds in High Court in the case of Alimenta interest by Nafed
3.	2003-04	0.00	0.00	Delhi High Court	Departmental Appeal
4.	2004-05	0.00	0.00	- do -	- do -
5.	2006-07	-	-	- do -	- do -
6.	2008-09	-	-	ITAT	-do- (Appeal effects order pending with AO
7.	2009-10	-	0.50	ITAT	-do- AO Passed the order and again Deptt. files case in ITAT
8.	2010-11	23.82	24.06	ITAT & CIT (A)	-do- AO reopened the case & raised demand & adjusted the balance amount from A.Y. 2013 - 14 refunds.
9.	2011-12	-	-	CIT (A)	Claiming relief on Substantial grounds
10.	2012-13	-	-	CIT (A)	Claiming relief on Substantial grounds
11.	2013-14	-	1.79	CIT (A)	-Do- Order u/s 154 -Income assessed NIL. Refunds adjusted against A.Y 2010-11 demands
12.	2014-15	-	-	CIT (A)	Claiming relief on Substantial grounds
	<b>Total</b>	<b>55.98</b>	<b>58.51</b>		

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



Year ₹ 57.91 Crore) paid to Income Tax Department has been shown as other advances.

2. Estimated liability towards capital commitments on contracts not yet completed and not provided for are ₹ 1.13 Crore (Previous Year ₹ 1.13 Crore).
3. Federation has long term investments amounting to ₹ 10.73 Crore valued at cost (Previous Year ₹ 9.73 Crore). Investments have been stated at cost except where management feels that there has been diminution in the value of investments. Out of Total investments provision of ₹ 0.24 Crore have been created.
4. Title Deeds of properties costing ₹ 0.28 Crore (Previous Year ₹ 0.28 Crore) are yet to be executed in favor of the Federation.
5. Subscription towards share capital received Rs. 1,20,04,042 by the NAFED but share has not been issued against the share application money because:
  - a) The societies have authorized to 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 Rs. 2,500/- and the minimum shares that can be issued is of Rs. 25,000, 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.
  - b) Allotment of shares to NCCF amounting to Rs. 1,00,00,000 (out of Rs. 1,20,04,042) is pending for approval of competent authority.

#### 6. Current Assets, Loans and advances

- (a) Current Assets, Loans & Advances include overdue Tie up receivables amounting to ₹ 1065.61 Crore (Previous Year ₹ 1066.73 Crore) out of which amounting to ₹ 263.13 Crore (Previous. Year ₹ 272.29 Crore) are secured by realizable and enforceable tangible assets in form of collateral Securities.
  - (b) Out of Tie-up receivables of ₹ 1065.61 Crore (Previous Year ₹ 1066.73 Crore) ₹ 4.11 Crore (Previous Year ₹ 4.11 Crore) have been provided in the books of account.
  - (c) 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 and legal action and referring a few cases to the Government investigating agencies) for recovery of outstanding dues. Necessary action on the report of the Inquiry committee which went into the irregularities in the Tie up business resulting in overdue receivables is being taken by Ministry of Agriculture & Farmers Welfare, Government of India.
7. PSS operation wise claim have been lodged with Ministry of Agriculture & Farmers Welfare, Ministry of Consumer Affairs, Food & Public Distribution, Government of India on account of PSS/MIS operation. Details of amount receivable as on 31st March, 2018 are given below:



S. No.	Particulars	Amount (₹ in Crore)
a.	Recoverable on account of deficit under PSS/MIS (Previous Year ₹ 5826.73 Crore)	6,998.45
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 ₹ 4741.75 Crore)	5,615.44
c.	Net Balance (a-b) (Previous Year ₹ 1084.98 Crore)	1,383.01

