NATIONAL COMMODITIES MANAGEMENT SERVICES LIMITED

(Formerly known as National Collateral Management Services Limited)

ANNUAL REPORT 2020-2021

BOARD OF DIRECTORS

Ms. Zohra Chatterji (Chairperson of the Board)
Mr. SB Mathur (Independent Director)
Mr. Chandran Ratnaswami (Nominee Director)
Mr. Sumit Maheshwari (Nominee Director)
Mr. Pravir Vohra (Independent Director)
Mr. Siraj A. Chaudhry (MD & CEO)
Mr. Unupom Kausik (Whole Time Director)

GROUP CHIEF FINANCIAL OFFICER

Mr. Anuj Kumar Vasdev

COMPANY SECRETARY

Ms. Rupinder Kaur

STATUTORY AUDITORS

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REGISTRAR AND TRANSFER AGENT

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CONTENTS

MESSAGE FROM MD & CEO

Dear Shareholders,

Hope all of you are safe and keeping well in these testing times.

At NCML we put considerable efforts in keeping our employees safe by constantly sharing COVID-19 related verified information with all our employees, to create the desired level of awareness. Notwithstanding, some of our employees in our offices and field were affected by Covid. However, we took all the appropriate measures to support them in the need of the hour. We are continuing to engage with our employees and other stakeholders towards a safe passage through these difficult times.

FY2020-21 Overview

COVID-19 pandemic has affected every sector of the economy. Core agricultural activity was largely insulated as timely and proactive exemptions from lockdowns to the sector facilitated uninterrupted harvesting of Rabi crops and sowing of Kharif crops. Agricultural production for 2019-2020 stood at 695 million MT while food grain production accounted for 297 million MT. However, disruptions in the supply chain impacted the flow of agricultural goods leading to high food inflation and adverse impact on some major agricultural exports. Further, in the private warehousing space, which accounts for 27% of the total warehouse capacity of 160 MMT, 52% was utilized leaving a clear capacity surplus of 48% of private warehousing space at 20 MMT. The physical and fiscal environment is still challenging to conduct and scale our business. We have, in this year, managed our liquidity, well, with a debt reduction of 1330 Mi. Irrespective of such trying circumstances, we have been successful in monetizing excess project land, getting tax refunds, and securing the release of FDs submitted for silo bids to the tune of 500 million.

The financial year continues to be challenging. Notwithstanding, we have assiduously and diligently worked towards achieving our Annual Operating Plan in the given circumstances. In the first half, the imposition of lockdown in various parts of the country had a direct impact on the business. However, with continued efforts, we could see a marked improvement in the second half. Our core business of Storage and Preservation was scaled up from 0.9 MMT to 1.2 MMT, Testing and Inspection experienced a volume increase of more than 6K samples, Supply Chain Management experienced an enhanced deployment of 87 million, and revenue in CWIG increased by INR 44 million. However, in the case of Collateral Management, the reduction in assets under management was calibrated and as per strategic design. This process of reduction will continue systematically, and going forward, we will shift the business entirely to our professional warehouses.

The Storage and Preservation product of CMS implemented some key strategies this year. The business segment has worked with an active focus on government clients and large corporates, closing loss-making warehouses, and increasing franchisee locations. Additionally, we managed to increase utilization of warehousing space and enhanced market share in exchange deposits, which resulted in the handling of over 2.6 MMT with deposits of 1.5 MMT of commodities. The Collateral Management business, as envisaged, is being restricted to our own managed warehouses and progressively, efforts are ongoing to ensure that assignments in all other categories of warehouses are surrendered or closed out through active engagement with banking clients. Presently, 88% of the assets under management with our CM segment are less than one year old. Owing to reduced credit lines, the capital deployed in SCM was lowered by 56% as compared to last year. The net revenue from SCM activities was INR 32 million with a negative EBIDTA of INR 43 million.

The T&C division was segregated into Agri Testing and Food Testing with a strong rigor and focus on capacity utilization. In this year, the division has successfully bid for operating the National Food Laboratory at Chennai for Food Safety and Standards Authority of India (FSSAI) for a period of twenty-five years. The revenue was twenty percent less than the budgeted revenue, while on par with last year at 257 million with a positive EBIDTA of 9 million.

As the harvest period of Rabi 2020 coincided with the COVID-19 pandemic, Indian farmers faced the challenges of the absence of aggregators, difficulty to maintain COVID-19 appropriate behavior, and unavailability of credit on produce in the absence of a buyer at the desired price. To overcome these constraints, we introduced the concept of *Surakshit Mandi*. When farmers bring their produce, we suitably assay, grade, and list it for e-auction on the electronic platform *mktyard.com*. Arrangements are made to issue e-tokens in advance and all COVID-19 related protocols are observed. Based on the Farmers' acceptance of the bid received online, money is deposited into their account. This has found good traction in the state of Rajasthan. The total revenue from *mktyard.com* is 6 million, which is nearly 30% lesser than the last year. Though the number of auctions conducted for various clients was high, the success of the bids in terms of price discovered was low, which ultimately affected the revenues for the division.

The crop weather intelligence group won two bids from the National Hydrology project in the state of Telangana and Assam. Steady de-growth of AWS business has been observed and this decline was countered successfully by augmenting non-AWS businesses such as estimation of crop acreage and crop yield through remote sensing and undertaking assignments on commodity consulting. The revenue and EBIDTA were slightly less than budgeted (185 million) at 178 Mi and EBIDTA (17 million) at 10 million.

NCML Finance surpassed its budgeted revenue (136 million) at 169 million and witnessed an increase in EBIDTA (50 million) to 66 million. This was possible due to a reduction in capital deployment of 530 Mi, reduction in operating costs through downsizing, focus on warehouse receipt funding with no further disbursements on long-term LAP (loan against property).

This year we have started two new service offerings viz., **Cloud Trucking** providing transportation services to large customers through strategic engagement with service providers. This is gaining traction and the business has succeeded in getting enlisted with big industry names as our customers. The other offering is **Institutional Sales** of end-to-end procurement solutions for retailers/large processors - it includes procurement, grading, storing, transporting, financing, and on-time delivery.

We experienced delays and lag in the activities of land procurement and construction of Silos for FCI. This is due to COVID-19 induced lockdowns, reverse migration of labor, and farmers' agitation. Despite these factors, we have partially delivered two sites in Haryana, viz., Sonepat (50K MT) and Bhattu (37.5KMT) to FCI and hope to complete the delivery in the first half of FY 21-22. Work in three worksites in Punjab has been on pause due to farmers' agitation and we have already made substantial investments in these sites. The procurement of residual land parcels at two sites in the state of UP and one site in Punjab is being taken up. In three locations of Bihar, we are working towards land procurement.

Way Forward 2021-22:

We have embarked on a mission mode to implement an Integrated Management system, including Quality Management System, Environmental Management System, and Occupational Health and Safety Standards. This will ensure the needs of the customer are well understood and met,

employees have a health and safety net in their work environment, and all our activities are sustainable and environmentally friendly. It will lay the path for systemically achieving our Annual Operating Plans.

We are in gratitude to our shareholders, clients, regulatory authorities, and banks for their continued patronage, guidance and thank them for the same.

We have a clear understanding of the needs and expectations of the stakeholders, both internal and external, in the context of our business, and we are confident to ramp up our performance with utmost agility and diligence in the coming year.

Siraj A. Chaudhry
MD & CEO, NCML

Gurgaon
September, 2021

Directors' Report

Your Directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March 2021.

1. **FINANCIAL SUMMARY –**

INR in million

Particulars	Mar'2021	Mar'2020	Mar'2021	Mar'2020
	Standalone		Consolidated	
Total Income	5,264.5	8,876.5	5,233.8	8,946.6
Expenditure	5,963.4	9,411.7	5,876.9	9,773.8
Profit before Depreciation, Finance Charges and Tax	(699.0)	(535.2)	(643.1)	(827.2)
Interest and Finance Charges	605.0	579.4	332.9	467.6
Depreciation	233.5	219.3	237.6	231.4
Loss before Tax	(699.0)	(862.0)	(643.1)	(827.2)
Taxes paid and provided	(89.1)	(265.2)	(65.3)	(250.0)
Loss after Tax	(609.9)	(596.8)	(577.8)	(577.2)
Balance brought forward from previous Year	1,361.2	1,964.2	1,365.4	1,959.3
Loss for the year	-609.9	-596.8	-577.8	-577.2
Remeasurement gain on post-employment defined benefits plans, net of tax	2.5	-3.0	3.7	-2.3
Transfer to statutory reserve	0	0	-8.5	-9.4
Transferred to Special Reserves	-5.0	-5.0	-5.0	-5.0
Balance carried to Balance Sheet	748.8	1,361.2	777.8	1,365.4

2. **COMPANY PERFORMANCE**

On a standalone basis:

- During the year under review, the decline in revenue is attributed to some of the segments where segmental decline contributed to an overall decline. The SCM segment for both of its sub-segments, Vendor Management Inventory (VMI) and Cross Border Trade Facilitation (CBT), was impacted at a gross revenue level due to constraints on the availability of working capital, while demand from clients for VMI and CBT services remained good though. Collateral Management was affected due to perceived risks in collateral management business, the company reduced its exposure to commodity collaterals in borrower and private licensed warehouse categories and such revised guidelines on risk control protocols resulting in de-growth of assets under management (AUM). Both businesses had an impact on cross-segment revenue in the storage business as well, which is partly compensated off through better utilization of leased & project warehouses and enhancement of capacity during current year. Warehousing business witnessed approx. 10% increase in revenue in H2 FY21 vs H2 FY 20. The segment also added about 2 lac MT (1.2 million SFT) additional storage space with higher utilization levels in H2 FY21 vis-à-vis same period last year, H2 FY20. The share of warehousing capacity under franchisee model has reached to about 60% of the total hired space as against ~40% at the beginning of the year. Testing & Certification got adversely impacted

due to the COVID-19 pandemic. Weather intelligence business revenue declined on account of Gujrat Government contract services not rendered in FY 21 against LY 20, partially compensated with NHP Telangana and Assam.

- Net Profit of the Company is impacted due to structural changes in Collateral Management business operations, and discontinuation of new business activity in high-risk geographies, the decline in the overall revenue stream due to SCM business having adverse impact due to limited availability of funds at company's disposal, and one-time impact of the following; provision against doubtful receivables which includes Rice Millers, debtors security deposit, employee advances and provisions for litigation matters.

- This financial year has been a period of transformation through a change in leadership and associated transformations in businesses where management decided to take one- time provisions in the books amounting to INR 416 million, which is all Non-cash impact and is attributed to:

    - Collateral Management business: Provisions are taken based on prudence amounting to INR 348 million and same is adjusted against claim assets. These are towards Insurance recoveries which remain in good stead with insurance companies and is part of timing difference currently which takes anywhere between 3 to 5 years to recover.
    - Non-recoverable values are identified from old receivables for Rice Millers transactions, Security Deposits and Sundry Debtors. Provision has been created for doubtful cases during the year amounting to INR 82 million.
    - Provision created against employee receivables for one of employee who initiated some wrong doings for INR 12 million as on Mar 31, 2021. The Matter is reported in note 57 of standalone financial statement.
    - And a Credit/ One time gain on sale of land is recognized for Kochi location (area of 3.63 acres) is INR 26 million.

On a consolidated basis:

- During the year under review, Revenue from operations decreased by 43% to Rs.5,093 Million.
- The decline in revenue is attributed to few of the segments having a reduction in the revenue stream, primarily in; SCM both VMI and CBT businesses were impacted at a gross revenue level due to funds constraints and reduced inflow of commodities during peak of the pandemic, also impacted; Collateral Management was affected due to perceived risks in collateral management business, the company reduced its exposure to commodity collaterals in borrower and private licensed warehouse categories and such revised guidelines on risk control protocols resulting in de growth of assets under management (AUM) ~4200 crores average during the year. Both these business segments impacted cross-segment revenue in S&P as well, which is partly netted off from augmentation of better utilization of leased and enhancement of warehousing capacity. Warehousing business witnessed approx. 10% increase in revenue in H2 FY21 vs. H2 of FY 20. The segment also added about 2 lac MT (1.2 million SFT) additional storage space with higher utilization levels in H2 FY21 vis-à-vis H2 FY20. The share of warehousing capacity under franchisee model has reached ~60% of the total hired space vs ~40% at the beginning of the year.
- Testing & Certification got adversely impacted in due to the COVID-19 pandemic.
- Furthermore, Mktyard reduction is attributed to lower GMV's.
- Weather intelligence business revenue declined on account of Government contract services not rendered in FY 21 against LY 20, partially compensated with NHP Telangana and Assam projects.

- Net Profit of the Company was impacted due to steep reduction of CM operations at high-risk locations, the decline in the overall revenue stream due to Covid-19, provision against doubtful receivables, and provisions for litigation matters. However with NCML Finance business staying PBT positive despite the challenging macro economic environment and micro economic factors impacting NBFC domain.

3. DIVIDEND

Your Directors do not recommend any dividend during the Year under review.

4. RESERVES

Rupees 5 million have been transferred towards Special Reserve. Given contingencies, that may arise due to the peculiar nature of the Company's business, a sum of Rs. 5 million (31st Mar 2020: Rs. 5 million) have been transferred from the surplus in the statement of profit and loss to Special Reserve. The balance as of 31st Mar 2021 is Rs 47.5 million (31st Mar 2020: Rs. 42.5 million).

5. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

i. Storage and Preservation

Segment performed considerately well by clocking aggregate revenue of Rs.91 Crs despite covid challenges. The year started with an unprecedented event of COVID 19 and strictly imposed lockdown conditions which severely hit the entire Agri value chain including procurement and transportation of the Agri commodities. Rabi is the major cropping season with multiple crops which drives maximum volumes in the warehouses, however, lower inwards impacted revenues in the first half of the year. The strategic reduction in Leased Capacity, strong focus on Franchisee Warehouses, and timely exit from less potential WHs to manage associated manpower & operational cost significantly. Our continued association with Government and State agencies in different states ensured optimum space utilization of project warehouses.

Market conditions returned to some normalcy in Kharif season and the company could increase capacity in Leased and revenue sharing models, well supported by improved inwards of Kharif Crops. Fairly increased volumes of Cotton Bales from the Private Players as well as Cotton Corporation of India and improved inwards of Exchange commodities resulted in higher capacity utilization of the Warehouses across locations and improved revenues month on month. However, prolonged rain in the latter part of September and October adversely affected the Quality and Quantity of major crops like Soyabean.

Overall, mixed market and economic conditions during the year with improvement in the second half brought in deposits in the warehouses but without much support from the cross-segment revenues of SCM and CM businesses due to internal and external factors. In addition, to focus on revenue generation, strategic planning and conscious decision-making and implementation of E&Y recommendations have been the focus areas to reduce cost in challenging times, which resulted in containing expenses within reasonable limits.

ii. Collateral Management

Business got equally impacted during the first half of the year due the emergence of COVID 19 and continued to face lukewarm interest from the banking industry due to unfavourable experiences in recent years resulting in reduction of overall collateral

management sector. Structure wise Risk Protocols were diligently reviewed periodically and exit from locations were planned and executed in phased manner wherever required. Major Volumes were increased in Sugar and Paddy commodity in the latter half of the year. We took a strategic decision to close and exit some categories of structures where risk assessment did not support our exposure to such structure categories. A formal process of disengagement with such structure categories continues to be underway.

iii. Commodity Management Solutions

With a view to extend comprehensive, solution based services and provide one stop supply chain solutions to all the stakeholders in the Agri value chain, all the major segments Storage & Preservations, Supply chain Management and Collateral Management were collaborated into Commodity Management Solutions. The strategic collaboration of all the services resulted in rationalization of manpower and significant reduction in operational cost at Segment and organization level. Adequate Training sessions on Products, Processes, and supporting software were arranged for team members for better understanding and delivery of the services.

iv. Supply chain management (VMI and CBT)

Company focussed majorly on the existing clients with limited scope of new business due to tightness in the availability of the credit facilities and also due to the uncertain Domestic and Global market conditions witnessed due to COVID 19. Credit tightness continued in the later of the year as well and hence no new positions in VMI were taken during that period and limited business volumes in Edible Oils and sesame were executed in CBT segment.

v. Testing & Certification

NCML labs vertical got impacted by Covid -19 Pandemic in the first half of FY20-21, travel plans related to Business development continue to be rolled back. As an Essential Service partner in business relationships, true to our customer-centric approach, we supported our clients. We worked closely with them to meet the commitments despite operational challenges presented by the pandemic.

Complete shutdown of online food delivery companies and other HORECA client's during the lockdown period impacted our revenue in the first half of FY 20-21. Moreover, FSSAI relaxed food safety compliance duration for the domestic food processing industries due to Covid-19 which had adversely affected the revenue. We utilized these adverse conditions and successfully conducted FOSATC online training on Covid -19 Safety for the FBOs across the country.

Food Safety and Security Authority of India (FSSAI) entrusted the Pan-India basis milk products survey to NCML Labs. We covered 20 states and 600 districts in this project through sample pick up and mobilizing the milk-based product samples to the nearest NCML labs within 24 hours. The regulator (FSSAI) has recognized and appreciated the efforts of the division and placed NCML on the preferred partner list for future Pan-India-based assignments.

FSSAI awarded the NATIONAL FOOD LAB (NFL) Chennai contract to NCML under the Public-private partnership mode to build and operate for 30 years. Under the arrangement, FSSAI will provide building infrastructure and ensured import sample testing business. This partnership shall place NCML Labs in different leagues garner a close relationship with the Food safety regulator of India.

Agri- Division expanded testing and inspection activities for the Cotton and other textile products as per the Global Organic Textile Standards. It served a couple of international clients as well as major domestic players. Indore Lab got the approval from APEDA for testing of Cotton as per GOTS IWA 32

On Survey and inspection front, won the contract from IFFCO for Survey of Fertilizers at Kakinada port for approx. 1.2 Million MT and Ventured into Seafood inspections.

vi. Weather & Market Intelligence

During the year under review, utilisation of Automatic Weather Stations (AWS) remained at 73%., as agreement with Gujarat govt could not be renewed. 324 out of 496 AWS were utilized in other states. Total weather stations stood at 3289 no. The division also diversified in Hydrology space and won the National Hydrology Project (NHP) tender in Assam in current year. NHP Telangana won last year (March'20) execution initiated and under progress same is delayed due to Covid lockdowns.

Our technology-based crop risk monitoring initiated during the last year for crop insurance sector has been augmented in the current year covering 350 + districts in 13 states. With the help of our mobile application, we have monitored 28,500 CCEM (Crop Cutting Experiment Monitoring) & Crop Loss Survey in 5 states and 23 districts.

The division has strengthened its presence into the commodity sector by providing Remote Sensing technology-based crop production forecasting and price risk consulting. During current year we have done Remote sensing based acreages and yield/production forecasting for Soybean, Kharif Maize, Mustard and Rabi maize on Pan India basis and Remote sensing acreages for wheat & Mustard in 3 states. We have extensively done sowing intention, crop health, stock survey for Pulses crop (telephonic & field) in Tur (Pigeon pea), Green Gram, Black Gram, Gram & Lentil. Total 1100 Crop cutting experiments (CCE) were conducted for clients for yield determination.

We have also initiated commodity research and price consulting services in Sugar, Wheat, Oil complexes, Maize, Soybean, Pulses & Tomato. We have won Horticulture value chain study for Tripura government along with NIAM (National Institute of Agricultural Marketing). (in JV) and also executing Silo operational consulting project in Nepal for Nepal Warehousing Company Ltd .

The division has added 15 new clients from reinsurance, commodity, trade associations and government sectors in 2020-21 taking total clients to 44 no (increase of 51% over last year). During last year we have initiated Non-AWS consulting business in the new company NCML Agri Business Consultants Pvt Ltd (AGCON). Structure for transferring existing CWIG business from NCML to new company AGCON is under process.

vii. Research and Development

The Research & Development department of NCML has maintained its recognition from the Department of Scientific and Industrial Research (DSIR) under Ministry of Science and Technology, Government of India. It has enabled NCML to apply for research grants under various governmental agencies including Department of Biotechnology (DBT), National Agricultural Science Fund (NASF) of ICAR, Uttarakhand State Council for Science and Technology (UCOST) etc.

The department was able to source research projects from both private and governmental agencies. These include National Mission for Himalayan Studies (NMHS) under Ministry of

Environment, Forest & Climate Change (MoEF&CC), Government of India; UCOST under Department of Science & Technology, Government of Uttarakhand; International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Institute of Sustainable Agro-ecosystem Services of University of Tokyo, Japan etc. Currently, two of the awarded projects – "Exploring Livelihood Potential of Wild Growing Stinging Nettle (*Urtica dioica*) in Uttarakhand" and "Effect of various treatments in reducing phytate content of Finger millet for improved nutrition" are in progress.

The department is actively engaged in establishing national and international collaborations for submitting joint proposals. Such collaborations include G.B. Pant University of Agriculture and Technology, Pantnagar; Maharana Pratap University of Agriculture and Technology, Udaipur; Birla Institute of Technology and Science, Pilani; ICRISAT, Hyderabad; MV Solos, Mozambique etc.

During 2020-21, proposals have been submitted to Laudes Foundation; Bajaj Electricals Limited; DBT; NASF; ICRISAT; Central Research Institute for Dryland Agriculture (CRIDA); International Centre for Integrated Mountain Development, Ministry of Environment, Rural Modernization and Kalinago Upliftment, Commonwealth of Dominica etc.

During the year, the department has published two peer reviewed articles in "International Journal of Food Science and Nutrition" and "The Journal of Ethnobiology and Traditional Medicine". Apart, three book chapters were also written of which one has been published while the remaining two are accepted for publication by world's prestigious publishers – Scrivener – Wiley. Members of the R&D team were invited as speakers at online seminars and attended virtual conferences.

viii. NCML Finance

NCML Finance Pvt. Ltd. (Nfin), the finance arm and 100% subsidiary of NCML, achieved a loan book of Rs. 1.00 billion by the end of FY2020-21 vis-à-vis Rs. 1.58 billion as at the end of the previous year. The muted YoY growth in the loan book was mainly due to the impact of COVID-19 and company's strategy to degrow MPSL loan book. However, the lower revenue had limited impact on the bottomline due to various management initiatives including cost optimization, selective lending with higher yields and better risk management protocols that resulted in lower credit costs for the year.

The company has been able to retain its rating as A- stable in the midst of down-scaling in the loan book and reduced its cost of funds through renewal of Bank lines at lower cost. The focus on asset quality has ensured that the company closed the year with one of the lowest NPA level since inception.