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

8. Balances of the debtors, creditors & loans and advances are subject to confirmation with the respective parties. The reconciliation of accounts with the societies / Federations / Tie-up Parties / Business Associates is also in progress. The differences arising on reconciliation shall be adjusted in the year of settlement.
9. Provision for doubtful debtors has been adequately created in the books as per the assessment of the management. The write-off required if any, shall be made after following the due process.
10. The physical verification of Fixed Assets at different branches / Industrial Units and HO of the Federation has been conducted by Internal Auditors of the respective locations. The differences reported shall be adjusted during the FY 2018-19. The impact of the amount has not been considered material by the management.
11. In cases where rent are not received due to legal / other disputes, no income has been recognized following AS-9, Issued by the ICAI. NAFED has initiated legal proceedings against these tenants.
12. Purchases as on 31st March, 2018 include a sum of ₹ 3002.51 Crore for which bills from State Level Agencies are pending Bills amounting Rs. 782.67 Crores has been received from the parties till the finalization of Financial Statements.
13. The quality and valuation of stock in hand is being done based on Warehousing Receipts issued by Central/ State Warehousing Corporation. The quantity, quality and condition of stock kept in warehouses is the joint responsibility of SLA, surveyors and Central / State Warehousing Corporation. NAFED Management is relying upon invoices / documents of the Member Marketing Federations / societies making purchases of agricultural commodities on behalf of the Federation in respect of moisture content, quality, farmer produce, rate and weight and deviation, if any, is dealt with accordingly.
14. Depreciation amounting to ₹ 3.90 Crore (Previous Year ₹ 4.10 Crore) charged in respect of assets revalued during the year 2009-10 and 2011-12 has been credited to Profit & Loss Account by debiting to revaluation reserve.





15. Loan facility from Central Bank of India amounting ₹ 270.61 Crore as on 31st March 2018 (Previous Year ₹ 310.82 Crore), is shown as Secured Loan as it was extended in anticipation of Government Guarantee, as part of Financial restructuring proposal submitted to the Government. However, the guarantee was not provided by the Government as the restructuring proposal was required to be scaled down to build in sacrifices on the part of all stake holders.
16. 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 Rs. 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” under “One Time settlement Agreement” signed with the lenders Bank on 27.03.2018. Execution of the same is under progress.
17. **Employee Benefits**

Gratuity:

The Federation has taken a 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 2018, an amount of ₹ 2.57 Crore (Previous Year ₹ 2.12 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. (I) Detail of Post Retirement Gratuity Plan is as under:

1	Assumption	As on 31.03.2017	As on 31.03.2018
	Discount Rate	8.00%	8.00%
	Salary Escalation	6.00%	6.00%
2	Table Showing Changes in present value of obligation as on 31.03.2018		
	Policy number	<u>103001868</u>	<u>46115</u>
	Present Value of obligations as at beginning of year	1278035.00	153013455.00
	interest cost	102243.00	12241076.00
	Current Service Cost	267069.00	6117793.00
	Benefits Paid	0.00	-14189334.00
	Actuarial (gain) / Loss on obligations	-406819.00	6642592.00
	Present value of obligations as at end of the year	1240528.00	163825582.00



3	Table showing changes in the fair value of plan assets as on 31.03.2018		
	Fair Value of plan assets at the beginning of year	1574850.57	148974192.84
	Expected return on plan assets	126426.70	11556509.45
	Contributions	23110.50	32766732.60
	Benefits paid	0.00	-14189334.00
	Actuarial (gain) / loss on Plan assets	NIL	NIL
	Fair Value of plan assets at the end of year	1724387.77	179108100.89
4	Table showing fair value of plan assets as on 31.03.2018		
	Fair Value of plan assets at the beginning of year	1574850.57	148974192.84
	Actual return on plan assets	126426.70	11556509.45
	Contributions	23110.50	32766732.60
	Benefits paid	0.00	-14189334.00
	Fair Value of plan assets at the end of year	1724387.77	179108100.89
	Funded Status	483859.77	15282518.89
	Excess of Actual over estimated return on plan assets	NIL	NIL
	(Actual rate of return= estimated rate of return as ARD falls on 31st March 2018)		
5	Actuarial Gain / Loss recognized As on 31.03.2018		
	Actuarial Gain / Loss on obligations	406819.00	-6642592.00
	Actuarial Gain / Loss on for the year - plan assets	NIL	NIL
	Actuarial Gain / Loss on obligations	-406819.00	6642592.00
	Actuarial Gain / Loss recognized in the year	-406819.00	6642592.00
6	The amounts to be recognized in the balance sheet and in the statements of Profit & loss as on 31.03.2018		
	Fair value of obligations as at the end of year	1240528.00	163825582.00
	Fair value of plan assets as at the end of the year	1724387.77	179108100.89
	Funded status	483859.77	15282518.89
	Net asset / (liability) recognized in the balance sheet	483859.77	15282518.89
7	Expenses recognized in the statement of profit & loss		
	Current Service Cost	267069.00	6117793.00
	Interest Cost	102243.00	12241076.00
	Expected return on plan assets	-126426.70	-11556509.45
	Net Actuarial (gain) / loss recognized in the year	-406819.00	6642592.00
	Expenses recognized in the statement of profit & loss	-163934.00	13444952.00

During the year, the Federation has paid ₹ 0.11 Crore (Previous Year ₹ 0.11 Crore) as contribution to fund based on advice received from LIC and charged to Profit and Loss Account during the year.



A (II). Detail of Post Retirement Leave Encashment Plan is as under:

	As on 31.03.2017	As on 31.03.2018
1 Assumption		
Discount Rate	8.00%	8.00%
Salary Escalation	6.00%	6.00%
2 Table Showing Changes in present value of obligation as on 31.03.2018		
Present Value of obligations as at beginning of the year		107690579.00
Interest cost		8615246.00
Current Service Cost		4995022.00
Benefits Paid		-14540560.00
Actuarial (gain) / Loss on obligations		10190378.00
Present value of obligations as at end of the year		116950665.00
3 Table showing changes in the fair value of plan assets as on 31.03.2018		
Fair Value of plan assets at the beginning of year		142414626.18
Expected return on plan assets		10518791.01
Contributions		1.02
Benefits paid		-14540560.00
Actuarial (gain) / loss on Plan assets		NIL
Fair Value of plan assets at the end of year		138392858.21
4 Table showing fair value of plan assets as on 31.03.2018		
Fair Value of plan assets at the beginning of year		142414626.18
Actual return on plan assets		10518791.01
Contributions		1.02
Benefits paid		-14540560.00
Fair Value of plan assets at the end of year		138392858.21
Funded Status		21442193.21
Excess of Actual over estimated return on plan assets		NIL
(Actual rate of return= estimated rate of return as ARD falls on 31st March2018)		
5 Actuarial Gain / Loss recognized as on 31.03.2018		
Actuarial Gain / Loss on obligations		-10190378.00
Actuarial Gain / Loss on for the year - plan assets		NIL
Actuarial Gain / Loss on obligations		10190378.00
Actuarial Gain / Loss recognized in the year		10190378.00
6 The amounts to be recognized in the balance sheet and in the statements of Profit & loss as on 31.03.2018		
Fair value of obligations as at the end of year		116950665.00
Fair value of plan assets as at the end of the year		138392858.21
Funded status		21442193.21
Net asset / (liability) recognized in the balance sheet		-21442193.21



22. The accounts have been prepared on going concern basis despite the accumulated losses of ₹ 864.12 Crore (Previous Year ₹ 1090.93 Crore) and negative net worth based on its improved business turnover in commercial account amounting to ₹ 1585.50 Crore (Previous Year ₹ 275.76 Crore) and expecting assistance from Govt. and one-time settlement with banks. Also, 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 the federation has recognized an amount of ₹ 11,75,14,511 (Previous Year ₹ 18,08,22,459) as Deferred Tax Assets ( Net) during the year. The components of DTA/DTL as on 31.03.2018 are as under:

Particulars	Current Year (₹)	Previous Year (₹)
Deferred Tax Assets		
Profit / (-) Unabsorbed Losses	0	676057352
Provision for Bad & Doubtful debts	25194306	142329209.9
Difference in block of Fixed Assets	243940	-
Disallowances u/s 43(B) of Income Tax Act	10046896594	10225757124
Deferred Tax Assets [1-(2+3)]: Total (A)	10072334840	9692028982
Deferred Tax Liabilities		
Alimenta Interest Liability claimed in Income Tax computation but not accounted in books	-1203177333	-1203177333
<b>Total ( B)</b>	<b>-1203177333</b>	<b>-1203177333</b>
Deferred Tax Assets : NET (A-B)	8869157507	8488851649
Tax Effect	2740569670	2623055159

“The Financial Statements are prepared under the Historical Cost Convention except land and building, which are re-valued from time to time”.