Despite the macro challenges lending margins improved as focus was on increasing the loan yields without compromising on underwriting. However the disbursement in Rabi season were severely affected due to Covid wave and at the same time higher commodity prices led to early withdrawal of funded stocks which led to degrowth in the AUMs year on year.

With a severe covid 2.0 wave in FY 22 Rabi again the book growth is expected to be muted in first half. Also with rising inflationary pressure, the RBI may tighten the screws of monetary policy in the second half of the year which may slightly impact the margins. However, easing of restrictions with increase in vaccination coverage prospects a better Kharif season. The company has got itself leaner and fitter not only in terms of costs but also has improved on processes efficiencies making it ready to capitalize the opportunities that lies ahead with normalization.

ix. MktYard.com

During the year under review, MktYard.com revenues and GMV dropped due to the COVID pandemic and lockdown which resulted in Q1 20-21 activities being highly subdued. Further, reductions in bank-led NPA auctions, which reduced drastically as the WRF (Warehouse Receipt Finance) market shrunk by more than 60% overall, and banks considerably tightened up credit lines, causing GMV from NPA auctions shrink to 17% of total GMV from a peak of 70% in FY 18-19 and 40% in FY 19-20.

MktYard.com did manage to make up some of the Q1 loss in subsequent quarters and generated Rs. 0.8 billion of e-Auction Gross Merchandise Value (GMV) as compared to Rs. 1.2 billion during the previous year. The split of this is INR 0.65 Billion from Agri e-auctions and INR 0.15 Billion from non-Agri e-auctions. Despite the reduction in GMV, the consequent reduction in net revenue was not as much, due to the average fee percentage earning from the auctions going up, given the higher percentage of non-agri auctions. Net revenues for the year FY 20-21 were at INR 60 Lakhs, down from INR 80 Lakhs of FY 19-20. The total number of auctions conducted overall saw a healthy growth of 80% and reached 5500 auctions for FY 20-21. The total number of registered clients also saw a healthy increase of 35% and has touched almost 3000 registered clients with MktYard.com.

Despite the first 4-5 months of the financial year providing almost no business, reduction in NPA auctions was partially covered up from increase in GMV and revenue from other avenues such as private e-auctions, order matching, non-Agri and even reverse auctions for government agency procurement needs.

MktYard added another 2 state marketing agencies in its kitty and is now working with a total of 10 different state marketing federations and civil supplies departments for conducting government auctions. The non-Agri segment foray has seen success with annual contracts for scrap and excess inventory sale via e-auctions being signed by over ten major manufacturing firms and now contributes to over 20% of MktYard revenues and is poised for further growth in the coming years.

x. FCI Silo Project

National Collateral Management Service Limited is successfully changed its name to National Commodities Management Service Limited (NCML). At the end of March 2021, the Company is carrying contracts from FCI for setting up silo complexes at 13 locations out of 16 locations that are awarded to NCML, spread across the four states including UP, Punjab, Haryana, and Bihar. Management is pleased to inform that two of the Silo projects, Sonepat and Bhattu have begun operations recently.

As mentioned in our last report, for 11 locations, the contract was to set up silo complexes with a railway siding, on Design, Build, Finance, Own and Operate (DBFOO) basis. The contract at the remaining 2 locations (Buxar and Kaimur) was to set up silo complexes without railway siding, on Design, Build, Finance, Own, and Transfer (DBFOT) basis. These 2 locations under DBFOT are also having rice storage of 12,500 MT each on a pilot basis.

The mandatory land purchase as per FCI requirements has been completed at 8 locations under DBFOO and 2 locations under DBFOT basis. NCML was able to mutually terminate 3 locations (Bettiah, Palwal, and Varanasi) with FCI in the financial year 2019-20. Company was able to receive a Letter of Commencement (LOC) for 8 locations under DBFOO basis and an Appointment Letter (AL) for 2 locations under DBFOT. The revised combined silo

storage capacity that would be thus set by NCML for FCI under Public Private Partnership would be 0.65 million MT.

We've made considerable efforts in getting desired land area for the 3 new locations in the State of Bihar that we executed the Concession Agreement (CA) last year. However, the same was delayed due to Force Majeure reasons like flood and the recent COVID-19 pandemic and intimation w.r.t. the same was sent to FCI. It is pertinent to mention here that given the railway siding is mandated in most of the silo contracts bagged by the Company, additional land is required to be purchased at some locations based on the specific requirements by Railways. Also, some additional land is needed to access roads at some locations.

As mentioned above, NCML has completed 50,000 MT at Sonepat and 37,500 MT at Bhattu in all respect for taking wheat at the complex and FCI has taken over the project for storage of wheat at both these locations since April 2021 which initiated the billing on AUB basis (Actual utilisation basis). In addition to the above NCML has progressed construction activity at 3 locations (Basti, Batala, and Chhehreatta) under DBFOO basis and has planned to complete these projects in FY-2021-22 subject to farmers strike impacting the same. NCML has also initiated construction activities for Buxar and Kaimur locations in the state of Bihar and the same is planned for completion in FY 2021-22 as well.

Additional land has been purchased (where silo complexes are being set up on DBFOO basis) to explore the potential for Private Freight Terminal (PFT) business. It was also decided that SPVs shall transfer excess land to the tune of close to 39 acres to NCML at all locations under DBFOO basis after the finalization of the Layout Plan (LOP) of the corresponding locations. The additional land and land under terminated locations (Palwal and Varanasi) shall be monetized in the future depending on the prevailing local conditions or put to use alternatively.

xi. IT and Computerization

- **Implementation of SOMS (Silo Operation Management System):**

  NCML has implemented Silo Operation Management System which support complete life cycle of Grain Receiving & Shipping to FCI/Agency. It facilitates automation of manual operations required in storage of the commodities/grains received from farmers, local mandi or regional godowns and shipment of the same to wholesale consumers, end users and govt. distributors' at large scale. SOMS provides procedures to keep track and control of the Receiving, Storage, Transportation, and Maintenance of Commodities/Grains in SILOs. Grains can be received via road/train and can be shipped vice versa. It also facilitates to capture the quality of commodity/grains.

- **Implementation of Darwinbox (Human Capital Management)**

  Post HR Digitization "Darwinbox" platform enable's enterprises application which facilitates complete HR solutions. It supports end to end employee's life cycle in system. It helped us a lot in automating smooth on boarding to exit process. Darwinbox is also available with Mobile App. mentioning few HR modules which are implemented through Darwinbox. We could achieve improvement in HR Team productivity by 60%.

- **CRM App:**

  NCML IT Team has implemented a new app called "NCMLOne" (CRM App) which gives better experiences to our customers. Customers can log in supported by OTP and can view all services that they have taken from NCML.

- **Implementation of WLM (Weather Intelligence Application)**

  NCML has implemented an in-house developed application Data Log Manager (DLM) now called as Weather Intelligence Application, is developed to fulfil the weather data delivery and analytics needs of our clients/subscribers. This new application supports better User Interface, Improved Performance, Digital Certifications, Weather Data API's, Data Requests, Runtime Data analysis and Downloads etc. Subscriber is facilitated to download real time reports with the help of Weather Data API. It also helps clients to conduct various data analysis based on data points available. The homepage is designed to display the weather sensor network owned by NCML, whereas the hourly and daily report pages are included with tabular view, to analyse the data on the app itself. Data conversions and downloads are 5x times faster than the old platform and a Weather Analytics dashboard is included to visualize the data for better analysis.

6. CHANGE IN THE NATURE OF BUSINESS, IF ANY

No Changes have occurred in the Nature of the Business of the Company, during the Year under Review. Further there has been no change in the nature of business of its subsidiaries.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There was no material change affecting the financial position of the Company between the date of Balance Sheet and the date of this Report.

8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND FINANCIAL PERFORMANCE THEREOF

As on 31st March 2021, your Company had 18 wholly owned subsidiaries.

A statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 forms part of the Annual Report.

10. DEPOSITS

During the financial year 2020-21, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

11. STATUTORY AUDITORS AND THEIR REPORT

At the last Annual General Meeting of the Company, M/s. Walker Chandiok & Co LLP Chartered Accountants (FRN: 001076N/N500013) were appointed as the Auditors to hold office till the conclusion of the Annual General Meeting to be held for FY 2024-25.

The Auditors' Report for the financial year 2020-21, does not contain any qualification, observation, or adverse remarks and accordingly no comments required by your Board of Directors on the same.

12. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Ravi Shankar & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the year ended 31st March 2021.

For the financial Year 2021-22, the Board has appointed Mr. Rahul Sharma, ACS No.-11288, CP No.-17336 of M/s. Sharma Rahul Associates to undertake the Secretarial Audit of the Company.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March 2021 do not contain any qualification, reservation, adverse remark or disclaimer and are self-explanatory. The Secretarial Audit Report is enclosed and marked as Annexure A to this report.

The said Secretarial Audit Report does not contain any qualifications or reservations except for the remarks as specified below on which the opinion of the Board is also mentioned:

1. As per Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity has not submitted un-audited or audited financial results on a half yearly basis within forty-five days from the end of the half year to the stock exchange during the year under review.

   Opinion: Due to Covid-19, the Company could not submit the un-audited financial results to the stock exchange on a half yearly basis on the timeline prescribed by SEBI. Further the Company submitted the said results on August 18, 2021.

13. COST AUDITOR

Since the Company is engaged in providing warehousing services and rendering of such services are not covered under the Notification dated 31st December 2014 issued by the Central Government to amend the Companies (Cost Records and Audit) Rules, 2014, no Cost Auditor has been appointed by the Company.

In terms with the provisions of section 148 of the Companies act, 2013 read with the Companies (Cost records and audit) Rules 2014, maintenance of cost records and appointment of Cost Auditors are not applicable on your Company.

14. INTERNAL AUDITOR

The Company has appointed Deloitte Haskins & Sales, Chartered Accountants as Internal Auditor of the company for the financial Year 2020-21.

15. CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through its transparent practices and processes. The Company is accountable to its customers, government, regulatory authorities and other stakeholders. The Company's activities are carried out in accordance with good corporate governance practices and are constantly striving towards enhancing our Corporate Governance Framework. The Company believes that good Corporate Governance practices enable the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders.

16. SHARE CAPITAL

A) Increase in Share Capital

There was no change in the share capital of the Company during the year.

The issued, subscribed and paid-up share capital of the Company stands increased to Rs. 147,41,17,360/- divided into 14,74,11,736 equity shares of face value of Rs. 10/- each.

B) Issue of equity shares with differential rights

No Equity Shares with differential rights were issued during the Year under Review.

C) Issue of sweat equity shares

No Sweat Equity Shares were issued during the Year under Review.

D) Issue of Employee Stock Options

During the year under review no share has been issued under ESOP Scheme 2014.

E) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

Not Applicable

F) Debentures

Compulsorily Convertible Debentures

The Company has 10,02,74,482 (Ten Crores Two Lakhs Seventy Four Thousand Four Hundred and Eighty Two only) Compulsorily Convertible Debentures ("CCDs") of a face value of Rs. 10/- each.

The Company has not issued or allotted CCD during the Year.

Non-Convertible Debentures

The Company has 3,200 secured, rated, listed, redeemable, non-convertible debentures bearing a face value of 10,00,000 (Rupees Ten lakhs only) each which is listed on BSE Limited.

The Company has not issued or allotted NCD during the Year.

17. EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on https://www.ncml.com/

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company does not have any Manufacturing activities, disclosure of Information in accordance with the provisions of the Act regarding Conservation of Energy and Technology absorption is not applicable to the Company. However, the Company has fully made use of the latest available technology in building its operational systems.

Foreign Exchange Earnings and Outgo:

	Amount (In Rs million)
Total Foreign Exchange Inflow	0.07
Total Foreign Exchange outflow	757.30

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a duly constituted CSR Committee, with its composition, quorum, powers, role and scope in line with the Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the Year the company was not required to make CSR expenditure as the three year average profit is negative in numbers.

The CSR Policy is uploaded on the website of the Company at https://www.ncml.com/CORPORATE-POLICIES.

20. DIRECTORS

(A) Changes in Directors and Key Managerial Personnel

Appointments and Cessation of Directors:

During the year under review, no appointment and Cessation of Director has taken place in the Company.

In accordance with the provisions of the Companies Act, 2013, Mr. Sumit Maheshwari (DIN: 06920646) shall retire by rotation at the Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Appointments and Cessation of KMP:

During the year under review, Ms. Priya Vaishnav has resigned as Company Secretary w.e.f. 21st December, 2020.

Ms. Rupinder Kaur was appointed as Company Secretary w.e.f. 22nd December, 2020.

Mr. Sanjay Kaul has resigned from the post of Director w.e.f 16th July, 2021.

(B) Declaration by an Independent Director(s) and re- appointment, if any

The Company has received declaration from independent directors pursuant to the provisions of Section 149 sub-section (6) of the Companies Act, 2013.

(C) Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013, a company shall have at least one Woman Director on the Board of the Company. The Company has Ms. Zohra Chatterji, as a Director on the Board who has taken over the position of Chairperson as well.

(D) Annual Evaluation of Board Performance and Performance of its Committee and of individual Directors:

Pursuant to the provisions of the Companies Act, 2013 the company has adopted a Board Evaluation policy which forms integral part of Nomination and remuneration Policy. The Board has carried out evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Independent Directors of the Company held a separate meeting on 28.02.2020 without the attendance of non-independent Directors and members of management. At the said meeting, they reviewed the performance of non-independent Directors and the Board as a whole, including the Chairman of the Company.

21. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company had met 4 times during the year under review:

Date of the meeting	No. of Directors attended the meeting
25.08.2020	8
13.11.2020	8
22.12.2020	7
24.03.2021	8

The Composition and attendance of the Board members is given below:

Name of Director	**Number of Meetings held during the year**	**Number of Meetings attended**
Mr. S. B. Mathur	4	4
Mr. Chandran Ratnaswami	4	3
Mr. Sumit Maheshwari	4	4
Ms. Zohra Chatterji	4	4

Mr. Sanjay Kaul,	4	4
Mr. Unupom Kausik	4	4
Mr. Pravir Vohra	4	4
Mr. Siraj A. Chaudhry	4	4

22. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

AUDIT COMMITTEE

Composition of Audit Committee

Name of Member	Designation
Mr. Pravir Vohra	Chairman
Ms. Zohra Chatterji	Member
Mr. Sumit Maheshwari	Member

Details of attendance

Two Audit Committee meeting were held during the year under review on 25th August, 2020 and 13th November, 2020. The details of attendance of the Directors at the Audit Committee meetings are as under –

Name of Director	Number of meetings attended	Number of meetings held during the tenure of Directors
Mr. Pravir Vohra	2	2
Ms. Zohra Chatterji	2	2
Mr. Sumit Maheshwari	2	2

Scope of Audit Committee

a) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
b) Review and monitor the auditor's independence and performance and effectiveness of audit process;
c) Examination of the financial statement and the auditors' report thereon;
d) Approval or any subsequent modification of transactions of the Company with related parties;
e) Scrutiny of inter-corporate loans and investments;
f) Valuation of undertakings or assets of the Company, wherever it is necessary;
g) Evaluation of internal financial controls and risk management systems.

During the year all the recommendations of the Audit Committee were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

Composition of Nomination and Remuneration Committee

Name of Member	Nature
Mr. Chandran Ratnaswami	Chairman
Mr. S. B. Mathur	Member
Mr. Sumit Maheshwari	Member
Ms. Zohra Chatterji	Member

Details of attendance

Two meetings of the Nomination and Remuneration Committee were held during the year under review on 25th August 2020 and 24th March, 2021. The details of attendance of the Directors at the Nomination and Remuneration Committee meeting are as under –

Name of Director	Number of meetings attended	Number of meetings held during the tenure of Directors
Mr. Chandran Ratnaswami	2	2
Mr. S. B. Mathur	2	2
Mr. Sumit Maheshwari	2	2
Ms. Zohra Chatterji	2	2

Scope of Nomination and Remuneration Committee

The Nomination and Remuneration Committee inter alia, identifies persons qualified to become Directors and formulates criteria for evaluation of performance of the Directors and the Board as a whole. The Committee's role also includes recommending to the Board the appointment, remuneration and removal of Directors. This Committee also has the responsibility for administering the Employee Stock Option Schemes of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition of Corporate Social Responsibility Committee

Name of Member	Nature
Ms. Zohra Chatterji	Chairperson
Mr. Sumit Maheshwari	Member
Mr. Pravir Vohra	Member

Details of attendance

Two meetings of the Nomination and Remuneration Committee were held during the year under review on 25th August 2020 and 24th March, 2021. The details of attendance of the Directors at the Nomination and Remuneration Committee meeting are as under –

Name of Director	Number of meetings attended	Number of meetings held during the tenure of Directors
Ms. Zohra Chatterji	2	2
Mr. Sumit Maheshwari	2	2
Mr. Pravir Vohra	2	2

23. THE REMUNERATION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES

In terms of Section 178 of the Act, the Board have adopted a 'Nomination and Remuneration Policy' inter-alia setting out the criteria for deciding remuneration of Executive Directors, Non-Executive Directors, Senior Management Personnel and other Employees of the Company. The aforesaid Policy is hosted on the website of the Company and can be viewed at https://www.ncml.com/CORPORATE-POLICIES

In terms of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided in **Annexure B** to this report.

24. DISCLOSURE OF COMMISSION PAID TO MANAGING OR WHOLE TIME DIRECTORS

There is no commission paid or payable by your company to the managing director or the whole-time director.

25. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177(9) of the Companies Act, 2013 and listing regulations, the Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides adequate safeguards against victimisation of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The details of the policy is also available at https://www.ncml.com/wbp.

26. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company stands and upheld zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2020-21.

Disclosure:

Number of complaints of sexual harassment received in the year	NIL
Number of complaints disposed off during the year	NIL
Number of cases pending for more than ninety days	NIL
Number of workshops or awareness programme against sexual harassment carried out	NIL
Nature of action taken by the employer or District Officer	NIL

27. STOCK EXCHANGE LISTING

The Secured Non-Convertible Debentures of the Company is listed at BSE Limited (BSE). The listing fee for the financial year 2021-22 has been paid to BSE.

28. DISCLOSURE IN TERMS OF SEBI CIRCULAR NO. SEBI/HO/DDHS/CIR/P/2018/144 DATED NOVEMBER 26, 2018 - FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE ENTITIES

In this regard it is declared that your Company do not fulfil the criteria mentioned in the said circular, and thus the Company is 'not identified as Large Corporate (LC)' and accordingly, no further disclosure is required in terms of the said SEBI Circular.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Pursuant to section 186 of Companies Act, 2013, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year ended 31st March 2021 were on an arm's length basis and were in the ordinary course of business. However, the disclosure of transactions with related party for the year, as per Ind AS 24 Related Party Disclosures is given in notes to accounts of the Financial Statement as at 31st March 2021.

Particulars of contract or arrangements with related parties referred to in Section 188 (1) in Form AOC-2 has been annexed as Annexure C.

Disclosure for Related Party Transactions in terms as per of Regulation 53 read with Schedule V of the SEBI (LODR) Regulation, 2015, in line with the applicable accounting standard is part of the audited financial statements.

31. RISK MANAGEMENT POLICY

The Company has in place an enterprise-wide policy known as "NCML Enterprise Risk Management Policy (NERM)" which puts in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business of the Company. The NERM guidelines are devised in the context of the profiles of various business segments envisaged, future growth objectives and new business endeavors including new products and services that may be

necessary to achieve these goals and the emerging standards and best practices amongst comparable organizations.

32. INTERNAL CONTROL/INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to the financial statements. During the year under review, such controls were tested by the Statutory Auditors of the Company and no material weaknesses in the design or operations were observed and reported by the Statutory Auditors.

In terms of section 138 of the Companies Act, 2013, M/s. Deloitte Haskins & Sales, Chartered Accountants, Chartered Accountants had been appointed as the Internal Auditors of your Company. The Company also has an Audit Committee, who interacts with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference.

33. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, confirms that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems for internal financial control to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. ACKNOWLEDGEMENTS

The Directors express their sincere thanks to Banks, Corporates, and Shareholders for their continued patronage.

The Directors would also like to express their appreciation for the support provided by the Company's clients, especially the large number of banks, warehouse owners, insurance companies, depository organisations, Exchange participants and various partners in each of the business segments.

The Directors further express their appreciation for the outstanding professionalism and commitment exhibited by the Company's employees and consultants. Finally, the Directors wish to express their acknowledgement for the continued encouragement and support received from the shareholders and investors.

For and on behalf of the Board of Directors
National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)

Place: Gurgaon
Date: 16.08.2021

Siraj A. Chaudhry Managing Director & Chief Executive Officer DIN: 00161853	Unupom Kausik Director DIN: 01978970

Annexure A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
NATIONAL COMMODITIES MANAGEMENT SERVICES LIMITED
(formerly known as National Collateral Management Services Limited)
D-164, TTC Industrial Area, Nerul MIDC,
Navi Mumbai,
Mumbai - 400706

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National Commodities Management Services Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion , the Company has , during the audit period covering the financial year ended on March 31, 2021 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act').
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **-Not Applicable**
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **-Not Applicable**
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **-Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993; **-Not Applicable**
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **-Not Applicable**
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **-Not Applicable**

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) Essential Commodities Act, 1955
(b) Food Safety and Standard Act,2006
(c) State Shop and Establishment Act, 1948
(d) Insecticides Act, 1968
(e) The Warehousing (Development and Regulation) Act, 2007

I have also examined compliance with the applicable clause of the following;

II. The Secretarial Standards issue by the Institute of Company Secretaries of India.
III. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into by the Company with the Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following remark:

1. *As per Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity has not submitted un-audited or audited financial results on a half yearly basis within forty-five days from the end of the half year to the stock exchange during the year under review.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes.

I further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

I further report that

During the audit period, the Company has not undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above .

For Ravi Shankar & Associates
Company Secretaries

Ravi Shankar
Proprietor
ACS No.: 40312
CP No.: 18568

Place: Delhi
Date:

UDIN:

This Report is to be read with my letter annexed as **Annexure I**, which forms integral part of this report.