The changes have been made to incorporate the existing Accounting Practice and as such have no financial impact.

### 23. Exceptional Items

- a.) During the year NAFED paid Rs. 19,40,000 as one time settlement money to Corporation Bank out of total amount of Rs. 63,23,219 payable by COOPTOUR and charge the same to the expenses. The said guarantee was provided by the Federation to Corporation Bank against loan extended to COOPTOUR.



7	Expenses recognized in the statement of profit & loss as on 31.03.2018	
	Current Service Cost	4995022.00
	Interest Cost	8615246.00
	Expected return on plan assets	-10518791.00
	Net Actuarial (gain) / loss recognized in the year	10190378.00
	Expenses recognized in the statement of profit & loss	13281855.00

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

**B.** The Federation has computed liability of Gratuity and Leave Encashment for Industrial Unit employees as on balance sheet date and provided in the books of accounts as under:-

- i. Gratuity ₹ 0.87 Crore (Previous Year ₹ 1.20 Crore)
- ii. Leave Encashment ₹ 1.18 Crore (Previous Year ₹ 0 .65 Crore)

18. Related Parties Transactions as per Accounting Standard 18:

(a) The federation has an investment in equity shares of NSS Satpura Agro Development Company Limited amounting to ₹ 20 Lacs representing 50% of the paid-up capital of the company. Further, an amount of ₹42,43,485 (P.Y. ₹25,61,114) is recoverable from company on account of expenses incurred by the federation on behalf of NSS Satpura Agro Development Company Limited. NAFED has made provision of ₹ 21,21,743 (Federation share of 50%) during the year.

(b) Key Managerial Personnel and Relationship:

i.	Shri Sanjeev Kumar Chadha, IFS	Managing Director
ii.	Shri Sunil Kumar Singh (04.11.2017 onwards)	Addl. Managing Director
iii.	Shri S.K. Verma	Executive Director
iv.	Shri A.K. Rath	Executive Director
v.	Shri A.K. Jain	General Manager

Remuneration Paid to Key Managerial Personnel: ₹ 0.81 Crore (Previous Year ₹ 0.75 Crore)

19. 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.
20. In the opinion of the Management, the Recoverable amount of the assets is higher than their carrying amount stated in the Balance Sheet. Therefore, no provision for impairment loss as defined under AS-28 (Impairment of Assets) is considered necessary.
21. 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.



- b.) The amount Rs. 2,11,86,000 paid for land allotted by WBHIDCO and given to RPIEL for development has been provided as expense in the books during the current year as the Federation lost the case in the Supreme court of India, the execution of the same is pending at Kolkata High court.
24. During July, 2018 it was discovered that 3 SLA's in Gujarat have submitted forged/invalid WHR's of GSWC for the stocks purchase during the year 2017-18, amounting to Rs. 9.09 Crore. The GSWC has denied of issuing these WHR's. The amount has been debited to respective SLA'S as on 31st March, 2018. Necessary process of investigation/legal action has been initiated by the concerned authorities.
25. Details / Information required as per AS-3 (Cash Flow Statement), AS-17 (Segment Reporting) are annexed.
26. Previous year figures have been regrouped and rearranged wherever necessary. Figures have been rounded off to the nearest rupees.

**SIGNATURES TO SCHEDULES 1 TO 26**





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

# CASH FLOW STATEMENT FOR THE YEAR 2017-18

(Figures in Rupees)