"Annexure-I"

To,
The Members,
NATIONAL COMMODITIES MANAGEMENT SERVICES LIMITED
(formerly known as National Collateral Management Services Limited)
D-164, TTC Industrial Area, Nerul MIDC,
Navi Mumbai,
Mumbai - 400706

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. my examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ravi Shankar & Associates
Company Secretaries

Ravi Shankar
Proprietor
ACS No.: 40312
CP No.: 18568

Place: Delhi
Date:

ANNEXURE B

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:		
Name of the Director	**Total Remuneration* (Rs.)**	**Ratio of remuneration of director to the Median remuneration**
Mr. Siraj A. Chaudhry	4,00,00,000	110.86
Mr. Anuj Kumar Vasdev	85,00,000	23.56
Mr. Unupom Kausik	1,50,00,000	41.57

B. The percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year:					
Name	**Designation**	**Remuneration* (Rs.)**		**Increase**	**Remarks**
		2020-21	**2019-20**	%	%
Mr. Siraj A. Chaudhry	MD & CEO	4,00,00,000	2,07,78,159	-	Remuneration for FY 19-20 was **pro-rated as he joined on 24 September 2019. No change in salary from March 2020 to March 2021**
Mr. Unupom Kausik	President	1,50,00,000	1,32,77,997	-	Salary change of Unupom from INR 1,15,56, 000 to INR 1, 50,00,000/- took place in October 2019. **No change in salary from March 2020 to March 2021**
Mr. Anuj Kumar Vasdev	Group CFO	85,00,000	7,57,184	-	Remuneration for FY 19-20 was **pro-rated as he joined on 20 January 2020. No change in salary from March 2020 to March 2021**

Ms. Priya Vaishnav	CS and DM-legal	7,23,629	9,97,000	-	Resigned as CS on 22 December 2020. **No change in salary from March 2020 to March 2021. Only pro-rata difference**
Ms. Rupinder Kaur	Company Secretary - joined on 22.12.2020	2,10,430	-	-	Joined on **22 December 2020. No change in salary**

C. Percentage increase in the median remuneration of all employees in the financial Year:			
	2020-21 (March 2021)	**2019-20 (March 2020)**	**Increase (%)**
Median remuneration of all employees per annum	3,60,800	3,46,500	4%

D. Number of permanent employees on the rolls of the Company as on 31st Mar, 2021: 687

E. Salary Cost of employees as on 31 March 2020 excluding Mr. Siraj Chaudhry, Mr. Anuj Kumar Vasdev and Mr. Unupom Kausik was INR - 55,23,69,502/-
Salary Cost of employees as on 31 March 2021 excluding Mr. Siraj Chaudhry , Mr. Anuj Kumar Vasdev and Mr. Unupom Kausik was INR - 47,31,67,330/-
There was no organization wide increment in 20-21.
The average % age decrease was 14.34%
There have been organization wide exits due to redundancies and therefore cost reduction.

F. Affirmation that the remuneration is as per the remuneration policy of the company: It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

G. Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employees drawing a remuneration of Rs.1.02 crore or above per annum.

Employee Name	**Designation**	**Educational Qualification**	**Age**	**Experience (in Years)**	**Date of Joining**	**Gross Remuneration Paid**	**Previous Employment and designation**
Mr. Siraj A. Chaudhry	Managing Director	Postgraduate-Indian Institute of Foreign	54	33yrs	24th Sept 2019	4,00,00,000	Chairman, Cargill

		Trade (IIFT) and a B.Com (hons.) graduate					
Mr. Unupom Kausik	Whole Time Director	Electrical Engineer, Postgraduate-Rural Development from Institute of Rural Management, Anand, Fellowship in International Cotton Trade	52	26yrs	27th Mar 2015	1,50,00,000	Business Head, Olam Agro India Limited

Employed for part of the year with an average salary above Rs. 8.5 lakh per month- **NIL**

For and on behalf of the Board of Directors
National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)

Place: Gurgaon
Date: 16.08.2021

Siraj A. Chaudhry
Managing Director &
Chief Executive Officer
DIN: 00161853

Unupom Kausik
Director
DIN: 01978970

Annexure C

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

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

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

For and on behalf of the Board of Directors
National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)

Place: Gurgaon
Date: 16.08.2021

Siraj A. Chaudhry
Managing Director &
Chief Executive Officer
DIN: 00161853

Unupom Kausik
Director
DIN: 01978970

MANAGEMENT DISCUSSION & ANALYSIS

Economic Scenario and Company Positioning

Domestic Economy

The Indian Economic sky was overcast with COVID-19 at the start of financial year 2020-21. Supply disruptions across various sectors, mass migration of labor, the health crisis and a hostile global environment took a heavy toll on the Indian economy. A cyclical slowdown had been witnessed causing real gross domestic product (GDP) growth to register a decline during the year 2020-21. As per National Statistical Office (NSO), the Real Gross Domestic Product (GDP) at constant (2011-12) prices has been contracted by 7.3% in 2020-21 as compared to a growth of 4 % during 2019-20. The negative growth rate is attributable to the damage caused by the current pandemic where in the first two quarters of the year declined by 23.9% and 7.5% respectively. The Indian economy started recovering from the third quarter of financial year 2020-21 as restrictions eased and the third and fourth quarters registered a growth of 0.4% and 1.6% respectively. The key economic indicators such as GST collections, employment and demand have bounced back in the fourth quarter of 2020-21.

Despite contraction in the economy, the agriculture and allied sector has been resilient to the pandemic and the Gross Value Addition (GVA) of the sector at 2011-12 constant prices registered a growth of 3.63% during 2020-21. On the other hand, the GVA of Industries and Services sectors contracted by 6.96% and 8.36% respectively.

The global inflation environment remained benign during 2020, with weak aggregate demand outweighing the impact of supply disruptions on commodity prices caused by the pandemic. Inflation in advanced economies dipped in 2020, while in emerging markets it remained sticky at around the previous year's level. Commodity prices rebounded since the second-half of 2020-21, raising concerns about a rise in global inflation on the back of cost push pressures. Headline inflation, which started picking up in second half of 2019-20, remained elevated during 2020-21 and reached a multi-year peak of 7.6% in October 2020 (highest in 77 months). Supply disruptions during the nationwide lockdown, non-availability of labor at mandis, impediments to transportation, and excess rains during the Kharif harvest period led to crop damages and pushed up food prices, especially those of vegetables. Subsequently, with the ebbing of these pressures and encouraging prospects for the Rabi crop, food inflation started easing from November 2020 and reached 2.7% in January 2021 and increased to 5.2% in March 2021.

Monetary policy and liquidity operations during 2020-21 were geared towards mitigating the impact of COVID-19 pandemic. The monetary policy committee (MPC) cut the policy repo rate by 115 basis points (bps) during March-May 2020, on top of a cumulative reduction of 135 bps during February 2019 to February 2020. Further, Reserve Bank of India (RBI), maintained status quo on the policy repo rate at 4% till the end of financial year 2020-21. Despite rise in Inflation, RBI decided to continue with the accommodative stance to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy.

The current account balance has recorded a modest surplus for the year as a whole for the first time after 2003-04. Fall in imports and favorable terms of trade compressed the merchandise trade deficit during the year. In April-December 2020-21, the current account recorded a surplus of 1.7% of GDP as against a deficit of 1.2 per cent a year ago.

The Forex reserves of the country stood at USD 579.3 billion by the end of March 2021 as compared to USD 475.5 billion by the end of Mar'20. The foreign exchange reserves were USD 542 billion as of end of September 2020 and followed an increasing trend to reach to USD 579 billion by end of Mar'21.

Emerging outlook for the Agri-commodity space

Indian Agricultural production is expected to be at a record high for the year 2020-21 amidst higher monsoon rains extending favorable conditions for crop growth. As per third Advance Estimates by the Govt of India, the production of food grains in the country during 2020-21 is estimated at 305.44 MMT vis-a-vis 297.5 MMT in the corresponding period last year. The break-up of production estimates during the Kharif and Rabi seasons is as follows: Kharif 2020-21 is estimated at 148.36 MMT (143.81 MMT in 2019-20), and Rabi 2020-21 is estimated at157 MMT (153.69 MMT in 2019-20). Higher production of Wheat and Maize during the Rabi 2019-20 season is the main contributor to the overall higher production. Indian pulses production for Kharif 2020 – 21 is 8.49 MMT and the Rabi 2020 – 21 Pulses production is estimated at 17 MMT.

The stock of food grains with the Food Corporation of India (FCI) by the end of March 2021 stood at 84.8 MMT compared to 77.4 MMT by the end of Mar 2020. It can therefore be seen that food-stocks are at comfortable levels, a situation that augurs well for food security in the country.

In the non-food sector, as per third Advance Estimates of the Government of India for 2020-21, cotton production is estimated at 364.9 lakh bales compared to 360.6 lakh bales in the corresponding season of 2019-20. Sugarcane production is expected to touch 392.3 MMT in 2020-21 compared to 370.5 MMT in 2019-20. Oilseeds production in 2020-21 (Kharif & Rabi) is estimated at 36.6 MMT vis-a-vis 33.2 MMT in 2019-20.

Financial performance

The Company is a leading commodities and risk management company in India, which focuses on Storage & Preservation, Collateral Management and Procurement services of Agri commodities. For the purpose of analysis, its revenue and expenditure can be segregated as shown in the table below:

Results of operations

The Company has registered Profit before tax of Rs. (699.0) million as against Rs. (862.0) million during last year.

Segment wise results

The services of the Company have been grouped under five segments. The segment wise revenue figures are given below-

INR in million

Income from operations	Year ended 31st March 2021	Year ended 31st March 2020	Growth/ (Decline) In (%)
1. Supply Chain services	3,202.9	6,643.0	-52%
2. Storage & Preservation services	1,087.6	1,317.5	-17%
3. Testing & Certification services	257.4	241.2	7%
4. Market Intelligence	153.4	174.5	-12%
5. 3PL	35.1	-	100%

6. Deferred payment charge	73.0	182.9	-60%
7. Other Income	455.0	317.4	43%
Total Income	5,264.4	8,876.5	-41%
Expenditure			
Cost of Commodity - Supply Chain	3,180.0	6,804.8	-53%
Operating and other Expenditure	1,579.3	1,411.5	12%
Employment cost	365.5	396.7	-8%
Total Expenditure	5,124.8	8,613.0	-40%
Profit before Depreciation, Interest and Tax	139.6	63.3	121%
Interest and Finance Charges	605.0	579.4	4%
Depreciation	233.5	219.3	6%
Impairment of investment in and loans to subsidiaries	-	326.8	-100%
Loss before Tax	(699.0)	(862.0)	-19%
Tax Expense	(89.1)	(265.2)	-66%
Loss after Tax	(609.9)	(596.8)	2%
Other comprehensive income, net of tax	2.5	(3.0)	-183%
Total comprehensive income for the year	(607.4)	(599.8)	1%

Cash flows **INR in million**

Cash flow from operating activities	**As at 31st March, 2021**	**As at 31st March, 2020**	**Increase / (decrease)**
Profit before tax	(699.0)	(862.0)	-19%
Depreciation	233.5	219.3	6%
Other adjustments	730.3	819.2	-11%
Operating Profit Before Working Capital Change	264.8	176.5	50%
Effects of working capital changes	167.7	2,964.0	-94%
Cash generated from / (used in) operations	432.5	3,140.5	-86%
Tax payments made	240.7	(82.1)	-393%
Net cash generated from / (used in) operating activities	673.2	3,058.4	-78%

In financial year 2020-21, the Company net cash of Rs. 673.2 million from operations in comparison to Rs. 3,058.4 million used in the previous year.

INR in million

Cash flow from investing activities	As at 31st March, 2021	As at 31st March, 2020	Increase/ (decrease)
Purchase/ construction of Fixed Assets	(77.5)	(170.3)	92.7
Others	1,373.7	(2,382.7)	3756.4
Cash flow from investing activities	1,296.3	(2,553.0)	3849.3

Significant items of investment in bank deposit of 1911.4 million in financial year 2020-21 compared to Rs. 2137.1 million in financial year 2019-20.

INR in million

Cash flow from financing activities	As at 31st March 2021	As at 31st March 2020	Increase / (decrease)
Issue of Equity Share	-	1.0	(1.0)
Bank borrowings	(993.5)	(14.7)	(978.8)
Finance Cost Paid	(590.4)	(558.6)	(31.8)
Cash provided by financing activities	(1,412.0)	(539.3)	(1011.6)

Cash and cash equivalents position

Cash and cash equivalents as on 31st March 2021 amounted to Rs. 402.3 million as compared to Rs. 16.7 million as on 31st March 2020.

Internal Financial Control and Risk Control Mechanism

Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

Company has taken steps to benchmark its internal financial controls on the lines of globally accepted framework as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013).

Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness. The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by independent internal audit function supported by outsourced audit teams. Risk based internal audit plan is approved by the Audit Committee which

also reviews adequacy and effectiveness of your Company's internal financial controls. The Audit Committee is periodically briefed on the corrective and preventive action taken to mitigate the risks.

Walker Chandiok & Co LLP, the statutory auditors has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013) and given their opinion appropriately vide their report in the Annexure.

Internal Control Systems and their Adequacy

The regular audit protocols of the Inspection & Vigilance Group (IVG) are meticulously followed. Appropriate corrective action is taken to plug the gaps observed in the course of inspection. Also, protocols are streamlined and controls strengthened on an ongoing basis to prevent recurrence of such gaps in subsequent assignments. The Company also ensures appropriate training for its field staff on a regular basis.

The Company accorded attention to the CM segment considering the large volume & value of stocks managed by the division on behalf of different banks. Given the evidence that risks in the assignments are best managed in our own or leased warehouses, our strategy would be to get maximum stocks in such warehouses. In respect of all existing assignments, the control protocols for mitigating risk are being reviewed and refined with the objective of ensuring that there is no recurrence of major issues that have arisen in the past.

The "Zero Tolerance Policy" and "Disciplinary Proceedings Policy" which have been instituted by the Company have had an exemplary impact on the morale of the employees, prodding them to proactively participate in controlling major gaps in the Company and continue business in a risk free manner."

The Road Ahead

The Company is now well recognized as a leading player in the private warehousing and allied services space. With the position that it has acquired and the volume of business that it handles, the Company is now fine-tuning its products and services in line with market expectations. And as a part of this process, it is increasingly focusing on standardized protocols to ensure better management of risks across its business verticals. The Company is exploring opportunities for growth in all the segments that it operates in by offering both, off the shelf products, and customized solutions. The approach is expected to help in both retention and expansion of the client base. To further consolidate its position in the post-harvest agri supply chain, the Company proposes to adopt segment specific strategies as follows:

Storage & Preservation

a) The Company Conceptualized and Implemented "Surakshit Mandi" concept where in two company owned warehouse locations were converted as Surakshit Mandi, an alternative to APMC's in the respective locations. Extended procurement and Warehousing facilities to farmers, traders, and processors under this concept.
b) Increased focus on getting incremental business from Corporates and MNC's to maximise capacity utilization of Project warehouses. All this is done during COVID-19 pandemic, which caused large scale supply disruptions in Agri supply chains.
c) Focus on Cost Optimization and Increasing Revenue Per square feet space:

- Timely exit from Loss making Leased Warehouses
- Converting Leased WHs into Revenue sharing model
- Rationalization of manpower as per capacity handled.
- Initiated Stack wise reservations for retail clients
- Maximize space utilization through technology Support (Stackers in Cotton)

d) Evolving as One Stop Supply chain solution provider by clubbing Warehousing, Logistics, Transportation, Assaying & testing, Price advisory for large corporates and Institutional clients.

e) Increased Geographical penetration and added new commodities
    - Added S&P Capacities in new captive warehousing dominated locations.
    - Got accredited by MCX as WSP (Warehouse Service Provider) for Rubber

f) Strengthened business association with Govt. organizations FCI , CCI , MPWLC, AP MARKFED for PMS (Preservation, Management and Security) service assignments and also leased out Project WH space to State Agencies in low potential areas.

Collateral Management

a) The Company increased focus on extending CM services in the Company owned and Leased Professional Warehouses.

b) Implemented Score Card based Client Risk Assessment and due diligence on market feedback for each assignment.

c) Exploring option of Business Correspondent arrangement with the Banks to increase the revenue. Also, discussions are underway with banks for Stock Monitoring of Non Agri commodities considered by the Banks

d) Focus on Cost optimization by exiting from less profitable and risky locations.

Supply Chain Management

a) Exploring and Executing Agreements with MSME's, Corporates and Institutions as an alternative channel for Trade Finance Facilities.

b) Started focusing on low holding period commodities for higher margins

c) Increased foothold in Cross Border opportunities for major Imported commodities viz., Edible Oils, Dry fruits etc.

d) Discontinuation of Proprietary Trading Business

Testing & Certification

a) The vertical got severely impacted by Covid -19 Pandemic during first half of FY20-21. Restricted travelling limited Business Development. As an Essential Service partner with customer-centric approach, the Company extended relentless support to existing clients by working closely with them to meet the commitments despite operational challenges presented by the pandemic.

b) Complete shutdown of HORECA segment and on-line food delivery business during the lockdown period impacted the Company's revenue in the first half of FY 20-21. Moreover, FSSAI relaxing food safety compliance norms for the domestic food processing industries due to Covid-19 had an adverse effect on revenue. The Company utilized these adverse conditions and successfully conducted FOSATC online training on Covid -19 Safety for the FBOs across the country.

c) Food Safety and Security Authority of India (FSSAI) entrusted the Pan-India basis milk products survey to NCML Labs. The Company covered 20 states and 600 districts in this project through sample pick up and mobilizing the milk-based product samples to the

nearest NCML labs within 24 hours. The regulator (FSSAI) has recognized and appreciated the efforts of the division and placed the Company on the preferred partner list for future Pan-India based assignments.

d) FSSAI awarded the NATIONAL FOOD LAB (NFL) contract to the company for Chennai location under the Public-private partnership mode to build and operate for 30 years. Under the arrangement, FSSAI will provide building infrastructure and ensured import sample testing business. This partnership shall place NCML Labs in different league.

e) Added Prestigious clientele, i.e Taj group of hotels, Tata coffee, Spencers Retail and Bayer Crop Science to the existing client with annual contracts.

f) Received work orders from the Jharkhand Govt for testing of Agri commodities under the PKVY project.

g) Agri- Division expanded testing and inspection activities for the Cotton and other textile products as per the Global Organic Textile Standards. It served a couple of international clients as well as major domestic players. Indore Lab got the approval from APEDA for testing of Cotton as per GOTS IWA 32.

h) On Survey and inspection front, the Company won the contract from IFFCO for Survey of Fertilizers at Kakinada port for approx. 1.2 Million MT and Ventured into Seafood inspections.

Commodity & Weather Intelligence

a) The Company developed inhouse GIS, Satellite Imagery & Remote sense technology capabilities to provide technology-based services in crop Intelligence, Crop monitoring, acreage, and production estimates for five crops in commodity sector. The Company intend to further extend it to other crops and clients in 2021-22.
    - Crop risk monitoring done in 13 states & 250 districts
    - Crop production forecasting for – Soybean, Kharif Maize, Mustard, Rabi Maize & Basmati Paddy
    - Technology based GP level yield forecasting for MNCFC (MOA) in 3 states, 7 districts and 9 crops
b) The Company won two hydrology projects in Telangana & Assam in 2020-21 from National Hydrology Project (NHP) and plan to actively engage in more such projects in 2021 – 22
c) Developed Commodity Research and Agri value chain consulting Desk and started providing Commodity Research and price forecasting services to various Govt organisations, corporates and other value chain players. The Company also undertook several consulting projects from Agri value chain players.
d) Revenue from Non AWS activities increased to 46% in FY 20-21-20 (from 23% in 2019-20)
e) The Company continued Crop Cutting Experiment business and extended the services to corporates along with existing insurance companies.
f) The Company continued the AWS business and maintained the utilization levels despite tough competition in the space.
    - New AWS IP procured from village Shop, customization is in final stages of development and field test to start in 2021-22, Software testing initiated.
g) New Partnerships established with NIAM – Jaipur, Lead source – Dubai for business sourcing and execution.

NCML MktYard Private Limited

a) Focusing on implementation of private e-mandi in Rajasthan state
b) Establishing supply chain for pulses for millers at Delhi markets
c) Continuing scrap and excess inventory auctions of manufacturing sector companies
d) Continuing government e-auctions for M.P Markfed, A.P Markfed, Telangana Civil Supplies, M.P Civil Supplies, Rajasthan Seeds Corp, Tilam Sangh, Gujarat Seeds
e) Build network with FPO's and connect them with organized retail and food processing industry

Along with above initiatives, the new areas of focus would be:

a) Expand Non-Agri E-auction business including liquidation through sale or recoveries e.g. NCLT's programs or excess inventory liquidation
b) Tie up with Central Warehousing Corporation as exclusive e-auction platform for sale of non govt stocks in their warehouses
c) Restructure team with extended roles and increase presence in west and south regions for both Agri and non agri business
d) Drive a strategic marketing campaign to build presence with industry and increase membership base significantly
e) Set up a centralized Contact Center to reach out to corporate customers and follow up leads from the marketing campaign

NCML Finance Private Limited (NFIN)

The company has now completed fifth full year of operations and despite challenging macro environment it has evolved as one of the most efficient NBFCs in its core product segment i.e. Warehouse Receipt Finance.

The year gone by was marked by two major disruptions viz. :

- Covid lockdowns coinciding with Rabi Crop Season
- Introduction of New Farm Bills which led to prolonged agitation affecting trade and movement of Agro- Commodities

Both events adversely affected the Agri supply chains which eventually resulted in lower disbursement volumes in WRF segment. Despite this, with the management focus on risk mitigation and higher yields, the company significantly improved its operating performance achieving highest ever Net Interest Margin (NIM) and lowest ever closing NPA level in FY2020-21.

The company has closed the FY21 with AUM of nearly INR 100 Crores (INR 993.84 million precisely). As a strategic decision the company also stopped new disbursements in Multipurpose secured loans (MPSL) segment which resulted in degrowth of closing loan book year on year.

COVID-19: Challenges & Response

a) Covid-19 affected MSMEs more severely than the larger peers and non- agro industries more than agricultural one. This was evident in drop in collection efficiency during post- moratorium period in MPSL segment which mainly caters to small businesses. The collections are expected to come back to normal as the post covid restrictions have begun to ease.
b) In WRF segment, buoyant Agri commodity prices ensured that collections were largely unaffected. The company also took several risk mitigation measures

including recalibration of Loan to Value (LTV) ratios and introduction of cap prices for Agri commodities. All of this with selective commodity exposures resulted into pristine asset quality.

c) During the year, the Company also provided the ex-gratia payment to eligible customers under GOI scheme of ex-gratia payment of difference between compound interest and simple interest to borrowers in specific loan accounts.

Synergy with NCML group

The company continued to have greater synergy with parent company on multiple fronts. During the year, a new initiative of credit assessment of Collateral Management (CM) segment clients for parent was started which provided insights for better risk assessment of CM clients before accepting the high value assignments. Further, joint field reviews have been conducted to ensure better communication and collaboration within group.

Cost Control Measures

The company aligned the cost structure with revenues and took several initiatives with included renegotiation of contracts with major vendors and working capital bankers to reduce the costs and rationalization of manpower that effectively metamorphosed it into a lean, fit and more efficient organization.

Upgradation of Technology platform

To render seamless services to its customers and to have better control over the processes and reporting system your company had implemented the best and proven Loan Origination and Management System in FY 2019-20. In FY2020-21 the company further upgraded its Accounting System with new software (Navision) implementation which ensures better internal control and seamless alignment of books with parent company.

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Independent Auditor's Report

To the Members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Impact of Covid-19

4. We draw attention to note 55 to the accompanying standalone financial statements, which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and management's assessment of its impact on the Company's operations and the standalone financial statements of the Company as at 31 March 2021, the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of this matter.

Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) on the standalone financial statements for the year ended 31 March 2021 (Cont'd)

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
a) Revenue recognition Refer to the Company's significant accounting policies in note 4(g) and the revenue related disclosures in note 29 of the standalone financial statements. Revenue of the Company includes sale of goods, warehousing and other services. Revenue is recognized when the control of goods is transferred to customer or services has been rendered and there are no unfulfilled obligations. The revenue is measured at fair value of the consideration received or receivable. In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Further, there is continuous pressure on the management to achieve planned results. Accordingly, due to the above reasons as well as the high volume of sales transactions, size of distribution network and varied terms of contracts with customers, occurrence and existence of revenue is a key focus area requiring special audit attention and evaluation. Due to the above factors, we have identified testing of revenue recognition as a key audit matter.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the process of revenue streams of sale of goods, warehousing and other services. • Evaluated the design, implementation and tested the operating effectiveness of key controls over the various revenue streams including over the general IT control environment; • Performed substantive analytical procedures on revenue which included ratio analysis, sales quantity analysis, area analysis etc.; • Evaluated the terms and conditions of the contracts, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payments; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof. • We tested, on a sample basis, revenue transaction recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. • Evaluated disclosures made in the standalone financial statement for revenue recognition from sale of goods, warehousing services and other services, for appropriateness and adequacy in accordance with the accounting standards.

Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) on the standalone financial statements for the year ended 31 March 2021 (Cont'd)

Key audit matter	How our audit addressed the key audit matter
b) Trade receivables – Expected credit loss model Refer to the Company's significant accounting policies in note 4(d) and trade receivable related disclosures in note 13 and 44(A)(b)(ii) of the standalone financial statements. Trade receivables comprise a significant portion of the current financial assets of the Company. As at 31 March 2021 trade receivables aggregate to Rs. 822.5 million (net of allowance for expected credit losses of Rs. 448.0 million). In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company has analysed the trend of trade receivables under different ageing bracket for last five years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable basis the legal assessment. Further, the management regularly assess each class of trade receivables for recoverability. Provision for ECL is adjusted considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis the ongoing communications with the respective parties and is therefore considered as a key audit matter	Our audit procedures included, but were not limited to the following: • We obtained an understanding of the management process for computing average historical loss rate by age band and adjustments made to historical loss rates (if any). • We assessed and tested the design and operating effectiveness of controls around management's assessment of the recoverability of trade receivables and corresponding provisioning for ECL. Also, evaluated the controls over the modelling process, validation of data and related approvals. • We obtained from the management of the Company, detailed assessment, including computation, of the ECL. • We audited the underlying data and assessed reasonableness of the assumptions used for each age-band of trade receivables. • We analyzed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision. • We obtained the details of receivables specifically identified by the management for provisioning, over and above the ECL, and corroborated them from the ageing schedule and held discussions with management on their recoverability. • We assessed the appropriateness of disclosures made by the management for the ECL recognized in accordance with applicable accounting standards.
c) Recoverability of deferred tax assets Refer to the Company's significant accounting policies in note 4(k) and the deferred tax related disclosures in note 40 of the standalone financial statements. The Company has recorded a deferred tax asset amounting to Rs. 545.7 million as at 31 March 2021 on business losses, minimum alternate tax and other components based on future taxable income projections of the Company and on freehold land based on future plan to monetize such freehold land. The Company has incurred income tax losses of Rs. 140.9 million for the year ended 31 March	Our audit procedures included, but were not limited to the following: • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws; • We obtained Management's financial projection business plan which include projected revenues, projected profits and estimated taxable profits based on the plan as approved by the Board of Directors. We

Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) on the standalone financial statements for the year ended 31 March 2021 (Cont'd)

Key audit matter	How our audit addressed the key audit matter
2021 and has accumulated losses of Rs. 257.0 million as at 31 March 2021. The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws involves use of significant assumptions and estimates. Determining forecasts of future results and taxable profits includes key assumptions such as future growth rates and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions. We identified the recoverability of deferred tax assets as a key audit matter due to the recognition of these assets involving judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on several factors including whether there will be sufficient taxable profits in future periods to support recognition.	have checked the reasonableness of the assumptions used and period in which tax credits are expected to be utilized. • We evaluated the assumptions and methodologies used by the Company. To assess future taxable profits, we appraised the reliability of the preparation process for the financial projection business plan underlying the assessment of the probability that deferred tax assets will be recovered. Our work consisted in assessing the future growth assumptions used to prepare the financial projection business plan by comparing income forecasts for prior years with actual results for the years concerned; • Tested the arithmetical accuracy of the above calculations. • We evaluated the appropriateness and adequacy of the disclosures made by the Company in accordance with the requirements as specified in the Indian Accounting Standards.
d) Assessment of recoverability of carrying value of Investments and loans Refer to the Company's significant accounting policies in note 4(o) and the Investment and loan related disclosures in note 7 and 16 of the standalone financial statements. The Company has made Investments in subsidiaries amounting to Rs. 1,858.3 million (net of impairment 74.4 million) and has granted loans to subsidiaries amounting to Rs. 3,158.5 million (net of impairment 220.2 million) as at 31 March 2021. The Company has significant investments and loans to subsidiaries, which are in various stages of implementation of infrastructure projects. The Company performs an annual assessment of its investments in / loans to subsidiaries to identify any indicators of impairment. For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth and discount rates. Considering the materiality of the amounts involved, significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows	Our audit procedures included, but were not limited to the following: • We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment. • Evaluated the design, implementation and tested the operating effectiveness of key controls placed around the impairment assessment process of the recoverability of the investments and loans. • We obtained the contracts entered by the subsidiary company with its customers to ensure the viability of completion of the projects for which these subsidiaries were specifically created. • We reconciled the cash flow projections to the business plans approved by the Company's board of directors. • We discussed management's underlying assumptions used for the cash flow projections including the expected growth rates, discount rate etc. and considered evidence available to support these assumptions in light of our understanding of the business; • We focused on key assumptions which were more sensitive to the recoverable value of the investments.

Key audit matter	How our audit addressed the key audit matter
used in the impairment evaluation, combined with the detailed legal assessment of the viability of the projects including assessment of contractual terms and conditions, we have determined impairment of such investments and loans as a key audit matter.	We also assessed the key assumptions were plausible in the light of the current environment of the COVID 19 pandemic. • We have assessed the net worth of subsidiaries based on latest available financial statements. • We assessed the appropriateness and adequacy of the disclosures made by the management in the standalone financial statements in respect of the investments and loans to the subsidiaries.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) on the standalone financial statements for the year ended 31 March 2021 (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

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

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) on the standalone financial statements for the year ended 31 March 2021 (Cont'd)

Other Matter

16. The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 25 August 2020.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

    Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;

    f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 16 August 2021 as per Annexure II expressed modified opinion; and

    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) on the standalone financial statements for the year ended 31 March 2021 (Cont'd)

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAAFH8943

Place: New Delhi
Date: 16 August 2021

Annexure I to the Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited), on the standalone financial statements for the year ended 31 March 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of principal and payment of interest has been stipulated wherein the principal and interest amounts are repayable on demand and since the repayment of such loans and payment of interest amounts has not been demanded, in our opinion, repayment of the principal and payment of interest amounts is regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Annexure I to the Independent Auditor's Report of even date to the members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited), on the standalone financial statements for the year ended 31 March 2021. (Cont'd)

Statement of Disputed Dues

(₹ in million)

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
The Rajasthan Value Added Tax Act, 2003	Value added Tax	2.2	0.1	FY 2013-14	Appellate Authority, Jaipur
The Kerala Value Added Tax Act, 2003	Value added Tax	2.4	0.6	FY 2012-13	High court, Kerala

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or any dues to debenture-holders during the year. The Company did not have any outstanding loans or borrowings payable to government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) According to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, other than one matter identified by the management relating to misappropriation of money by an employee of the Company which resulted in losses aggregating to Rs. 12.2 million (Rs. 3.07 million pertaining to current year) during the period from January 2018 to March 2021, as further described in note 57 to the accompanying standalone financial statements.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAAFH8943

Place: Gurugram
Date: 16 August 2021

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2021:

   The Company's internal financial control system over vendor creation and vendor payments processes was not designed effectively, which has resulted in misappropriation of funds through fraudulent vendor payments, and could lead to potential material misstatements in the standalone financial statements, as explained in Note 57 to the accompanying standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of standalone financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness does not affect our opinion on the standalone financial statements of the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAAFH8943

Place: Gurugram
Date: 16 August 2021

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Standalone balance sheet as at 31 March 2021

(Currency : Indian Rupees in Million)

		Note	As at 31 March 2021	As at 31 March 2020
ASSETS				
Non-current assets				
(a)	Property, plant and equipment	5	4,625.1	4,834.4
(b)	Right of use assets	5.1	182.4	68.4
(c)	Capital work-in-progress	5.2	-	9.2
(d)	Intangible assets	6.1	27.2	47.0
(e)	Intangible assets under development	6.2	0.9	0.9
(f)	Financial assets			
	(i) Investments	7	1,858.3	1,858.3
	(ii) Loans	8	60.1	35.3
	(iii) Other financial assets	9	231.5	288.2
(g)	Deferred tax assets (net)	10	545.7	457.9
(h)	Non-current tax assets (net)		132.8	459.8
(i)	Other non-current assets	11	63.5	55.4
	Total non-current assets		**7,727.5**	**8,114.8**
Current assets				
(a)	Inventories	12	232.5	708.8
(b)	Financial assets			
	(i) Trade receivables	13	822.5	942.3
	(ii) Cash and cash equivalents	14	402.3	16.7
	(iii) Bank balances other than (ii) above	15	786.1	2,642.3
	(iv) Loans	16	3,178.3	2,304.1
	(v) Other financial assets	17	281.0	582.6
(c)	Current tax assets (net)		100.8	-
(d)	Other current assets	18	93.1	86.4
	Total current assets		**5,896.6**	**7,283.2**
	Assets classified as held-for-sale	19	1.1	-
	TOTAL		**13,625.2**	**15,398.0**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	20.1	1,474.1	1,474.1
(b)	Other equity	20.2	5,015.7	5,654.6
	Total equity		**6,489.8**	**7,128.7**
Liabilities				
Non-current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	21.1	4,085.7	4,196.1
	(ii) Lease liabilities	38	158.6	37.2
	(iii) Other financial liabilities	21.2	2.1	-
(b)	Provisions	22	20.6	30.7
(c)	Other non-current liabilities	23	150.8	155.3
	Total non- current liabilities		**4,417.8**	**4,419.3**
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	24	1,763.5	2,514.6
	(ii) Lease liabilities	38	16.6	14.6
	(iii) Trade payables	25		
	Total outstanding dues to micro and small enterprises		9.0	9.1
	Total outstanding dues to creditors other than micro and small enterprises		205.2	209.4
	(iv) Other financial liabilities	26	221.2	579.6
(b)	Other current liabilities	27	160.7	187.6
(c)	Provisions	28	341.4	335.1
	Total current liabilities		**2,717.6**	**3,850.0**
	TOTAL		**13,625.2**	**15,398.0**

Summary of significant accounting policies and other explanatory information 1 to 60

The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Standalone statement of profit and loss for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	29	4,809.4	8,559.1
Other income	30	455.0	317.4
Total revenue		**5,264.4**	**8,876.5**
Expenses			
Purchases of stock-in-trade		2,708.9	3,831.2
Changes in inventories of stock-in-trade	31	471.1	2,973.6
Employee benefits expense	32	365.5	396.7
Finance costs	33	605.0	579.4
Depreciation and amortisation expense	34	233.5	219.3
Other expenses	35	1,579.4	1,411.5
Total expenses		**5,963.4**	**9,411.7**
Loss before exceptional items		**(699.0)**	**(535.2)**
Exceptional items	37a	-	326.8
Loss before tax		**(699.0)**	**(862.0)**
Income tax expenses			
(i) Current tax		-	-
(ii) Deferred tax credit		(89.1)	(265.2)
Net loss for the year		**(609.9)**	**(596.8)**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
- Remeasurement gain / (losses) on post employment defined benefits plans		3.8	(4.5)
- Income tax effect on above		(1.3)	1.5
Other comprehensive income, net of tax		**2.5**	**(3.0)**
Total comprehensive income for the year		**(607.4)**	**(599.8)**
Earnings per equity share	39		
Basic earnings per share		(4.14)	(4.05)
Diluted earnings per share		(4.14)	(4.05)

Summary of significant accounting policies and other explanatory information 1 to 60

The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Standalone statement of cash flows for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
I	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Loss before tax	(699.0)	(862.0)
	Adjustments for:		
	Depreciation and amortisation	233.5	219.3
	Finance costs	605.0	579.4
	Liabilities no longer required written back	(0.4)	-
	Interest income	(387.7)	(267.5)
	Government grants	(8.7)	(5.8)
	Foreign exchange loss - Unrealised	2.5	-
	Provision against claims receivables	347.7	118.4
	Provision for credit impaired assets	118.3	91.5
	Provision for doubtful advances	92.7	30.0
	Impairment of investment in and loans to subsidiaries	-	326.8
	Gain on sale of property, plant and equipment	(26.1)	-
	Shared based payments to employees (net of capitalisation)	(13.0)	(53.6)
		963.8	**1,038.5**
	Operating cash flows before working capital changes	264.8	176.5
	Changes in:		
	Decrease in inventories	476.3	2,973.8
	Decrease in trade receivables	1.5	254.2
	(Increase) in other financial assets	(106.3)	(130.9)
	(Increase) / decrease in other assets	(6.7)	140.0
	(Decrease) / increase in financial liabilities (excluding borrowings)	(164.1)	365.4
	(Decrease) in provisions	(0.1)	(10.7)
	(Decrease) in other current liabilities / non-current liabilities	(32.9)	(627.8)
		167.7	**2,964.0**
	Cash flows generated from operations	432.5	3,140.5
	Income tax paid / (received), net of refunds	240.7	(82.1)
	Net cash generated from operating activities	**673.2**	**3,058.4**
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase/construction of property, plant and equipment (including capital advances and capital creditors)	(103.5)	(159.7)
	Proceeds from sale of property plant and equipment, net	26.0	-
	Purchase/development of intangible assets and intangibles under development	-	(10.6)
	Investment in subsidiaries	-	(30.0)
	Government grant received	0.3	48.3
	Loan given to subsidiaries (net of repayments)	(929.6)	(527.9)
	Maturity of bank deposits	3,398.6	577.4
	Investment in bank deposits	(1,487.2)	(2,714.5)
	Interest received	391.7	264.0
	Net cash from / (used) in investing activities	**1,296.3**	**(2,553.0)**
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of equity share capital, net of issue expenses	-	1.0
	Proceeds from non current borrowings	59.1	3,200.0
	Repayment of non current borrowings	(248.1)	(1,036.7)
	Repayment of short term borrowings, net	(767.0)	(3,147.9)
	Proceeds from issuance of compulsory convertible debentures	-	1,002.7
	Repayment of lease liabilities	(37.5)	(32.9)
	Interest paid on lease liabilities	(15.2)	(3.0)
	Interest paid	(575.2)	(555.6)
	Net cash used in financing activities	**(1,583.9)**	**(572.3)**
	Net increase / (decrease) in cash and cash equivalents (I+II+III)	**385.6**	**(66.9)**
	Cash and cash equivalents (refer note 14)		
	Cash and cash equivalents at the beginning of the year (refer note 3 below)	16.7	83.6
	Cash and cash equivalents at the end of the year (refer note 4 below)	402.3	16.7
	Net increase/(decrease) in cash and cash equivalents	**385.6**	**(66.9)**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Standalone statement of Cash Flows for the year ended 31 March 2021 (Continued)

(Currency : Indian Rupees in Million)

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method " as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash flows notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

2. **Components of Cash and cash equivalents**

	As at 31 March 2021	As at 31 March 2020
Balance with banks		
- in current accounts	145.1	16.7
- in fixed deposit accounts (having original maturity less than 3 months)	257.2	-
Cash on hand	0.0	0.0
	402.3	**16.7**

3. Refer note 21.5 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Summary of significant accounting policies and other explanatory information 1 to 60
The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Standalone statement of changes in equity for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

A. Equity share capital

	Note	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	20.1	1,474.1	-	1,474.1

B. Other equity

	Note	Equity component of compound financial instruments	Reserves and surplus				Total equity
	20.2		Securities premium	Special reserve	Share options outstanding account	Retained earnings	
Balance as at 1 April 2020		**308.8**	**3,910.3**	**42.5**	**31.8**	**1,361.2**	**5,654.6**
Loss for the year		-	-	-	-	(609.9)	(609.9)
Remeasurement gain on post employment defined benefits plans, net of tax		-	-	-	-	2.5	2.5
Total comprehensive (loss) for the year		**-**	**-**	**-**	**-**	**(607.4)**	**(607.4)**
Transfer to special reserve		-	-	5.0	-	(5.0)	-
Employee stock options (refer note 32 and 45)		-	-	-	(18.5)	-	(18.5)
Transfer to employee benefit expenses (refer note 32)					(13.0)		(13.0)
Balance as at 31 March 2021		**308.8**	**3,910.3**	**47.5**	**0.3**	**748.8**	**5,015.7**

Summary of significant accounting policies and other explanatory information 1 to 60
The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

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Company Secretary
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National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)

CIN : U74140MH2004PLC148859

Standalone statement of changes in equity for the year ended 31 March 2020

(Currency : Indian Rupees in Million)

A. Equity share capital

	Note	Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital	20.1	1,473.7	0.4	1,474.1

B. Other equity

	Note 20.2	Equity component of compound financial instruments	Reserves and surplus				Total equity
			Securities premium	Special reserve	Share options outstanding account	Retained earnings	
Balance as at 1 April 2019		**-**	**3,909.7**	**37.5**	**95.1**	**1,964.2**	**6,006.5**
Loss for the year			-	-	-	(596.8)	(596.8)
Securities premium on equity shares during the year			0.6	-	-	-	0.6
Remeasurement (losses) on post employment defined benefits plans, net of tax						(3.0)	(3.0)
Equity component through issue of Compulsory convertible debenture (CCD)		308.8		-			308.8
Total comprehensive (loss) for the year		**308.8**	**0.6**	**-**	**-**	**(599.8)**	**(287.4)**
Transfer to special reserve			-	5.0	-	(5.0)	-
Employee stock options (refer note 32 and 45)			-	-	(63.3)	1.8	(61.5)
Balance as at 31 March 2020		**308.8**	**3,910.3**	**42.5**	**31.8**	**1,361.2**	**5,654.6**

Summary of significant accounting policies and other explanatory information 1 to 60

The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Collateral Management Services Limited

Tarun Gupta
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Membership No: 507892

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Managing Director & CEO
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Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

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Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1 Company overview

National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) ('the Company') is a closely held public company incorporated on 28 September 2004 under the Indian Companies Act, 1956 to provide warehousing services to manage risks across various stages of commodity and inventory handling under a single umbrella. Through pan-India presence, in owned, leased as well as field warehouses, the Company provides commodity handling and risk management services to clients across the country. The Company provides end to end procurement with trading and disposal services throughout the entire post - harvest agriculture value chain, storage and preservation services, collateral management services and other risk management services for commodities and inventories in the commodity market. On 19 August 2015, Fairfax India Holding Corporation through its wholly owned subsidiary FIH Mauritius Investments Limited has acquired a majority stake in the Company.

2 Basis of presentation and preparation

(i) Statement of compliance

These standalone financial statements (financial statements) are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments and employee stock options which are measured at fair values / amortised cost.The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended .

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 16 August 2021.

(ii) Functional and presentation currency

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these standalone financial statements. All amounts in the financial statement and accompanying notes are presented in million and have been rounded-off to one decimal place unless stated otherwise.

(iii) Current/ Non- current classification

Any asset is classified as current if it satisfies any of the following conditions:

(i) it is expected to be realised or is intended for sale or consumption in the Company's normal operating cycle;
(ii) it is expected to be realised within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded;
(iv) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

Deferred tax assets are classified as non-current assets. All other assets and liabilities are classified as non- current.

Any liability is classified as current if it satisfies any of the following conditions:

(i) it is expected to be settled in the Company's normal operating cycle;
(ii) it is expected to be settled within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded;
(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non- current.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of goods & services and the time between the acquisition of assets or inventories for processing and their realisation and their realisation in cash and cash equivalents.

3 Use of accounting estimates and judgments

Preparation of standalone financial statements requires the Company to make assumptions and estimates about future events and apply significant judgments. The Company base its assumptions, estimates and judgments on historical experience, current trends and all available information that it believes is relevant at the time of preparation of the standalone financial statements. However, future events and their effects cannot be determined with certainty. Accordingly, as confirming events occur, actual results could ultimately differ from our assumptions and estimates. Such differences could be material. The following require subjective and/or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(i) Impairment losses on investments and loans to subsidiaries

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. Before closure of each accounting year, the Company reviews the carrying amounts of its investments in subsidiaries and loan to subsidiaries, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, impairment provision is recognized in the statement of profit and loss account in the year in which impairment loss is assessed.

(ii) Impairment losses on trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the statement of profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the aging and past movement of the inventory.

(iv) Valuation of inventories

The Company values its inventories for commodity trading business at fair value less cost to sell and other inventories are valued at the lower of cost and net realisable value through inventory allowances. Subsequent changes in facts or circumstances could result in the reversal of previously recorded allowances. Results could differ if inventory allowances change because actual selling prices or selling costs differ materially from forecasted selling prices and selling costs. Calculating allowances depends on a combination of interrelated factors affecting forecasted selling prices, including demand variables. Demand variables include commodity prices and changes in inventories in distribution channels.

(v) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the years over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any year would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

(vi) Provision for litigations

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant financial and other evidence and facts specific to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the standalone financial statements.

(vii) Recoverability of deferred tax assets

In determining the recoverability of deferred tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(viii) Share based payments

The Company determines costs for share-based payments using Black-Scholes-Merton model. The Company determines the fair value of its market-based and performance-based non-vested share options at the date of grant using generally accepted valuation techniques. A portion of share-based payments expense results from performance-based share options which require the Company to estimate the likelihood of achieving performance parameters and appraisals set by Board of directors.