PARTICULARS	YEAR ENDED 31.03.2018		YEAR ENDED 31-03-2017	
	Details	Amount	Details	Amount
<b>A : Cash flow from Operating Activities</b>				
Net Profit as per P & L A/c		2,268,140,302		(407,474,181)
Adjustments For :				
Depreciation & Amortisation	50,751,618		54,747,222	
Dep on revalued amt written back	(39,041,535)		(41,023,516)	
Interest Income	(146,235,032)		(27,134,928)	
Dividend Income	(8,603,500)		(10,133,000)	
Interest Expenses	729		1,777,389,203	
Profit / Loss on sale of fixed assets	(5,502)		-	
Fixed assets write off	-	(143,133,222)	-	1,753,844,981
Operating Profit before Working Capital Changes		2,125,007,080		1,346,370,800
Decrease/(Increase) in Sundry Debtors	(2,342,646,485)		(400,392,752)	
Decrease/(Increase) in amount recoverable from Govt.	(2,980,330,720)		428,014,323	
Decrease/(Increases) in Advances to suppliers/ other advances	(2,384,764,508)		(15,808,169,047)	
Decrease/(Increase) in Inventories	(133,909,480,549)		(55,850,678,912)	
Increase in claims	(3,123,945,071)		(188,016,294)	
Increase/(Decrease) in Current Liability	49,302,647,815		63,319,495,749	
Payment from Education Fund	-	(95,438,519,520)	-	(8,499,746,934)
Net Cash from / (used in) Operating Activities : (A)		(93,313,512,440)		(7,153,376,134)
<b>B : Cash flow from Investing Activities.</b>				
Purchase of Fixed Asset/Adjustment of Construction WIP	(15,534,598)		(8,204,602)	
Increase in Investment	(10,005,000)		-	
Decrease in Investment in joint ventures	-		-	
Interest Received	146,235,032		27,134,928	
Dividend Received	8,603,500		10,133,000	
Sale of Fixed Assets	248,866		5,622,630	
Net Cash from / (used in) Investing Activities : (B)		129,547,800		34,685,956
<b>C : Cash Flow from Financing Activities</b>				
Proceeds from Issuance of Share capital	3,907,500.00		-	
Increase in General Reserve Fund	644,407.00		-	
Increase in share application money	11,201,242		1,012,110	
Increase in secured loans	90,350,574,032		12,404,662,650	
Interest Paid	(729)		(1,777,389,203)	
Net Cash from / (used in) Financing Activities : (C)		90,366,326,452		10,628,285,557
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(2,817,638,188)</b>		<b>3,509,595,379</b>
Cash & Cash equivalents at the beginning of period	(See Note 1)	4,145,615,777	(See Note 1)	636,020,398
Cash & Cash equivalents at the end of period	(See Note 1)	1,327,977,590	(See Note 1)	4,145,615,777

### Notes to Cash flow Statement

#### 1. Cash and Cash equivalents

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

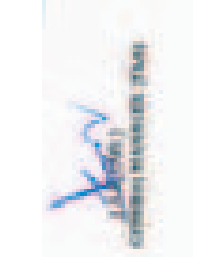
	31.03.2018	31.03.2017
Cash in hand and balance with bank	1,327,977,590	4,145,615,777
Margin against LC & LG	-	-
	1,327,977,590	4,145,615,777



PLACE : NEW DELHI  
DATE : 18.08.2018

## NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD, NEW DELHI FINANCIAL YEAR 2017-2018

S. No.	PARTICULARS	I AGRICULTURAL BUSINESS	II PSS BUSINESS	III CANALIZING BUSINESS	IV OTHER BUSINESS	V UNALLOCABLE ITEMS	TOTAL FOR THE YEAR 2017-2018	I AGRICULTURAL BUSINESS	II PSS BUSINESS	III CANALIZING BUSINESS	IV OTHER BUSINESS	V UNALLOCABLE ITEMS	TOTAL FOR THE YEAR 2016-2017
A.	SEGMENT REVENUE:												
i)	SALES	12,878,571,962	16,353,665,731	-	2,018,862,080	875,665,744	32,126,765,516	1,654,864,669	2,290,113,837	-	1,102,692,262	-	5,047,670,768
ii)	SERVICE CHARGES ( (PSE/PSS)	3,458,348	1,859,626,613	-	33,767,189	-	1,896,852,149	7,071,200	1,343,567,920	-	12,694,127	-	1,363,333,247
iii)	OTHER INCOME	44,532,597	5,015,968,788	-	19,422,393	247,256,086	5,327,199,865	7,103	16,610,499	-	188,174,097	284,719,835	489,511,534
	GROSS SALES/INCOME (i+ii+iii)	12,926,582,907	23,229,261,132	-	2,072,051,661	1,122,921,831	39,350,817,531	1,661,942,971	3,650,292,257	-	1,303,560,485	284,719,836	6,900,515,549
B	SEGMENT RESULTS (GROSS PROFIT)	1,640,348,306	(580,322,769)	-	62,779,672	1,304,036,394	2,426,841,603	8,943,972	157,649,569	-	83,307,857	1,183,551,459	1,433,452,857
a)	ADD: UNALLOCABLE INCOME	6,642,395	44,103,086	-	650,974	215,095,878	266,492,332	-	16,405,618	-	4,178,159	88,547,997	109,131,774
b)	LESS: UNALLOCABLE EXPENSES	70,068,749	4,925,086	-	14,257,900	492,046,994	581,298,730	-	8,113,673	-	-	2,167,611,153	2,175,724,826
c)	PROFIT (a+b-c) BEFORE EXCEPTIONAL ITEMS	1,576,921,952	(541,144,770)	-	49,172,746	1,027,085,278	2,112,035,205	8,943,972	165,941,514	-	87,486,016	(895,511,697)	(633,140,196)
d)	EXCEPTIONAL ITEMS	23,640,292	-	-	323,869	14,626,425	38,590,586	-	-	-	-	44,843,555	44,843,555
e)	PROFIT BEFORE TAX (c+d)	1,600,562,243	(541,144,770)	-	49,496,615	1,041,711,703	2,150,625,792	8,943,972	165,941,514	-	87,486,016	(850,668,142)	(588,296,640)
C	SEGMENT ASSETS	3,693,179,829	168,317,166,979	-	4,930,009,733	62,098,727,096	239,039,083,637	519,688,833	83,603,579,477	-	12,945,617,277	299,834,667	97,368,720,254
a	UNALLOCABLE ASSETS	-	-	-	-	9,110,699,609	9,110,699,609	-	-	-	-	8,883,246,776	8,883,246,776
b	TOTAL ASSETS (C+a)	3,693,179,829	168,317,166,979	-	4,930,009,734	71,209,426,704	248,149,783,245	519,688,833	83,603,579,477	-	12,945,617,278	9,183,081,443	106,251,967,031
D	SEGMENT LIABILITIES	1,418,806,677	182,222,694,650	-	2,172,442,918	8,850,341,681	194,664,285,926	500,394,438	50,780,072,212	-	10,957,208,831	-	62,237,675,481
a	UNALLOCABLE LIABILITIES	-	-	-	-	53,485,497,319	53,485,497,319	-	-	-	-	44,014,291,550	44,014,291,550
b	TOTAL LIABILITIES	-	-	-	-	62,335,839,000	248,149,783,245	500,394,438	50,780,072,212	-	10,957,208,831	44,014,291,550	106,251,967,031
E	CAPITAL EXPENDITURE INCURRED DURING THE YEAR	1,418,806,677	182,222,694,650	-	2,172,442,918	15,534,599	15,534,599	-	-	-	-	8,227,604	8,227,604
F	DEPRECIATION	-	-	-	-	50,751,617	50,751,617	-	-	-	-	54,747,222	54,747,222
G	NON-CASH EXPENDITURE OTHER THAN DEPRECIATION	-	-	-	-	1,655,496,939	1,655,496,939	-	-	-	-	2,948,355,181	2,948,355,181





## CHAPTER 13

**National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)**  
Head Office : Nafed House, Sidhartha Enclave, Ring Road, Ashram Chowk, New Delhi – 110 014  
EPABX : 26340019 Fax : 011-26340261 Website : www.nafed-india.com

**Chairman**

Tel.(Off.): 011-26341807 (R) 02822-233764, 982507741 (Mob.)

**Managing Director**

Tel.(Off.): 26344293 Fax: 26345095 Email : mdcell@nafed-india.com

### NETWORK OF NAFED

#### NORTHERN ZONE

**Azadpur Branch**

STD Code 011 Ph. 27679014  
Fax : 27675962, 8285888915(M)  
E-mail: nafazp@nafed-india.com

**Consumer Mktg.Division (CMD)**

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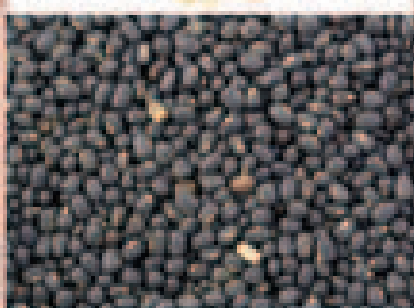
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