Judgment is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. The Company is also required to use judgment in determining the most appropriate input to the valuation model including expected life of the option, volatility and dividend yield. The assumptions and model used are disclosed in note 45 of the standalone financial statements.

(ix) Employee benefits

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(x) Measurement of fair value

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information, such as NCDEX quotes, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS 113 " Fair Value Measurements", including the level in the fair value hierarchy in which such valuations should be classified.

4 Significant accounting policies

(a) Property, plant and equipment

Measurement at recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Where cost of a part of the asset (“asset component”) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the standalone statement of profit and loss as and when incurred.

Depreciation :

The Company depreciates its property, plant and equipment on Straight Line Method (SLM) over the useful lives of assets estimated by management. Depreciation for assets purchased or sold during a year is proportionately charged. The management estimates for useful lives for property, plant and equipment are set out below:

Warehouse buildings	50 years
Silos	50 years
Office buildings	50 years
Property, plant and equipment : Meteorological instruments	5 years
Property, plant and equipment : Laboratory equipment	5 - 10 years
Property, plant and equipment : Others	5 years
Computer	3 years
Electrical installation and fittings	5 years
Office equipment	5 years
Furniture and fixtures	5 - 10 years
Leasehold improvements	Lower of useful life or lease period
Electrical installations and fittings at leased premises	Primary year of the lease or 5 years,
Vehicles	5 years

For aforesaid class of assets based on internal assessment by the management believes that the useful lives as given above best represent the years over which management expects to use the assets. Hence, the useful lives for the assets are different from the useful lives as prescribed under Part C of Schedule II of the Act .

For all class of assets except leasehold improvements and electrical installation and fittings at leased premises, management carries out an internal assessment to estimate the useful life over which it is expected to be used. Expected useful lives and residual values are re-assessed annually and adjusted if appropriate and such change is accounted for as a change in an accounting estimate.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work in progress and capital advances

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under "Other non - current assets". Assets under construction are not depreciated as these assets are not yet available for use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit or loss in the year the asset is derecognised.

(b) Intangible assets

Measurement at recognition
Intangible assets comprise primarily of computer software. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation
Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss.

The following estimated useful life of intangible assets is mentioned below:

Computer software	3 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition
An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the standalone statement of profit or loss in the year the asset is derecognised.

Intangible assets under development
Intangible under development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial use. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Non-derivative financial assets

Initial recognition and measurement
The Company recognises a financial asset in its balance sheet when it become party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acqusition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through quoted market price in an active market for an identical asset (i.e level 1 input) or through a valuation technique that uses data from observable markets (i.e level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the standalone statement of profit and loss only to the extent that such gain or loss arises due to a change in factor market participants take into account when pricing the financial asset.
However, trade receivables that do not contain a significant financing component are measured at transaction price irrespective of the fair value on initial recognition.

Subsequent measurement:
For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:
(i) The Company's business model for managing the financial asset and
(ii) The contractual cash flow characteristics of the financial asset.
Based on the above criteria, the Company classifies its financial assets into the following categories:
(i) Financial assets measured at amortised cost.
(ii) Financial assets measured at fair value through profit and loss (FVTPL).

(i) **Financial assets measured at amortised cost**

A financial asset is measured at the amortised cost if both the conditions are met :

(a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows.

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, deposits and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method.
The amortised cost of a financial asset is also adjusted for loss allowance, if any.

(ii) **Financial assets measured at fair value through profit and loss (FVTPL)**.

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). This is a residual category applies to inventories, share based payments and other investments of the Company excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the standalone statement of profit and loss.

Derecognition:

A financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the standalone statement of profit and loss.

Presentation:

Financial assets and liabilities are offset and the net amount presented in the statement of standalone balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquistion of the financial liabilites.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised in the statement of profit or loss over the year of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Non-derivative financial liabilities of the Company comprise long-term borrowings, short-term borrowings, bank overdrafts and trade and other payables.

Subsequent measurement:

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the standalone statement of profit and loss .

(iii) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability or
(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or Indirectly
Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(d) Impairment

Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
(i) Trade receivables
(ii) Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables and contract revenue receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e all cash shortfalls), discounted at the original effective interest rate.
Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward- looking estimates are updated.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

Intangible assets and property, plant and equipment

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's recoverable amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Inventories

Inventories principally comprise commodities held for trading and inventories that form part of the Company's expected purchase, sale or usage requirements.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the statement of profit or loss in the year of the change.

Inventories are measured at cost and those forming part of the Company's expected purchase, sale or usage requirements are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Cost of inventories comprises of cost incurred on purchase and other direct expenditure on procurement. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

Dunnage

Dunnage consists of bamboo mats, polythene sheets/bags/covers, wooden planks, black/blue polythene films/sheets. Bamboo mats and polythene sheets/bags/covers issued for use are written off to the extent of 100% of cost in the year of purchase. 50% of the cost of black/blue polythene films/sheets issued for use is written off in the year of issue and the balance 50% is charged to revenue in the subsequent year.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(f) Statement of cash flows

The Company's statement of cash flows are prepared using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature if any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

(g) Revenue recognition

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. When there is uncertainity as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainity is resolved. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and taxes. Amount collected on behalf of third parties such as goods and service tax and value added tax are excluded from revenue. Revenue on time and material contracts are recognised as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognised as unbilled revenue. Advances received for services and products are reported as advances from customers until all conditions for revenue recognition are met.

A. Warehousing services

(i) These include warehousing services in owned, leased, franchise as well as field warehouses. Charges levied for providing storage, stock management and preservation services at locations which are owned, leased or under franchise/associate arrangement are recognised as income on accrual basis as per agreed terms.

(ii) These activities also include custodial warehousing services for banks and fees therefrom are recognised on accrual basis as per agreed terms.

B. Sale of goods

The Company's revenue is derived from the single performance obligation to transfer primarily commodities under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognised when the Company transfers control at the point of time the customer takes undisputed delivery of the goods. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

C. Other services

(i) Testing and certification

These includes testing the quality of commodities and issuing certificates regarding the same. The charges for testing and certification are recognised on accrual basis as per agreed terms with customers.

(ii) Market intelligence and commodity research

a) Price intelligence

Price polling is a neutral activity for collating spot price information for selected commodities on behalf of the client and the charges there from are recognised on accrual basis as per agreed terms with customers.

b) Weather intelligence

Weather data services is an activity wherein weather data is collected from meteorological instruments and provided to the client and the charges there from are recognised on accrual basis as per agreed terms with customers.

c) Market intelligence

Subscription charges on market intelligence and commodity research reports are recognised as income on straight line basis over the year for which the reports are sent.

(iii) Vehicle management services

These activities include services for custodial warehousing of vehicles for customers. Fees there from are recognized on accrual basis as per agreed terms.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the signifcant risks and rewards associated with the rendering of logistics services. Revenue from rendering of logistic services provided to its customer after the transfer of control of underlying goods is recognised on gross basis and is recognised once the facilitation of such service is done.

(iv) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and using effective interest rate applicable based on interest rate specified / implicit in the transaction.

(v) Other services

These are recognised when the claim/charge is established as a legally enforceable right for the services rendered.

(vi) Revenue from contracts

Revenue from contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. Estimates of revenues, costs or extent of progress toward completion are revised if circumtances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of profit or loss in the year in which the circumtances that give rise to the revision becomes known by management.
When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms whenever there is a delayed delivery attributable to the Company.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.
Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreedwith the customer and are capable of being reliably measured.
The profits on contracts are recognised only when outcome of the contract is reasonably certain.

(vii) Lease income

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Foreign currency

Foreign currency transactions

Initial recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign curreny items at reporting date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. Non-monetary items measured based on historical cost in a foreign currency are not translated. Non-monetary assets and non-monetary
liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.
Exchange differences arising out of these translations are recognised in the standalone statement of profit and loss.

(i) Employee benefits

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Company pays fixed yearly contributions into Provident Fund and Employee State Insurance Corporations. The Company has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the year in which the employment services qualifying for the benefit are provided.

ii. Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan which is administered through Company gratuity scheme with Life Insurance Corporation of India. The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government of India securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The Company recognises all remeasurement gains and losses arising from defined benefit plans in the statement of other comprehensive income in the year in which they occur and not reclassified to the statement of profit and loss in the subsequent year. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the statement of profit and loss.

The entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the estimated liability for leave as a result of services rendered by employees, which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employee benefits, are based on the market yields on Government of India securities as at the balance sheet date. Remeasurement gains and losses are recognised immediately in the standalone statement of profit and loss.

The Company presents the above liability/(asset) as current and non- current in the balance sheet as per actuarial valuation by the independent actuary.

Short-term employee benefits

All emloyee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Company recognise an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

Share-based payments

Equity-settled plans are accounted at fair value as at the grant date in accordance with Ind AS 102 " Share- Based Payments". The fair value of the share-based option is determined at the grant date using a market-based option valuation model which includes an estimated forfeiture rate. The fair value of the option is recorded as compensation expense amortised over the vesting year of the award, with a corresponding increase in other components of Equity under the head "Share Options Outstanding Account". On exercise of the option, the proceeds are recorded as share capital.

Share-based payment transactions that are settled in cash at an amounts that are based on the price of the company's equity instruments. This creates a liability, and the recognised cost is based on the fair value of the instrument at the reporting date.

(j) Lease accounting

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:
– Fixed payments, including in-substance fixed payments;
– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– Amounts expected to be payable under a residual value guarantee; and
– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(k) Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year as per the provisions of tax laws enacted in India and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date.

ii) Deferred tax

Deferred tax is recognised on deductible temporary differences between the carrying amounts of assets and liabilities in the standalone balance sheet and the corresponding tax bases used in the computation of taxable income, the carryforward of unused tax losses and the carry forward of unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax liabilities are generally recognised for all deductible temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

Unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets is recognised only to the extent that there is convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Company accounts for the expected future benefit on account of the indexed cost of freehold land held by the Company as a deferred tax asset at the substantively enacted capital gains tax rate.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting year and reduce amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Presentation of current and deferred tax :

Current and deferred tax are recognised as income or an expense in the standalone statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income/ Equity, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income/ Equity.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority.

iii) Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after 1 April 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

(l) Earnings per share

The basic earnings per share (EPS) is computed by dividing the profit/loss attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

(m) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognised as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(n) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. It includes all borrowing costs which would have been avoided if the expenditure on the qualifying asset had not been made. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(o) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments. Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

(p) Government grants

Grants and subsidies from the government are recognised if the following conditions are satisfied.

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.

Government grants are amortised to the standalone statement of profit and loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(q) Segment reporting

For management purposes, the Company's accounting policy is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.
The segment managers report directly to the Managing Director and CEO of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

Unallocated items:
Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate income and expenses". Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities, respectively.

(r) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount or fair value less costs to sell.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

5 Property, plant and equipment

Particulars	Free hold land	Warehouse buildings	Office buildings	Silo	Plant and equipment	Meteorological instruments	Laboratory equipment	Computers	Electrical installation and fittings	Office equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Total assets
Gross carrying amount :														
Balance as at 1 April 2019	**1,187.4**	**2,791.2**	**54.9**	**284.0**	**231.7**	**269.1**	**448.6**	**58.7**	**86.9**	**48.6**	**0.4**	**53.7**	**172.0**	**5,687.2**
Add: Additions during the year	16.2	30.4	-	2.5	0.7	9.7	2.0	2.0	-	1.5	-	-	5.6	**70.6**
Balance as at 31 March 2020	**1,203.6**	**2,821.6**	**54.9**	**286.5**	**232.4**	**278.8**	**450.6**	**60.7**	**86.9**	**50.1**	**0.4**	**53.7**	**177.6**	**5,757.8**
Add: Additions during the year	-	-	-	-	0.0	0.9	18.4	2.7	-	1.4	-	-	-	**23.4**
Less : Disposals during the year	(53.3)	-	-	-	-	-	-	(3.0)	-	(1.3)	-	-	-	**(57.6)**
Less: Asset classified as held for sale*	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	**(1.1)**
Balance as at 31 March 2021	**1,149.2**	**2,821.6**	**54.9**	**286.5**	**232.5**	**279.7**	**469.0**	**60.4**	**86.9**	**50.2**	**0.4**	**53.7**	**177.6**	**5,722.5**
Accumulated depreciation :														
Balance as at 1 April 2019	**-**	**158.3**	**3.2**	**10.5**	**70.0**	**228.6**	**99.4**	**45.2**	**37.4**	**27.6**	**0.4**	**10.8**	**41.5**	**732.9**
Charge for the year	-	53.6	1.0	5.4	25.7	11.8	41.2	5.6	16.2	6.6	-	5.4	18.0	**190.5**
Balance as at 31 March 2020	**-**	**211.9**	**4.2**	**15.9**	**95.7**	**240.4**	**140.6**	**50.8**	**53.6**	**34.2**	**0.4**	**16.2**	**59.5**	**923.4**
Add: Charge for the year	-	55.5	1.1	4.2	21.9	10.3	43.7	4.5	12.9	6.1	-	5.2	18.4	**183.8**
Less: Disposal	-	-	-	-	-	-	-	(2.6)	-	(1.1)	-	-	-	**(3.7)**
Less: Other adjustments	-	-	-	-	-	-	(5.8)	-	-	-	(0.3)	-	-	**(6.2)**
Balance as at 31 March 2021	**-**	**267.4**	**5.3**	**20.1**	**117.6**	**250.7**	**178.5**	**52.7**	**66.5**	**39.2**	**0.1**	**21.4**	**77.9**	**1,097.4**
Net carrying amount														
Balance as at 31 March 2020	**1,203.6**	**2,609.7**	**50.7**	**270.6**	**136.7**	**38.4**	**310.0**	**9.9**	**33.3**	**15.9**	**0.0**	**37.5**	**118.1**	**4,834.4**
Balance as at 31 March 2021	**1,149.2**	**2,554.2**	**49.6**	**266.4**	**114.9**	**29.0**	**290.5**	**7.7**	**20.4**	**11.0**	**0.3**	**32.3**	**99.7**	**4,625.1**

*refer note 19

Refer note 21.1 for information on property, plant and equipment pledged as security by the Company.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

5.1 Right of use assets

Particulars	ROU**
Gross carrying amount :	
Balance as at 1 April 2019	**81.6**
Add: Additions during the year	-
Balance as at 31 March 2020	**81.6**
Add: Additions during the year	145.7
Balance as at 31 March 2021	**227.3**
Accumulated depreciation :	
Balance as at 1 April 2019	**-**
Charge for the year	13.2
Balance as at 31 March 2020	**13.2**
Add: Charge for the year	31.7
Balance as at 31 March 2021	**44.9**
Net carrying amount	
Balance as at 31 March 2020	**68.4**
Balance as at 31 March 2021	**182.4**

**Right of use asset is created on office premises including regional office, warehouse, lab and corporate office (refer note 38).

5.2 Capital work-in-progress	**31 March 2021**	**31 March 2020**
Opening balance	9.2	19.3
Additions during the year	14.1	60.5
Capitalised during the year	(23.4)	(70.6)
Closing balance	-	9.2

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

6.1 Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Balance as at 1 April 2019	55.2	55.2
Add: Additions during the year	50.0	50.0
Less : Disposals during the year	-	-
Balance as at 31 March 2020	**105.2**	**105.2**
Add: Adjustment during the year	(1.8)	(1.8)
Balance as at 31 March 2021	**103.4**	**103.4**
Amortisation		
Balance as at 1 April 2019	42.6	42.6
Amortisation for the year	15.6	15.6
Less: Diposals during the year	-	-
Balance as at 31 March 2020	**58.2**	**58.2**
Amortisation for the year	18.0	18.0
Less: Diposals during the year	-	-
Balance as at 31 March 2021	**76.2**	**76.2**
Net carrying amount		
Balance as at 31 March 2020	**47.0**	**47.0**
Balance as at 31 March 2021	**27.2**	**27.2**

6.2 Intangible assets under development

	31 March 2021	31 March 2020
Intangible assets under development - Computer Software	0.9	0.9

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National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		As at 31 March 2021	As at 31 March 2020
7	**Investments**		
	(A) Investments in equity instruments - unquoted fully paid up		
	(a) Wholly owned subsidiary company (at cost)		
	(i) NCML Finance Private Limited	1,034.7	1,034.7
	90,454,529 (31 March 2020: 90,454,529) equity shares of INR 10 each, fully paid-up		
	(ii) NCML Mktyard Private Limited	70.0	70.0
	5,000,000 (31 March 2020: 5,000,000) equity shares of INR 10 each, fully paid-up		
	(iii) NCML Basti Private Limited	80.0	80.0
	8,000,000 (31 March 2020: 8,000,000) equity shares of INR 10 each, fully paid-up		
	(iv) NCML Varanasi Private Limited*	101.0	101.0
	10,100,000 (31 March 2020: 10,100,000) equity shares of INR 10 each, fully paid-up		
	(v) NCML Faizabad Private Limited	70.0	70.0
	7,000,000 (31 March 2020: 7,000,000) equity shares of INR 10 each, fully paid-up		
	(vi) NCML Batala Private Limited	120.0	120.0
	12,000,000 (31 March 2020: 12,000,000) equity shares of INR 10 each, fully paid-up		
	(vii) NCML Chhehreatta Private Limited	120.0	120.0
	12,000,000 (31 March 2020: 12,000,000) equity shares of INR 10 each, fully paid-up		
	(viii) NCML Deoria Private Limited	40.0	40.0
	4,000,000 (31 March 2020: 4,000,000) equity shares of INR 10 each, fully paid-up		
	(ix) NCML Palwal Private Limited*	40.0	40.0
	4,000,000 (31 March 2020: 4,000,000) equity shares of INR 10 each, fully paid-up		
	(x) NCML Bettiah Private Limited*	40.0	40.0
	4,000,000 (31 March 2020: 4,000,000) equity shares of INR 10 each, fully paid-up		
	(xi) NCML Bhattu Private Limited	60.0	60.0
	6,000,000 (31 March 2020: 6,000,000) equity shares of INR 10 each, fully paid-up		
	(xii) NCML Jalalabad Private Limited	40.0	40.0
	4,000,000 (31 March 2020: 4,000,000) equity shares of INR 10 each, fully paid-up		
	(xiii) NCML Sonepat Private Limited	110.0	110.0
	11,000,000 (31 March 2020: 11,000,000) equity shares of INR 10 each, fully paid-up		
	(xiv) NCML KB Private Limited	1.0	1.0
	100,000 (31 March 2020: 100,000) equity shares of INR 10 each, fully paid-up		
	(xv) NCML Saran Private Limited	1.0	1.0
	100,000 (31 March 2020: 100,000) equity shares of INR 10 each, fully paid-up		
	(xvi) NCML Madhepura Private Limited	1.0	1.0
	100,000 (31 March 2020: 100,000) equity shares of INR 10 each, fully paid-up		
	(xvii) NCML Motihari Private Limited	1.0	1.0
	100,000 (31 March 2020: 100,000) equity shares of INR 10 each, fully paid-up		
	(xviii) NCML Agribusiness Consultants Private Limited	3.0	3.0
	300,000 (31 March 2020: 300,000) equity shares of INR 10 each, fully paid-up		
	Total investment in subsidiaries	**1,932.7**	**1,932.7**
	Less: *Provision for impairment of Investment (refer note 37 (a))	(74.4)	(74.4)
		1,858.3	**1,858.3**
	Aggregate amount of unquoted non-current investments	1,932.7	1,932.7
	Aggregate amount of impairment in value of investments	74.4	74.4
8	**Loans**		
	Security deposits		
	- Unsecured, considered good	60.1	35.3
	- Unsecured, credit impaired	10.1	-
	Allowance for credit impaired	(10.1)	-
		60.1	**35.3**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 44 - Financial risk management for assessment of expected credit losses.

9	**Other financial assets**		
	Bank deposits with maturity more than 12 months*	229.1	284.3
	Interest accrued but not due on bank deposits	1.5	3.0
	Advances paid towards investment	0.9	0.9
		231.5	**288.2**
	* Restrictions on bank deposits towards:		
	Bank guarantee	21.1	22.3
	Lien	208.0	262.0
		229.1	**284.3**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 44 - Financial risk management for assessment of expected credit losses.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		As at 31 March 2021	As at 31 March 2020
10	**Deferred tax assets (net)**		
	Deferred tax assets (net) (refer note 40 (d))	**545.7**	**457.9**
11	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	(a) Capital advances	41.9	48.3
	(b) Advances other than capital advances		
	(i) Balance with government authorities	3.6	6.0
	(ii) Prepaid expenses	18.0	1.1
		63.5	**55.4**
12	**Inventories**		
	Stock in trade		
	Inventories valued at fair value		
	Commodities	-	52.1
	Inventories valued at the lower of cost and net realisable value		
	Commodities	219.2	638.2
	Stores and consumables		
	Consumables	10.3	15.5
	Dunnage	3.0	3.0
		232.5	**708.8**
13	**Trade receivables**		
	Secured, considered good	17.6	17.6
	Unsecured, considered good	804.9	924.7
	Unsecured, credit impaired	448.0	330.8
	Allowance for credit impaired	(448.0)	(330.8)
		822.5	**942.3**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 44 - Financial risk management for assessment of expected credit losses.

14	**Cash and cash equivalents**		
	Balances with banks - in current accounts	145.1	16.7
	Deposit with original maturity less than 3 months	257.2	-
	Cash on hand	0.0	0.0
		402.3	**16.7**
15	**Bank balances other than cash and cash equivalents**		
	Deposit with maturity more than 3 months but less than 12 months*	616.5	2,468.5
	Other bank balance #	169.7	173.8
		786.1	**2,642.3**
	* includes restrictions on bank deposits towards		
	Bank guarantee	173.4	127.3
	Lien	284.8	2,329.5
	Against bank overdraft	8.1	-
	Letter of credit	35.0	11.7
		501.3	**2,468.5**

Other bank balance pertains to money lying in Subsidy Reserve Fund (SRF) account towards subsidy granted to the Company which will be adjusted against the loan amount.

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		As at 31 March 2021	As at 31 March 2020
16	**Loans**		
	Unsecured, considered good		
	Security deposits	19.8	78.1
	Loan to subsidiaries (refer note 37)*	3,158.5	2,226.0
	Unsecured, credit impaired		
	Security deposits	14.9	-
	Loan to subsidiaries (refer note 37)*	220.2	232.2
	Allowance for credit impaired	(235.1)	(232.2)
		3,178.3	**2,304.1**

* Includes interest accrued on loan to subsidiaries

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 44 - Financial risk management for assessment of expected credit losses.

17	**Other financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	(a)From related parties		
	Receivable from subsidiary (refer note 37)	54.9	54.1
	(b)From parties other than related parties		
	Insurance claim receivable	462.7	462.7
	Allowance for insurance claims	(462.7)	(115.0)
	Compensation receivable	18.6	18.9
	Interest receivable on income tax refund	-	14.9
	Unbilled revenue	159.3	37.1
	Interest accrued but not due	14.8	17.3
	Amount recoverable from employees, credit impaired (refer note 57)	12.2	-
	Allowance for credit impaired	(12.2)	-
	Amounts recoverable from rice millers		
	- Unsecured, considered good	33.4	92.6
	- Unsecured, credit impaired	94.8	30.0
	Allowance for credit impaired	(94.8)	(30.0)
		281.0	**582.6**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 44 - Financial risk management for assessment of expected credit losses.

18	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Balance with government authorities	34.7	34.9
	Advance to suppliers	37.7	24.5
	Advance to employees	0.2	5.3
	Prepaid expenses	20.5	21.7
	Unsecured, considered doubtful		
	Advance to suppliers	24.7	6.8
	Advance to employees	29.4	29.4
	Allowance for doubtful advances	(54.1)	(36.2)
		93.1	**86.4**

19 Asset classified as held for sale

The Board of Directors of the Company, in its meeting held on 4 November 2020, approved the sale of land located at Village Sherpur, Tehsil an Hectares. The Company has completed the sale of the land subsequent to the reporting date at Rs. 9.6 million.

20.1	**Equity share capital**		
	Share capital		
	Authorised :		
	200,000,000 (31 March 2020 : 200,000,000) Equity shares of 10 each	**2,000.0**	**2,000.0**
	Issued, subscribed and paid up		
	147,411,736 (31 March 2020 : 147,411,736) Equity shares of 10 each, fully paid up	1,474.1	1,474.1
		1,474.1	**1,474.1**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

a) The reconciliation of the shares outstanding at the beginning and at the end of the year is as below:

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Number of equity shares at the beginning of the year	147,411,736	1,474.1	147,369,736	1,473.7
Add: Equity shares issued during the year	-	-	42,000	0.4
Number of equity shares at the end of the year	**147,411,736**	**1,474.1**	**147,411,736**	**1,474.1**

b) The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividends as declared from time to time . The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual to the number of equity shares held.

c) **Shares held by holding company**

	As at 31 March 2021		As at 31 March 2020	
	Number of equity shares held	**Amount**	**Number of equity shares held**	**Amount**
Equity shares of Rs. 10 each fully paid up held by FIH Mauritius Investments Limited	131,941,286	1,319.4	131,941,286	1,319.4

d) **The details of shareholders holding more than 5% of the equity shares of the Company as at year end are as below :**

	As at 31 March 2021		As at 31 March 2020	
Name of shareholders	**Number of equity shares held**	**Percentage holding**	**Number of equity shares held**	**Percentage holding**
FIH Mauritius Investments Limited	131,941,286	89.53%	131,941,286	89.53%

e) **Shares reserved for issue under options (refer note 45)**

(NCML 2014 Employee Stock Option Scheme)

NCML ESOP 2014 plan provides for the grant of stock options to eligible employees. The Board of Directors recommended NCML ESOP 2014 plan to shareholders on 1 September 2014 and the shareholders approved the recommendations of the board on 30 September 2014. The plan entitles key management personnel and senior employees to purchase shares in the Company at the stipulated excercise price, subject to compliance with vesting conditions. The Board of Directors have approved the proposal for cash settlement of ESOP at a fair market value (FMV) of Rs. 67.16, as certified by an Independent Valuer. Further, as per the board meeting held on 24 March 2021, Board has decided to defer the payout to employees under NCML ESOP Scheme 2014 till 30 September 2021.

(NCML 2016 Employee Stock Option Scheme)

NCML ESOP 2016 plan provides for the grant of stock options to eligible employees. The Board of Directors recommended NCML ESOP 2016 plan to Shareholders on 5 August 2016 and the Shareholders approved the recommendations of the Board. The plan entitles key management personnel and senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the board meeting held on 24 March 2021, Board has officially abandoned the NCML ESOP Scheme 2016 as the condition precedent of achievement of benchmark profit has not been met.

f) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bo and five years immediately preceding the balance sheet date.

20.2 Other equity

	As at 31 March 2021	As at 31 March 2020
(i) **Equity component of compound financial instrument**		
- Equity component of compulsory convertible debentures (refer note 21.1.4)	308.8	308.8
	308.8	**308.8**
(ii) **Reserves and surplus**		
(a) **Securities premium account**		
Opening balance	3,910.3	3,909.7
Add: Securities premium received on issue of equity shares	-	0.6
Closing balance (refer sub-note 1)	**3,910.3**	**3,910.3**
(b) **Special reserve**		
Opening balance	42.5	37.5
Add: Transferred from surplus in statement of profit and loss	5.0	5.0
Closing balance (refer sub-note 2)	**47.5**	**42.5**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

	As at 31 March 2021	As at 31 March 2020
(c) **Share options outstanding account**		
At the commencement of the year	31.8	95.1
Transfer to other financial liability due to cash settlement (refer note 26)	(18.5)	-
Employee compensation expense for the year	(13.0)	(63.3)
Closing balance (refer sub-note 3)	**0.3**	**31.8**
(d) **Retained earnings**		
Opening balance	1,361.2	1,964.2
Add: Loss for the year	(609.9)	(596.8)
Less: Remeasurement of the net defined benefit liability/asset, net of tax effect	2.5	(3.0)
Less: Transferred to special reserve (refer sub-note 2)	(5.0)	(5.0)
Add: Employee stock option plan	-	1.8
Closing balance (refer sub-note 4)	**748.8**	**1,361.2**
Total	**5,015.7**	**5,654.6**

Sub-note:

1 Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
ii) for the purchase of its own shares or other securities;
iii) in writing off the preliminary expenses of the Company;
iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

2 Special reserve - In view of contingencies as may arise due to the peculiar nature of the Company's business, a sum of Rs 5.0 million is allocated as at 31 March 2021 (31 March 2020: Rs 5.0 million) has been transferred from retained earnings to special reserve.

3 Share options outstanding account -Share-based compensation reserves represent the equity-settled shares and share options granted to employees (refer note 45). The reserve is made up of the cumulative value of services received from employees recorded over the vesting year commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

4 Retained earnings represents the accumulated profits of the Company.

21.1 Borrowings

Secured loan:*		
Debentures		
Non convertible debentures (refer note (e) below)	3,200.0	3,200.0
Term loan		
(i) from banks (refer note (a), (b) and (d) below)	177.4	144.4
(ii) from financial institutions (refer note (c) below)	-	168.0
Less : Unamortised transaction cost	(41.3)	(48.9)
Unsecured loan		
Compulsory convertible debentures (refer note 4 below)	749.6	732.6
	4,085.7	**4,196.1**

* Amount disclosed under "Other financial liabilities - Current maturities of non-current debt" Rs. 182.9 million (31 March 2020: Rs. 237.0 million) (ref

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Sub-notes:

1	**Nature of Security**	**Terms:**
(a)	Long-term loan taken from Yes bank amounting to Rs 88.9 million (31 March 2020: Rs 100.0 million) are secured by way on lein on fixed deposit of Rs 97.7 million.	- Term loan carries interest rate at base rate plus 0.25%, repayable in 32 unequal quarterly installments starting from 30 June 2015
(b)	Long-term loan taken from ICICI Bank amounting to Rs 44.4 million (31 March 2020: Rs 57.3 million) are secured by way on lein on fixed deposit of Rs. 66.0 million.	- Term loan carries interest rate at base rate plus 0.15%, repayable in 33 (thirty three) unequal quarterly installments starting from 28 March 2016
(c)	Long-term loan taken from NABARD amounting to Rs 168.0 million (classified under current maturities of long term loan) (31 March 2020: Rs 392.0 million includes Rs 224.0 million classified under current maturities) are secured by way on lein on fixed deposit of Rs. 56.0 million and undermentioned security.	- Term loan carries interest rate of 9.50% pa, repayable in 20 equal quarterly installments of Rs. 56 million starting from 1 January 2017.
(d)	Long-term loan taken from Karur Vysya Bank (under ECLGS 2.0 scheme) amounting to Rs 59.1 million (31 March 2020: nil) are secured by way on second pari passu charge on current assets.	- Term loan carries interest rate at base rate (EBR -R) plus 1% pa, repayable in 48 equal quarterly installments of Rs. 12.3 million starting from 5 April 2022.
(e)	Long-term loan in the form of non convertible debentures issued to debenture holder- FMO (Financierings-Maatschappij voor Ontwikkelingslanden) amounting to Rs 3,200.0 million (31 March 2020: Rs 3,200.0 million) is secured by undermentioned security.	- Long-term loan in the form of non convertible debentures carries interest rate 9.47% p.a., repayable in 15 equal quarterly installments starting from 31 March 2023 as may be extended in accordance with the terms of the Debenture Trust Deed.

Security for NABARD and FMO:

- First ranking pari passu mortgage and charge over the 21 immovable (whether tangible or intangible) project properties and assets (including insu between NABARD and debenture holder, FMO and exclusive mortgage and charge over the 8 immovable (whether tangible or intangible) project pr contracts), both present and future with Debenture Holder, FMO.

- Assignment of all the clearances of the obligor (to the extent assignable under applicable law and to the satisfaction of the rupee lenders)
- First ranking pari passu assignment of the obligor's rights under each of the project documents, consents to assignment from the relevant counter satisfaction of the facility agent.
- First ranking pari passu charge on the respective accounts formed under the escrow account agreement and any other bank accounts of the obli any project documents and all monies in such accounts
- First ranking pari passu assignment on any letter of credit and/or performance bonds and/ or guarantee provided by any contractor/ counter-party in

2 Default in repayment of principal and interest Nil (31 March 2020 : Nil)

3 Non-compliances of loan covenants are considered not material as waiver has been obtained by the Company from debenture trustee through a letter dated 12 July 2021.

Fair value and carrying value

	Interest rate	Maturity	Fair value	As at 31 March 2021 Carrying amount
Non-current liabilities				
Secured loan:				
Term loan from Yes bank	7.10% to 8.90%	31 March 2024	88.8	88.8
Term loan from ICICI bank	7.90% to 8.60%	31 March 2024	44.4	44.4
Term loan from KVB Bank (ECLGS 2.0)	8.20%	5 June 2024	59.1	59.1
Term loan from financial institutions - NABARD	9.50%	1 November 2021	168.0	168.0
Non-convertible debentures	9.47%	18 September 2023 or as extended in accordance with Debenture Trust Deed	3,200.0	3,200.0
Unsecured loan - Compulsory convertible debentures	12.50%	30 September 2030	749.6	749.6
Total interest-bearing liabilities			**4,309.9**	**4,309.9**
Borrowings shown as current/ non current				
Current				182.9
Non- Current				4,127.0

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

	Interest rate	Maturity	Fair value	As at 31 March 2020 Carrying amount
Non-current liabilities				
Secured loan:				
Term loan from Yes bank	8.80% to 9.66%	30 September 2023	100.0	100.0
Term loan from ICICI bank	8.90% to 9.30%	31 May 2024	57.4	57.4
Term loan from financial institutions - NABARD	9.50%	1 November 2021	392.0	392.0
Non-convertible debentures	9.47%	18 September 2023 or as extended in accordance with Debenture Trust Deed	3,200.0	3,200.0
Unsecured loan - Compulsory convertible debentures	12.50%	30 September 2030	732.6	732.6
Total interest-bearing liabilities			**4,482.0**	**4,482.0**
Borrowings shown as current/ non current				
Current				237.0
Non- Current				4,245.0

4 During the previous year ended 31 March 2020, the Company on a private placement basis offered to issue upto 112,000,000 unsecured compulsor each at par to the equity shareholders of the Company on its records as at 6 September 2019. Pursuant, to the offer the Holding Company, FIH I 100,274,482 CCD, in the proportion of its holding. These CCD were subsequently allotted on 1 October 2019. The coupon rate for the compulsory Company has seperated the liability and euity component of the CCD, and has accordingly recognised as financial liabilities amounting to Rs. 693.9 to Rs 308.8 million. The Company has determined the coupon rate for the identification of equity component of CCD.

5 **Reconciliation of liabilities arising from financing activities**

	Long-term Borrowings	Lease liability	Short-term Borrowings	Total
As on 01 April 2020	4,482.0	51.6	2,514.6	7,048.3
Proceeds from borrowings	59.1	-	7,810.1	7,869.2
Repayment of borrowings	(248.1)	(37.5)	(8,577.1)	(8,862.7)
Interest paid on CCD	(67.4)	-	-	(67.4)
Non-cash:				
Increase in lease liability	-	145.7	-	145.7
Interest	84.3	15.2	15.8	115.3
As on 31 March 2021	**4,309.9**	**175.0**	**1,763.5**	**6,248.4**

	Long-term Borrowings	Lease liability	Short-term Borrowings	Total
As on 01 April 2019	1,581.4	-	5,627.4	7,208.8
Proceeds from borrowings	4,202.7	-	23,729.4	26,566.7
Repayment of borrowings	(1,036.7)	(32.9)	(26,877.2)	(27,590.2)
Non-cash:				
Adjustment on adoption of Ind AS 116	-	81.6	-	81.6
Transfer to equity portion of CCD	(308.8)	-	-	
Interest	43.4	3.0	35.1	81.5
As on 31 March 2020	**4,482.0**	**51.6**	**2,514.6**	**6,348.4**

Refer note 42 - Financial instruments for disclosure of fair value in respect of borrowings measured at amortised cost.

	As at 31 March 2021	As at 31 March 2020
21.2 Other financial liabilities - Non-current		
Security deposit	2.1	-
	2.1	**-**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial liabilities measured at amortised cost.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

22 Provisions

Provision for compensated absences (refer note 47)	20.6	30.7
	20.6	**30.7**

23 Other non-current liabilities

Government grants (refer note 46)	150.8	155.3
	150.8	**155.3**

24 Borrowings

Secured loan:		
From banks		
Short term loans (refer sub-note 1)	1,247.7	2,263.0
Cash credit facility (refer sub-note 2)	-	216.5
Interest accrued but not due on term loans from banks	15.8	35.1
Unsecured loan:		
From related party- subsidiary company	500.0	-
	1,763.5	**2,514.6**

Sub-notes:

1 Short-term loans taken from banks carries interest ranging between 0.85% to 10.95% (31 March 2020 - 8.05% to 9.55%), computed on a monthly basis on the actual amount utilised, and are repayable on demand. Short-term loans from bank is secured by way of charge on stock of commodities and receivables, ranking pari passu among participating banks.

2 Cash credit and overdraft facility from banks carries interest ranging between 7.30% to 12.00% (31 March 2020 - 9.00% to 10.65%), computed on a and are repayable on demand. Cash credit facility from bank is secured by way of charge on stock of commodities and receivables, ranking pari pass

3 Unsecured loan taken from subsidiary company carries interest ranging between 9.00% to 12.45%, computed on a daily basis on the actual amount utilised, and are repayable on demand.

4 Default in repayment of principal and interest nil (31 March 2020 : nil).

5 **Fair value and carrying value**

	Nominal interest rate	Maturity	As at 31 March 2021 Fair Value
Current liabilities			
Secured short term loan *	0.85% to 10.95%	Less than 1 year	1,247.7
Interest accrued but not due on term loans from banks*	0.85% to 10.95%	Less than 1 year	15.8
Unsecured short term loan from subsidiary company	9.00% to 12.45%	Less than 1 year	500.0
Total interest-bearing liabilities			**1,763.5**

* Secured Short Term loans includes Supplier / Buyers Credit loan which are in foreign currency and interest rates ranges from 0.85% - 1.13%)

	Nominal interest rate	Maturity	As at 31 March 2020 Fair Value
Current liabilities			
Secured cash credit facility	9.00% to 10.65%	Less than 1 year	216.5
Secured short term loan	8.05% to 9.65%	Less than 1 year	2,263.0
Interest accrued but not due on term loans from banks	8.05% to 9.65%	Less than 1 year	35.1
Total interest-bearing liabilities			**2,514.6**

Refer note 42 - Financial instruments for disclosure of fair value in respect of borrowings measured at amortised cost.

25 Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues to micro enterprise and small enterprise (refer note 53)	9.0	9.1
Total outstanding dues to creditors other than micro enterprise and small enterprise	205.2	209.4
	214.2	**218.5**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial liabilities measured at amortised cost.

(Currency : Indian Rupees in Million)

26 Other financial liabilities

Current maturities of non-current borrowings (refer note 21.1)	182.9	237.0
Less : Unamortised transaction cost	(9.1)	(9.0)
Book overdraft	-	330.0
Creditors for capital goods	7.2	7.0
Payable to employees	21.7	14.6
Cash settlement (ESOP scheme 2014)	18.5	-
	221.2	**579.6**

Refer note 42 - Financial instruments for disclosure of fair value in respect of financial liabilities measured at amortised cost.

27 Other current liabilities

Advance from customers	110.2	151.2
Statutory dues payable	43.3	33.6
Government grants (refer note 46)	4.6	2.7
Others	2.6	0.1
	160.7	**187.6**

28 Provisions

Provision for compensated absences (refer note 47)	11.1	8.6
Provision for gratuity (refer note 47)	32.6	27.2
Provision for litigations (refer note 50)	265.5	279.1
Provision for future commitments (refer note 28.1)	32.2	20.2
	341.4	**335.1**

28.1 Provisions towards future commitments (refer note 37a)

Opening	20.2	-
Additions	12.0	20.2
Reversals	-	-
Closing balance	**32.2**	**20.2**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
29	**Revenue from operations**		
	(a) Sales of goods	3,275.8	6,826.0
	(b) Sale of services :		
	Warehousing services	1,087.6	1,317.5
	Testing and certification	257.4	241.2
	Weather and market intelligence	118.1	168.7
	Vehicle management services	35.1	-
	Construction contract revenue	35.4	5.7
		4,809.4	**8,559.1**
30	**Other income**		
	Interest income on:		
	- Fixed deposits	76.7	32.8
	- Interest from subsidiaries (refer note 37)	292.8	234.4
	- Income tax refund	15.0	-
	- Others	3.2	-
	Liabilities no longer payable, written back	0.4	-
	Guarantee commission	-	0.4
	Gain on sale of property, plant and equipment (net)	26.1	-
	Government grants (refer note 46)	8.7	5.8
	Income from shared services (refer note 37)	30.8	42.2
	Miscellaneous income	1.3	1.8
		455.0	**317.4**
31	**Changes in inventories of stock-in-trade**		
	Opening inventories		
	Commodities at fair value	52.1	497.9
	Commodities valued at lower of cost or net realisable value	638.2	3,166.0
		690.3	**3,663.9**
	Less: Closing inventories		
	Commodities at fair value	-	52.1
	Commodities valued at lower of cost or net realisable value	219.2	638.2
		219.2	**690.3**
		471.1	**2,973.6**
32	**Employee benefits expense**		
	Salaries, wages and bonus	533.5	535.9
	Contribution to provident and other funds (Refer note 47)	21.7	23.8
	Shared based payments to employees - (Refer note 45)	(13.0)	(53.6)
	Staff welfare expenses	5.7	14.2
		547.9	**520.3**
	Less: Transfer to assets under construction - salaries, wages and bonus	-	14.7
	Less: Recharged to subsidiaries - Shared based payments to employees	-	(7.4)
	Less: Recharged to subsidiaries (refer note 37)	182.5	116.3
		365.5	**396.7**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
33	**Finance costs**		
	Interest on short-term borrowings	152.4	373.8
	Interest on long-term borrowings	23.5	123.6
	Interest on non convertible debenture	302.4	11.6
	Interest on compulsory convertible debentures (refer note 37)	84.3	43.4
	Other borrowing costs - loan processing charges	0.4	0.5
	Interest paid to related parties (refer note 37)	26.8	23.5
	Interest on lease obligations (refer note 38)	15.2	3.0
		605.0	**579.4**
34	**Depreciation and amortisation**		
	Depreciation on property, plant and equipment (refer note 5)	183.8	190.5
	Amortisation of intangible assets (refer note 6.1)	18.0	15.6
	Depreciation of right of use assets (refer note 5.1)	31.7	13.2
		233.5	**219.3**
35	**Other expenses**		
	Lease rentals:		
	- Warehouse rent (refer note 38)	161.3	265.3
	- Office rent (refer note 38)	23.0	50.3
	Outsourcing expenses	109.3	144.5
	Security expenses	44.3	59.4
	Storage charges	105.0	63.8
	Dunnage and fumigation	32.5	36.6
	Professional fees	72.3	81.1
	Provision against claims receivables	347.7	118.4
	Warehousing service expenses	18.5	17.7
	Insurance	65.6	59.2
	Testing and certification charges	29.4	10.0
	Travelling and conveyance expenses	56.5	86.9
	Postage, courier and telephone charges	23.5	32.3
	Repairs and maintenance - others	50.9	53.4
	Allowance for credit impaired	117.2	91.5
	Allowance for credit impaired advances	92.7	30.0
	Electricity charges	26.4	35.9
	Rates and taxes	45.8	49.2
	Bank charges	24.4	19.7
	Payment to auditors (refer note 49)	2.8	2.7
	Corporate social responsibility expenses (refer note 51)	1.1	1.5
	Foreign exchange loss	5.8	-
	Weather station expenses	49.8	54.2
	Vehicle management expenses	34.8	-
	Miscellaneous expenses	38.8	47.9
		1,579.4	**1,411.5**

(Currency : Indian Rupees in Million)

44 Financial risk management

Risk Management
The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost and other financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Suppliers credit
Market risk - interest rate	Borrowings at variable rates	Sensitivity	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial assets with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.
(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Company provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Loans, trade receivables and other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

In respect of trade receivable that results from contracts with customers, loss allowances is always measured at lifetime expected credit losses.

Financial assets that expose the entity to credit risk* –

Particulars		As at 31 March 2021	As at 31 March 2020
(i)	**Low credit risk on financial reporting date**		
	Loans	3,238.4	2,339.4
	Cash and cash equivalents	402.3	16.7
	Other bank balances	786.1	2,642.3
	Trade receivables	822.5	942.3
	Other financial assets	512.6	870.8
(ii)	**High credit risk**		
	Loans	245.2	232.2
	Trade receivables	448.0	330.8
	Other financial assets	569.7	145.0
		7,024.7	**7,519.5**

*These represent carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables
The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become three year past due.

Other financial assets measured at amortised cost
Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

b) Expected credit losses for financial assets

i) Expected credit losses for financial assets other than trade receivables

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial assets for expectation of any credit losses.
- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

31 March 2021

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	3,483.6	245.2	3,238.4
Other financial assets	1,082.2	569.7	512.6

31 March 2020

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	2,571.6	232.2	2,339.4
Other financial assets	1,015.8	145.0	870.8

(ii) Expected credit loss for trade receivables under simplified approach

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. The Company based upon past trends determines an impairment allowance for loss on receivables from others

Particulars	0 - 6 months	6 - 12 months	More than 12 months
As at 31 March 2021			
Trade receivables	324.3	220.2	726.0
Expected probability of default	2%	4%	59%
Expected credit losses	7.1	9.8	431.2
As at 31 March 2020			
Trade receivables	523.8	68.7	680.7
Expected probability of default	2%	3%	47%
Expected credit losses	9.9	2.4	318.6

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To ensure continuity of funding, the Company primarily uses short-term bank facilities in nature of cash credit facility, bank overdraft facility and short term borrowings, to fund its ongoing working capital requirement and growth needs.

Further, the Company has obtained long-term secured borrowings from banks, financial institutions and debenture holders as referred in note 21.1 to fund its warehouse & silos construction.

a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Company had access is Rs. 252.3 million (31 March, 2020: Rs. 170.5 million).

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities (excluding interest).

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Less than 1 year	1-3 year	More than 3 years	Total
31 March 21				
Borrowings	1,937.3	885.7	3,200.0	6,023.0
Lease liabilities	16.6	70.2	88.3	175.2
Trade payable	214.2	-	-	214.2
Other financial liabilities	47.4	2.1	-	49.5
Total	2,215.5	958.0	3,288.3	6,461.9

Particulars	Less than 1 year	1-3 year	More than 3 years	Total
31 March 20				
Borrowings	2,742.5	996.1	3,200.0	6,938.6
Lease liabilities	14.6	27.4	9.8	51.9
Trade payable	218.5	-	-	218.5
Other financial liabilities	351.6	-	-	351.6
Total	3,327.2	1,023.5	3,209.8	7,560.5

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk, and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk

The portion of the business is transacted in foreign currency and consequently the Company is exposed to foreign exchange risk through its purchases of commodities from overseas suppliers in foreign currency.

Contracts outstanding

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		In FX	in INR	In FX	in INR
Suppliers credit	USD	4.3	316.5	-	-

Particulars of unhedged foreign currency exposures

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		In FX	in INR	In FX	in INR
Interest accrued but not due on supplier's credit	USD	0.0	0.7	-	-

Foreign Exchange Dealer's Association of India (FEDAI) rate as on 31 March 2021 : Rs 73.50 (31 March 2020 : Rs 75.39) has been considered for conversion from foreign currency to reporting currency.

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2021 and 31 March 2020, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	31 March 2021	31 March 2020
Fixed rate instruments :		
Financial asset	1,102.8	2,752.8
Financial liabilities	(4,117.6)	(4,324.6)
	(3,014.8)	**(1,571.8)**
Variable rate instruments :		
Financial liabilities	**(1,905.4)**	**(2,614.0)**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Secured bank loan - Long term	(1.8)	1.8	(1.2)	1.2
Short term loan facility	(12.5)	12.5	(8.2)	8.2
Variable-rate instruments	**(14.3)**	**14.3**	**(9.4)**	**9.4**
-				
Secured bank loan - Long term	(1.4)	1.4	(1.0)	1.0
Short term loan facility	(22.6)	22.6	(14.9)	14.9
Variable-rate instruments	**(24.1)**	**24.1**	**(15.9)**	**15.9**

ii) Assets

The Company's interest bearing financial assets consist of loan to subsidiaries and fixed deposits which are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

Commodities traded by the Company are subject to fluctuations due to a number of factors that result in price risk. The Company's trading market risk appetite is determined by the Managing Director and CEO in consultation with the Board of directors.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

36 Operating segments

a) Basis of segmentation:

The Company's operating segments are the strategic business units through which it operates and report the business: warehousing services, trading of goods, and other segments. Each of these segments has developed its own strategy, goals and tactics in alignment with Company's overall corporate strategy. Segment results are reviewed internally by the Managing Director and CEO on a regular basis for the purpose of making decisions regarding resource allocations and performance assessments. Segments have been identified in line with the Ind AS 108 " Operating Segments" taking into account the organisation structure as well as differential risks and returns of these segments. The Company has disclosed all the Business Segments as the primary segment. There is no reportable secondary segment (geographical segment). Inter- segment transactions are determined on arm's length basis. The measurement principles of segments are consistent with those used in significant accounting policies which are as under:

a. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

b. Segment assets and liabilities represent the assets and liabilities in respective segments.Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable.

The following summary describes the operations of each reportable segments.

Reportable segment	Operations
Warehousing services	These include warehousing services in owned, leased, franchise as well as field warehouses. These activities also include custodial warehousing services for bank.
Trading of goods	Procurement, trading and related solutions
Others	Other reportable segment comprise of: (i) Testing and certification (ii) Commodity and Weather intelligence (iii) Vehicle management services include custodial warehousing of vehicles for clients.

b) Information about reportable segments:

Particulars	31 March 2021	31 March 2020
1. **Segment revenue**		
a. Warehousing services	1,087.6	1,317.5
b. Trading of goods	3,275.8	6,826.0
c. Other services	445.9	415.6
Total	4,809.4	8,559.1
Less : Inter segment revenue	-	-
Revenue from operations	4,809.4	8,559.1
2. **Segment results**		
a. Warehousing services	(155.6)	212.8
b. Trading of goods	(26.2)	(33.2)
c. Other services	(12.2)	(3.9)
Total	**(193.9)**	**175.7**
Less: Finance costs	605.0	579.4
Other un-allocable expenditure net off un-allocable income	(99.8)	131.5
Impairment of investment in and loans to subsdiaries	-	326.8
3. Loss before tax	**(699.0)**	**(862.0)**
Less: Tax expenses	(89.1)	(265.2)
4. Loss after tax	**(610.0)**	**(596.8)**
Segment assets		
a. Warehousing services	5,074.1	5,872.0
b. Trading of goods	494.1	998.5
c. Other services	823.4	844.3
d. Unallocated corporate	7,233.6	7,683.2
Total (A)	**13,625.2**	**15,398.0**
Segment liabilities		
a. Warehousing services	587.1	501.0
b. Trading of goods	123.7	176.7
c. Other services	170.9	78.2
d. Unallocated corporate	6,253.7	7,513.4
Total (B)	**7,135.4**	**8,269.3**
Total (A) – (B)	**6,489.8**	**7,128.7**
Capital expenditure		
a. Warehousing services	0.0	33.6
b. Trading of goods	-	-
c. Other services	19.2	11.7
d. Unallocated corporate	4.1	25.3
Total (C)	**23.4**	**70.6**
Depreciation and amortisation expense		
a. Warehousing services	94.5	100.8
b. Trading of goods	-	-
c. Other services	76.7	71.0
d. Unallocated corporate	62.3	47.5
Total (D)	**233.5**	**219.3**

c) Geographic information:

The Company primarily operates in domestic market ie in India , therefore disclosures relating to geographical segments is not applicable and accordingly not made.

d) Major customer :

Revenue from two major customers of the Company of the trading segment represents approximately Rs. 1,188.3 million (24% of total revenue from operations) of the Company's total revenues for the year ended 31 March 2021.There is no major customer during the previous year ending 31 March 2020 which generate revenue more than 10%.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

37 Related party disclosures

A In accordance with the requirements of Ind AS -24 " Related Party Disclosures" , following are the details of the transactions during the year with the related parties of the Company.

Name of the related party	Nature of relationship
Fairfax India Holdings Corporation	Ultimate Holding Company
FIH Mauritius Investments Limited	Holding Company
Mr. Sanjay Kaul (Managing Director and CEO) (till 23 September 2019)	Key management personnel
Mr. Sanjay Kaul (Non-executive Chairman) (w.e.f. 24 September 2019)	Key management personnel
Mr. Siraj A. Chaudhry (Managing Director and CEO) (w.e.f. 24 September 2019)	Key management personnel
Mr. Unupom Kausik (Director and President)	Key management personnel
Ms. Zohra Chatterji	Independent Director
Mr. Sunil Behari Mathur	Independent Director
Mr. Pravin Kumar Vohra	Independent Director
NCML Finance Private Limited	Wholly owned subsidiary
NCML Mktyard Private Limited	Wholly owned subsidiary
NCML Basti Private Limited	Wholly owned subsidiary
NCML Varanasi Private Limited	Wholly owned subsidiary
NCML Faizabad Private Limited	Wholly owned subsidiary
NCML Batala Private Limited	Wholly owned subsidiary
NCML Chhehreatta Private Limited	Wholly owned subsidiary
NCML Deoria Private Limited	Wholly owned subsidiary
NCML Palwal Private Limited	Wholly owned subsidiary
NCML Bettiah Private Limited	Wholly owned subsidiary
NCML Bhattu Private Limited	Wholly owned subsidiary
NCML Jalalabad Private Limited	Wholly owned subsidiary
NCML Sonepat Private Limited	Wholly owned subsidiary
NCML KB Private Limited	Wholly owned subsidiary
NCML Madhepura Private Limited	Wholly owned subsidiary
NCML Saran Private Limited	Wholly owned subsidiary
NCML Motihari Private Limited	Wholly owned subsidiary
NCML Agribusiness Consultants Private Limited	Wholly owned subsidiary
Fellow subsidiaries with whom transaction have taken place	
Quess Corp Limited	Fellow subsidiary
Thomas Cook (India) Limited	Fellow subsidiary

B Transactions with holding company:

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
FIH Mauritius Investments Limited	Issue of unsecured compulsory convertible debentures	-	1,002.7
FIH Mauritius Investments Limited	Interest expenses	84.3	43.4

Transactions with key management personnel :

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
Mr. Sanjay Kaul	Remuneration	-	10.3
	Employee stock compensation expense	-	(7.8)
	Post employment benefits	-	0.1
	Consultancy charges	-	10.4
Mr. Siraj A. Chaudhry	Remuneration	40.0	15.6
	Employee stock compensation expense		-
	Post employment benefits	2.5	1.3
Mr. Unupom Kashik	Remuneration	15.0	13.3
	Employee stock compensation expense		(7.7)
	Post employment benefits	3.0	3.5
Mr. Sunil Behari Mathur	Director Sitting Fees	0.3	0.3
Mr. Pravir Kumar Vohra	Director Sitting Fees	0.4	0.4
Ms. Zohra Chatterji	Director Sitting Fees	0.4	0.5

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Transactions with wholly owned subsidiaries and fellow subsidiaries

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
Quess Corp Limited	Outsourcing expenses	69.3	142.0
NCML Finance Private Limited			
	Re-imbursement of expenses	5.7	13.6
	Loan given	-	50.0
	Repayment received	-	50.0
	Loan taken	870.0	1,400.0
	Repayment of loan	370.0	1,400.0
	Warehousing services	6.6	12.0
	Commission for corporate guarantee	-	0.4
	Interest expense	26.8	23.5
NCML Mktyard Private Limited			
	Investment in equity shares	-	30.0
	Services received	1.4	0.5
	Storage and collateral management charges	-	0.1
	Re-imbursement of expenses	1.5	18.8
NCML Basti Private Limited			
	Loan given	262.5	166.2
	Repayment of loan	220.5	152.7
	Interest income on loan	28.6	20.6
NCML Varanasi Private Limited			
	Loan given	23.9	59.4
	Repayment of loan	28.9	0.2
	Interest income on loan	-	6.4
	Impairment of investment in and loans	-	110.3
NCML Faizabad Private Limited			
	Loan given	319.5	183.2
	Repayment of loan	306.3	183.8
	Interest income on loan	26.6	19.1
NCML Batala Private Limited			
	Loan given	557.4	260.9
	Repayment of loan	344.9	291.0
	Interest income on loan	44.6	27.3
NCML Chhehreatta Private Limited			
	Loan given	485.9	304.8
	Repayment of loan	443.0	350.9
	Interest income on loan	53.4	41.7
NCML Deoria Private Limited			
	Loan given	34.4	123.9
	Repayment of loan	5.9	157.3
	Interest income on loan	17.6	13.4
NCML Palwal Private Limited			
	Loan given	25.9	147.5
	Repayment of loan	29.9	150.7
	Interest income on loan	-	19.0
	Impairment of investment in and loans	-	118.0
NCML Bettiah Private Limited			
	Loan given	23.6	29.9
	Repayment of loan	28.9	4.1
	Interest income on loan	-	4.7
	Impairment of investment in and loans	-	98.6
NCML Bhattu Private Limited			
	Loan given	277.2	21.4
	Repayment of loan	102.3	445.6
	Interest income on loan	28.2	23.4

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
NCML Jalalabad Private Limited			
	Loan given	20.4	123.2
	Repayment of loan	6.2	162.4
	Interest income on loan	16.9	14.0
NCML Sonepat Private Limited			
	Loan given	538.5	263.6
	Repayment of loan	566.3	309.7
	Interest income on loan	47.7	21.2
NCML KB Private Limited			
	Loan given	343.0	61.1
	Repayment of loan	218.1	185.9
	Interest income on loan	18.2	18.0
NCML Madhepura Private Limited			
	Loan given	16.3	45.0
	Repayment of loan	30.3	-
	Interest income on loan	6.3	4.2
NCML Saran Private Limited			
	Loan given	15.4	10.1
	Repayment of loan	0.3	1.6
	Interest income on loan	2.0	0.5
NCML Motihari Private Limited			
	Loan given	16.3	16.2
	Repayment of loan	0.6	0.2
	Interest income on loan	2.7	0.8
NCML Agribusiness Consultants Private Limited			
	Services received	0.6	-
	Re-imbursement of expenses	15.7	4.0

Related party	Balances Outstanding	As on 31 March 2021	As on 31 March 2020
FIH Mauritius Investments Limited	Unsecured compulsory convertible debentures	749.6	732.6
Thomas Cook Limited	Advance to supplier	-	0.2
Quess Corp Limited	Balance receivable	0.0	-
NCML Finance Private Limited	Balance receivable	21.9	18.4
NCML Finance Private Limited	Balance payable	500.0	-
NCML Agribusiness Consultants Pvt Ltd	Balance receivable	23.3	5.7
NCML Mktyard Private Limited	Balance receivable	9.7	30.0
NCML Basti Private Limited	Loan	278.5	207.9
NCML Faizabad Private Limited	Loan	255.5	215.7
NCML Batala Private Limited	Loan	564.9	307.9
NCML Chhehreatta Private Limited	Loan	521.4	425.1
NCML Deoria Private Limited	Loan	195.8	149.8
NCML Bhattu Private Limited	Loan	397.3	194.1
NCML Jalalabad Private Limited	Loan	183.9	152.8
NCML Sonepat Private Limited	Loan	321.3	301.3
NCML KB Private Limited	Loan	266.0	122.9
NCML Madhepura Private Limited	Loan	41.4	49.0
NCML Saran Private Limited	Loan	27.9	10.8
NCML Motihari Private Limited	Loan	35.6	17.2
NCML Varanasi Private Limited*	Loan	66.4	71.4
NCML Palwal Private Limited*	Loan	181.5	185.6
NCML Bettiah Private Limited*	Loan	41.3	46.6
NCML Sonepat Private Limited	Gurantee outstanding	376.0	327.8
NCML Bhattu Private Limited	Gurantee outstanding	338.3	-

* Impairment of loan, expenses and Interest receivable amounting to Rs 220.2 million (31 March 2020 Rs 232.2 million)

The Company has committed to provide adequate financial support to meet all the liabilities of NCML Varanasi Private Limited, NCML Palwal Private Limited, NCML Bettiah Private Limited and NCML Mktyard Private Limited as they fall due for payment.

Terms and conditions of transactions with related parties

(i) The sale of service to related parties are made on terms equivalent to those that prevail in arm's length transactions. Interest rate at which loan is received from the related party is also at arm's length. Outstanding balances at the year end are unsecured, interest free and will be settled in cash.

(ii) In case of amount receivable from related parties assessment is undertaken at each financial year through examining the financial position of the related party, the market in which the related party operates and the accounting policy of the Company.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

37a Exceptional item

During the previous year ending 31 March 2020 the management of the Company has decided not to pursue Silo Projects carried out by three of its subsidiaries for Food Corporation of India (FCI) due to issues such as land acquisition and delay in obtaining requisite approvals, permits, etc. Accordingly, management has assessed the carrying amount of the investments and loans in these subsidiaries and recognised an impairment loss aggregating to Rs 326.8 million in the standalone financial statements.
Details of which are given below:

Related Party	Provision on investment	Provision on loan	Provision on future comittment	Total
NCML Varanasi Private Limited	34.4	67.2	8.6	**110.3**
NCML Palwal Private Limited	-	110.9	7.1	**118.0**
NCML Bettiah Private Limited	40.0	42.1	16.5	**98.6**
	74.4	**220.2**	**32.2**	**326.8**

38 Disclosure on Ind-AS 116 Leases

Effective 1 April 2019, the Company has adopted Ind AS 116 'Leases', applied to all leases contracts existing on 1 April 2019 using the modified prospective method along with the transition option to recognise right of use asset (ROU) at an amount equal to the lease liability.

In standalone statement of profit and loss, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of -use asset and finance costs for interest accrued on lease liability.

The effect of depreciation and interest related to right of use asset and lease liability are reflected in the Statement of Profit and Loss under the heading "depreciation and amortisation expense" and "finance costs" respectively under note no 34 and 33.

Following are the changes in the carrying value of right of use assets:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance as at beginning of the year	68.4	81.6
Additions	145.7	-
Depreciation	(31.7)	(13.2)
Balance as at the end of the year	**182.4**	**68.4**

The following is the break-up of current and non-current lease liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Lease liabilities - Current	16.6	14.6
Lease liabilities - non-current	158.6	37.2
	175.2	**51.8**

The following is the movement in lease liabilities for the year ended 31 March, 2021:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	51.8	81.6
Additions during the year	145.7	-
Interest expense included in finance cost	15.2	3.0
Cash outflow for leases during the year	(37.5)	(32.9)
Closing balance	**175.2**	**51.8**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases/low value lease was Rs 184.3 million for the year ended 31 March 2021 (31 March 2020: Rs 315.6 million).

The Company has taken weighted average increamental borrowing rate of 9.5%

Leases as lessor

The Company's leasing arrangements are in respect of operating leases for automatic weather stations for weather data provision. This leasing arrangements are for three years.

Operating lease revenue recognised in the statement of profit and loss for the year ended on 31 March 2021 aggregate to Rs nil (31 March 2020 : Rs 44.9 million)

Operating lease expense commitments

	As at 31 March 2021	As at 31 March 2020
Non later than 1 year	16.6	14.6
Later than 1 year and not later than 5 years	70.2	27.4
Later than 5 years	88.3	9.8

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

39 Earnings per share

		For the year ended 31 March 2021	For the year ended 31 March 2020
Basic earnings per share			
Net loss attributable to the equity shareholders (INR)	(A)	(609.9)	(596.8)
Weighted-average number of equity shares outstanding during the year - Basic	(B)	147,411,736	147,371,269
Basic earnings per share	**(A)/(B)**	**(4.14)**	**(4.05)**
Diluted earnings per share			
Weighted-average number of equity shares considered for basic earnings per share		147,411,736	147,371,269
Effect of dilutive potential equity shares			
Weighted-average number of employee stock options / compulsory convertible debenture for dilutive earning per share (Nos)	(C)	14,761,247	19,745,247
Weighted-average number of equity shares considered for diluted earnings per share (based on date of issue of shares) (Nos)	(D)=(B)+(C)	162,172,983	167,116,516
Loss for the year considered for diluted earning per share	(E)	**(555.1)**	**(568.6)**
Diluted earnings per share#	(E)/(D)	**(4.14)**	**(4.05)**

Since the dilutive earning per share is anti-dilutive, dilutive earning per share is restricted to basic earning per share.

40 Income taxes

a) Amount recognised in the statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense :		
Current year	-	-
Deferred tax expense :		
Tax expenses for current year	(89.1)	(265.2)

b) Amount recognised in OCI

	For the year ended 31 March 2021 Tax credit	For the year ended 31 March 2020 Tax credit
Remeasurement gain / (losses) on post employment defined benefit plan	(1.3)	1.5

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

c) Reconciliation of effective tax rate

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	%	Amount	%	Amount
(Loss) before tax		(699.0)		(862.0)
Tax using the Company's domestic tax rate	34.94%	(244.3)	34.94%	(301.7)
Tax effect of:				
Tax claim/deduction	0.00%	-	9.68%	(83.4)
Tax adjustment on indexation of freehold land	13.94%	(97.5)	1.18%	(10.2)
Non-deductible expenses	0.00%	-	(22.42)%	193.3
Deferred tax asset not recognised on current year loss and other items	(40.26)%	281.4	0.00%	-
Deferred tax asset recognised on carry forward losses	0.00%	-	7.34%	(63.2)
Other items	4.12%	(28.8)	0.00%	-
		(89.1)		**(265.2)**

d) Movement in deferred tax balances

	Net balances at 1 April 2020	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2021 Deferred tax asset	Deferred tax liabilities
Property, plant and equipment and intangible assets	(78.1)	(28.5)	-	-	(106.7)
Tax adjustment on indexation of freehold land	91.3	97.5	-	188.8	-
MAT credit entitlement	90.0	-	-	90.0	-
Carry forward losses	91.3	-	-	91.3	-
Employee benefits	23.2	0.5	(1.3)	22.5	-
Trade and other receivables	115.6	43.1	-	158.7	-
Impairement of loans and Investments	124.6	(26.0)	-	98.6	-
Right of use assets	-	2.5	-	2.5	-
Tax assets (liabilities) before set-off	**457.9**	**89.1**	**(1.3)**	**652.4**	**(106.7)**
Set-off of deferred tax liabilities				(106.7)	
Net deferred tax assets/ (liabilities)				**545.7**	

	Net balances at 1 April 2019	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2020 Deferred tax asset	Deferred tax liabilities
Property, plant and equipment and intangible assets	(44.1)	(34.0)	-	-	(78.1)
Tax adjustment on indexation of freehold land	81.1	10.2	-	91.3	-
MAT credit entitlement	90.0	-	-	90.0	
Carry forward losses	28.1	63.2	-	91.3	-
Employee benefits	19.1	2.6	1.5	23.2	-
Trade and other receivables	90.4	25.2	-	115.6	-
Impairement of loans & Investments	-	124.6	-	124.6	
MTM valuation of inventory	(73.4)	73.4	-	-	-
Tax assets (liabilities) before set-off	**191.2**	**265.2**	**1.5**	**536.0**	**(78.1)**
Set-off of deferred tax liabilities				(78.1)	
Net deferred tax assets/ (liabilities)				**457.9**	

e) Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items, in absence of convincing evidence that future taxable profits will be available against which the Company can use the benefits therefrom.

For the year ended 31 March 2021	Within 1 year	Greater than one year and less than five	Greater than five year	No expiry date	Total
Unutilized business loss specified business	-	-	-	85.9	85.9
Unutilized business loss other than specified business	-	-	281.4	-	281.4

(Currency : Indian Rupees in Million)

For the year ended 31 March 2020	Within 1 year	Greater than one year and less than five	Greater than five year	No expiry date	Total
Unutilized business loss specified business	-	-	74.3	-	74.3

f) The Company has elected not to exercise the option permitted under section 115BAA of the Income Tax Act - 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has continued to measure tax expenses for the year ended 31 March 2021 based on the old rates.

41 Contingent liabilities and commitments

a) Contingent liabilities

	31 March 2021	31 March 2020
(a) Claims against the Company not acknowledged as debts		
(i) Claim made by a party in respect of disposal activity undertaken by the Company	18.5	23.8
(ii) Claims made by certain parties in respect of warehousing services provided	128.5	413.3
(b) Bank guarantees given (including on behalf of subsidiaries)	908.8	328.9
(c) VAT liability	4.6	-
	1,060.4	**766.0**

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

The Company has committed to provide adequate financial support to meet all the liabilities of NCML Varanasi Private Limited, NCML Palwal Private Limited, NCML Bettiah Private Limited and NCML Mktyard Private Limited as they fall due for payment.

b) Commitments

The Company was engaged as an agency of FCI for procurement of paddy and wheat during Kharif Marketing Season 2007-08 and Rabi Marketing Season 2008-09 in the states of Odisha, MP and Bihar. Procurement dues have been paid as per the provisional costing sheet issued by Government of India, except the last part of invoices in respect of which the outstanding amount as on 31 March 2021: Rs nil (31 March 2020: Rs. 128.9 million).

42 Financial instruments

a) Accounting classifications and fair values

The carrying value and fair value of financial instruments by categories as of March 31, 2021 and March 31, 2020 were as follows:

	31 March 2021		
	Amortised cost	Total carrying value	Total fair value
Financial assets:			
Trade receivables (refer note 13)	822.5	822.5	822.5
Cash and cash equivalents (refer note 14)	402.3	402.3	402.3
Bank balances other than cash and cash equivalents (refer note 15)	786.1	786.1	786.1
Loans (refer note 8 and 16)	3,238.4	3,238.4	3,238.4
Other financial assets (refer note 9 and 17)	512.6	512.6	512.6
	5,761.8	**5,761.8**	**5,761.8**
Financial liabilities:			
Borrowings (refer note 21.1, 24)	6,023.0	6,023.0	6,023.0
Lease liabilities	175.2	175.2	175.2
Trade payables (refer note 25)	214.2	214.2	214.2
Other financial liabilities (refer note 21.2, 26)	49.5	49.5	49.5
	6,461.9	**6,461.9**	**6,461.9**

(Currency : Indian Rupees in Million)

	31 March 2020		
	Amortised Cost	**Total carrying value**	**Total fair value**
Financial assets:			
Trade receivables (refer note 13)	942.3	942.3	942.3
Cash and cash equivalents (refer note 14)	16.7	16.7	16.7
Bank balances other than cash and cash equivalents (refer note 15)	2,642.3	2,642.3	2,642.3
Loans (refer note 8 and 16)	2,339.4	2,339.4	2,339.4
Other financial assets (refer note 9 and 17)	870.8	870.8	870.8
	6,811.5	**6,811.5**	**6,811.5**
Financial liabilities:			
Borrowings (refer note 21.1, 24)	6,938.6	6,938.6	6,938.6
Lease liabilities	51.9	51.9	51.9
Trade payables (refer note 25)	218.5	218.5	218.5
Other financial liabilities (refer note 26)	351.6	351.6	351.6
	7,560.6	**7,560.6**	**7,560.6**

Investment in equity instruments of subsidiaries has been accounted at cost in accordance with Ind AS 27. Therefore not within the scope of Ind AS 109, hence not included here.

b) Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The management assessed that the fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. The fair value of Company's fixed interest-bearing loans that approximate to their carrying amounts as it is based on discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

3. All the other long-term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

43 Fair values and measurement principles

a) Assets and liabilities carried at fair values :

The following table shows the fair values of assets, liabilities and equity, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company's use of quoted market prices (Level 1), valuation models using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities and contracts by type of issuer was as follows:

	31 March 2021			31 March 2020		
	Quoted price (Level 1)	**Other observable input (Level 2)**	**Significant unobservable input (Level 3)**	**Quoted price (Level 1)**	**Other observable input (Level 2)**	**Significant unobservable input (Level 3)**
Non-financial assets						
Inventories	-	-	-	52.1	-	-

b) Measurement of fair values

Valuation techniques and significant unobservable inputs :

Particular	Valuation technique	Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Inventory	The fair values are based on the market price of commodities of similar weight and market values.	Quoted market prices	Not applicable.

c) Transfers between Levels 1 and 2

There were no transfers in either direction for year ended 31 March 2021 and 31 March 2020.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

45 Employee share-based payment plans

a) Description of share-based payment arrangements:

As at 31 March 2021, the Company has the share-based payment arrangements for employees.

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
MD and CEO	100,000	- Continued employment with the Company - Performance parameters and appraisal set	4 years
Deputy CEO	150,000	- Continued employment with the Company - Performance parameters and appraisal set	4 years
Senior employees	460,000	- Continued employment with the Company - Performance parameters and appraisal set	4 years

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
MD and CEO	735,000	- Continued employment with the Company Attainment of certain financial paramters as set out by the Board	5 years
Deputy CEO	605,000	- Continued employment with the Company Attainment of certain financial paramters as set out by the Board	5 years
Senior employees	4,150,000	- Continued employment with the Company Attainment of certain financial paramters as set out by the Board	5 years

b) Measurement of fair value :

The fair value of the employee share options granted during the year was determined using the Black-Scholes-Merton formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plan were as follows:

Particular	NCML 2016 Employee Stock Option Scheme		NCML 2014 Employee Stock Option Scheme	
	Option - 4	Option - 3	Option -2	Option -1
Fair value of the option at grant date	INR 27.31	INR 29.18	INR 67.12	INR 52.13
Share price at grant date	INR 82.01	INR 86.71	INR 85.74	INR 75.81
Exercise price	INR 78.00	INR 76.98	INR 33.45	INR 23.68
Expected volatility (weighted average)	0.79	0.76	1.00	1.00
Expected life (weighted average)	5 years	5 years	2.67 years	4 years
Expected dividend	nil	nil	nil	nil
Risk-free interest rate (based on government bond)	6.66% p.a.	6.82% p.a.	7.79% p.a.	7.79% p.a.

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

Particular	1 April 2020		Movement from 1 April 2020 to 31 March 2021					
	Weighted average exercise price	No. of options (Nos)	Granted	Forfeited	Converted	Excerised	Cash settled	Outstanding as on 31 March 2021
ESOP 2014	23.68	324,000	-	-	-	-	309,000	15,000
ESOP 2014	33.45	150,000	-	-	-	-	150,000	-
ESOP 2016	76.98	4,075,000	-	4,075,000	-		-	-
ESOP 2016	99.28	500,000	-	500,000	-		-	-
Total		**5,049,000**	**-**	**4,575,000**	**-**	**-**	**459,000**	**15,000**

Particular	1 April 2019		Movement from 1 April 2019 to 31 March 2020					
	Weighted average exercise price	No. of options (Nos)	Granted	Forfeited	Converted	Excerised	Cash settled	Outstanding as on 31 March 2020
ESOP 2014	23.68	560,000	42,000	12,000	-	-	182,000	324,000
ESOP 2014	33.45	150,000	-	-	-	-	-	150,000
ESOP 2016	76.98	4,990,000	-	915,000	-		-	4,075,000
ESOP 2016	99.28	500,000	-	-	-		-	500,000
Total		**6,200,000**	**42,000**	**927,000**	**-**	**-**	**182,000**	**5,049,000**

(Currency : Indian Rupees in Million)

The options outstanding at 31 March 2020 have an exercise price and a weighted average contractual life as given below:

	31 March 2021			31 March 2020		
	No. of options	Exercise price	Weighted average remaining life	No. of options	Exercise price	Weighted average remaining life
NCML 2014 ESOP	15,000	23.68	-	324,000	23.68	-
NCML 2014 ESOP	-	-	-	150,000	33.45	-
NCML 2016 ESOP	-	-	-	3,570,000	76.98	1.35 years
NCML 2016 ESOP	-	-	-	505,000	78.00	2.30 years
NCML 2016 ESOP	-	-	-	500,000	99.28	3.75 years

d) Expense recognised in the statement of profit and loss:

	For the year ended 31 March 2021	For the year ended 31 March 2020
NCML 2014 ESOP	-	(12.2)
NCML 2016 ESOP	(13.0)	(41.4)
Total expense recognised in 'employee benefits expense	**(13.0)**	**(53.6)**

46 Government grants

	31 March 2021	31 March 2020
At the beginning of the year	158.0	115.5
Received during the year	17.2	48.3
Refunded during the year	(11.1)	-
Released to the statement of profit and loss	(8.7)	(5.8)
At the end of the year	**155.4**	**158.0**
Current	4.6	2.7
Non-current	150.8	155.3
	155.4	**158.0**

Government grants have been received for the construction of warehouse, cold storage and purchase of laboratory equipment. The Company has received subsidy in advance for construction of warehouse. There is no unfulfilled conditions and other contingencies attaching to government grant that has been recognised.

47 Disclosure pursuant to Ind AS 19 - 'Employee benefits'

A Contribution to provident fund and ESIC

Amount of Rs 21.7 million (31 March 2020: Rs 23.8 million) is recognised as expenses in the standalone statement of profit and loss and included in 'Employee benefits expense' on 31 March 2021.

B Defined benefit plan and other long-term employment benefit

Gratuity (Defined benefit plan)

Gratuity is payable to all the eligible employees of the Company on leaving / retirement from services, death and permanent disablement, in terms of provision of the Payment of Gratuity Act, 1972.

The Company has defined benefit gratuity plan administered through Company gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation.

	Gratuity	
	31 March 2021	31 March 2020
A. Change in present value of the obligation		
1. Obligation at the beginning of the year	**50.8**	**50.2**
2. Current service cost	13.2	10.4
3. Interest cost	3.0	3.2
4. Benefits paid	(12.8)	(17.1)
5. Adjustment for earlier years	-	-
6. Acturial (gain)/loss	(2.1)	4.1
7. Obligation at the end of the year	**52.1**	**50.8**
B. Change in fair value of plan assets		
1. Fair value of plan assets at the beginning of the year	**23.6**	**33.4**
2. Adjustment to Opening Fair Value of Plan Assets	0.1	1.8
3. Interest income on plan assets	1.4	2.2
4. Contributions made	5.6	3.7
5. Benefits paid	(12.8)	(17.1)
6. Expected return on plan assets	1.6	(0.4)
7. Fair value of plan assets at the end of the year	**19.5**	**23.6**
C. Expense recognised in the statement of profit and loss for the year		
1. Current service cost	13.2	10.4
2. Interest cost	1.7	1.0
3. Expected return on plan assets	1.6	(0.4)
4. Total expense	**16.4**	**11.0**

(Currency : Indian Rupees in Million)

	Gratuity	
	31 March 2021	**31 March 2020**
D. Acturial (gain)/loss	(2.2)	4.1
Expected return on plan assets	(1.6)	0.4
Expense recognised in the statement of other comprehensive income	**(3.8)**	**4.5**
E. Net (liability) recognised in the		
1. Present value of the obligation	52.0	50.8
2. Fair value of plan assets	19.4	23.5
3. Funded status (deficit)	(32.6)	(27.2)
4. Net (liability) recognised in the balance sheet.	**(32.6)**	**(27.2)**
F.Actual return on plan assets		
1. Expected return on plan assets	1.4	2.2
2. Actuarial (loss) on plan assets	1.6	(0.4)
3. Actual return on plan assets	3.0	1.8

Plan assets comprise of insured managed funds.

Sesitivity analysis	**DR Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
Present value of obligations	46.9	58.0	58.0	46.8

Expected payout

Year	**Year-1**	**Year-2**	**Year-3**	**Year-4**	**Year-5**	**Year-6 to 10**
PVO payouts	3.2	1.3	1.1	6.1	2.6	13.4

Demographic and other assumption used in determining gratuity and compensated absence		**31 March 2021**	**31 March 2020**
Weighted average duration of the defined benefit obligation		17.19	17.45
Retirement Age		58 years	58 years
Employee Attrition Rate	Upto Age 35	3%	3%
	36 to 45	2%	2%
	46 and above	1%	1%
Rate of increase in compensation		5.00%	5.00%
Mortality rate		IALM (2012-14) Ult.	IALM (2006-08) Ult.
Expected return on plan assets		6.79%	6.80%
Discount rate		6.79%	6.80%

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

Compnesated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date. Amount of Rs (0.4) million (31 March 2020: Rs 14.0 million) has been recognised in the statement of profit and loss on account of provision for employment benefit.

Short-term compensated absences

Provision for short-term compensated absences is made for privilege leave and sick leave outstanding at the year end which can be availed within 12 months from the end of the year. Amount of Rs 2.7 million (31 March 2020: Rs 1.8 million) has been recognised in the statement of profit and loss on account of provision for compensated absence for leave balances.

48 Capital management

The Company manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021. The Company calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As at balance sheet date, leverage ratios are as follows:

	31 March 2021	**31 March 2020**
Total financial liabilities (refer note 21.1, 24,25 and 26)	6,284.6	7,499.6
Less: cash and bank balances (refer note 9, 14 and 15)	1,417.5	2,943.3
Adjusted net debt	**4,867.1**	**4,556.3**
Total equity (refer note 20.1 and 20.2)	6,489.8	7,128.7
Less: Other components of equity (ESOP outstanding)	0.3	31.8
Adjusted equity	**6,489.6**	**7,096.9**
Adjusted net debt to adjusted equity ratio (times)	**0.7**	0.6

Non-compliances of loan covenants are considered not material as waiver has been obtained by the Company from debenture trustee through a letter dated 12 July 2021.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

49 Payment to auditors (exclusive of goods and service tax)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	1.4	1.8
Tax audit fees	0.3	0.3
Other services	0.7	0.6
Out of pocket expenses	0.4	0.0
Total	**2.8**	**2.7**

50 Provision for litigations

Provision for contingencies is primarily on account of various provisions towards the outstanding claims / litigations against the Company, which are expected to be utilised on closure of the litigations. The Company has paid certain amounts under dispute against these claims / litigations.

The following table set forth the movement in the provision for litigations :

Description	**As at 31 March 2020**	**Additions during the year**	**Utlisaition during the year**	**As at 31 March 2021**
Provision for litigation	279.1	-	13.7	**265.5**

Description	**As at 1 April 2019**	**Additions during the year**	**Utlisaition during the year**	**As at 31 March 2020**
Provision for litigation	411.5	2.6	136.0	**279.1**

51 Corporate social responsibility expenses

During the year, the Company has spent Rs 1.1 million (31 March 2020: Rs 1.5 million) towards corporate social responsibility.
(a) Gross amount required to be spent by the Company during the year ended 31 March 2021 Rs nil million (31 March 2020: Rs 6.3 million).
(b) Amount spent during the year :

	In cash	**Yet to be paid in cash**	**Total**
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	0.9	0.2	1.1

52 Disclosure pursuant to Section 186(4) of the Act

The details of investment under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

a. Details of investments, loans and guarantees made by the Company as on 31 March 2021 (including investments made in the previous years)
Investments

Particulars	**Relationship**	**31 March 2021**	**31 March 2020**
Investment - NCML Finance Pvt Ltd	Wholly Owned Subsidiary	1,034.7	1,034.7
Investment - NCML Mktyard Private Limited	Wholly Owned Subsidiary	70.0	70.0
Investment in NCML Agribusiness Consultants Private Limited	Wholly Owned Subsidiary	3.0	3.0
Investment - NCML Basti Private Limited	Wholly Owned Subsidiary	80.0	80.0
Investment - NCML Faizabad Private Limited	Wholly Owned Subsidiary	70.0	70.0
Investment - NCML Batala Private Limited	Wholly Owned Subsidiary	120.0	120.0
Investment - NCML Chhehreatta Private Limited	Wholly Owned Subsidiary	120.0	120.0
Investment - NCML Deoria Private Limited	Wholly Owned Subsidiary	40.0	40.0
Investment - NCML Bhattu Private Limited	Wholly Owned Subsidiary	60.0	60.0
Investment - NCML Jalalabad Private Limited	Wholly Owned Subsidiary	40.0	40.0
Investment - NCML Sonepat Private Limited	Wholly Owned Subsidiary	110.0	110.0
Investment in NCML KB Private Limited	Wholly Owned Subsidiary	1.0	1.0
Investment in NCML Saran Private Limited	Wholly Owned Subsidiary	1.0	1.0
Investment in NCML Madhepura Private Limited	Wholly Owned Subsidiary	1.0	1.0
Investment in NCML Motihari Private Limited	Wholly Owned Subsidiary	1.0	1.0
Investment - NCML Varanasi Private Limited*	Wholly Owned Subsidiary	66.6	66.6
Investment - NCML Palwal Private Limited*	Wholly Owned Subsidiary	40.0	40.0
Investment - NCML Bettiah Private Limited*	Wholly Owned Subsidiary	-	-
		1,858.3	**1,858.3**

* Net of impairment of investment amounting to Rs 74.4 million (31 March 2020 Rs 74.4 million)

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Loans

Particulars	Relationship	Rate of interest	Due date	Purpose	31 March 2021	31 March 2020
NCML Finance Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	21.9	18.4
NCML Mktyard Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	9.7	30.0
NCML Agribusiness Consultants Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	23.3	5.7
NCML Basti Private Limited	Wholly Owned Subsidiary	10.5%/12.5%	Repayable on demand	Demand funding for Silo vendor payments.	278.5	207.9
NCML Faizabad Private Limited	Wholly Owned Subsidiary	10.5%/12.5%	Repayable on demand	Demand funding for Silo vendor payments.	255.5	215.7
NCML Batala Private Limited	Wholly Owned Subsidiary	10.5%/12.5%	Repayable on demand	Demand funding for Silo vendor payments.	564.9	307.9
NCML Chhehreatta Private Limited	Wholly Owned Subsidiary	10.5%/12.5%	Repayable on demand	Demand funding for Silo vendor payments.	521.4	425.1
NCML Deoria Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	195.8	149.8
NCML Bhattu Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	397.3	194.1
NCML Jalalabad Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	183.9	152.8
NCML Sonepat Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	321.3	301.3
NCML KB Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	266.0	122.9
NCML Madhepura Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	41.4	10.8
NCML Saran Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	27.9	49.0
NCML Motihari Private Limited	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	35.6	17.2
NCML Varanasi Private Limited*	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	66.4	71.4
NCML Palwal Private Limited*	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	181.5	185.6
NCML Bettiah Private Limited*	Wholly Owned Subsidiary	10.5%	Repayable on demand	Demand funding for Silo vendor payments.	41.3	46.6
					3,433.9	**2,512.2**

* Impairment of loan, expenses and Interest receivable amounting to Rs 220.2 million (31 March 2020 Rs 232.2 million)

Guarantee given on behalf of subsidiary

Particulars	Bank Name	Sanction Limit	Purpose	31 March 2021	31 March 2020
NCML Sonepat Private Limited	Yes bank Limited	Rs.572.4 million	Capital expenditure	376.0	327.8
NCML Bhattu Private Limited	Yes bank Limited	Rs. 504 million	Capital expenditure	338.3	-
				714.3	**327.8**

53 Dues of micro, small and medium enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise. On the basis of the information and records available with the Management, the creditors of the Company are not registered under the Micro Small and Medium Enterprises Development Act, 2006.

Particulars	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the year end	9.0	9.1
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	9.0	9.1
The amount of further interest remaining due and payable even in the succeeding years,until such date when the interest dues as above are actually paid to the small enterprise forthe purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

54 Disclosure under Ind AS -115

(a) The Company through its pan-India presence, in owned, leased as well as field warehouses, provides commodity handling and risk management services to clients across the country. The Company is geared to handle operations encompassing the sale, purchase, trading, storage and movement of commodities and inventories.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

(b) Disaggregation of revenue from contracts with customers

The Company believes that the information provided under **note 29**, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

(c) Reconciliation of contract assets and liabilities:

	31 March 2021	31 March 2020
Unbilled revenue (contract assets)		
At the beginning of the reporting year	37.1	2.4
At the end of the reporting year	159.3	37.1
Net increase	**122.2**	**34.7**
Advance from customers (contract liability)		
At the beginning of the reporting year	151.2	709.4
Revenue recognised during the year	3,275.8	6,826.0
Progress billings made towards contracts-in-progress	(3,316.8)	(7,384.2)
At the end of the reporting year	**110.2**	**151.2**

(d) There are no adjustments to revenue accordingly, no disclosure is made under paragraph 126AA of Ind AS-115.

(e) Performance obligations
The Company is engaged in the business of warehousing and other services to manage risks across various stages of commodity, providing commodity handling and risk management services to customers across the country. The Company is also into the business of sale, purchase, trading, storage and movement of commodities and inventories.
Revenue is recognised at a point in time upon satisfaction of the performance obligations which is typically upon rendering of services based on the contractual terms with the customers and sale of goods upon transfer of control of goods.

(f) Practical expedients:
Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for trading contracts that have original expected duration of one year or less.

55 Estimation of uncertainties relating to the global health pandemic from COVID-19

In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus “Covid-19” as a pandemic. Complying with the directives of Government, the warehouses, silos and offices of the Company had been under lock-down with certain exemptions related to agricultural commodities , resulting thereto, the operations for the year have been impacted.

However, the recent second wave of Covid-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the Company’s operations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

56 Utilisation of proceeds from the issue of Non Convertible Debentures

During the year ended 31 March 2020, the Company has issued Rs 3,200 million debentures which was listed on the stock exchange, BSE Limited on 27 March 2020. Below is the table depicting the utilisation of the proceeds from issue of debentures :

Particulars	31 March 2021	31 March 2020
Opening balance	1,800.0	-
Amount of money raised	-	3,200.0
Less: Utlisation towards to refinance of long term loans	-	570.0
Less: to on-lend or contribute by way of shareholder capital, the proceeds to the subsidiaries to finance the construction of new silos for the storage and preservation of agricultural commodities	1,800.0	830.0
Amount pending to be utilised - parked in escrow account	-	1,800.0

57 A fraud has been committed on the Company by one of our former employee in relation to misappropriation of money which resulted in losses amounting to Rs. 12.2 million (Rs. 3.07 million pertaining to current year) during the period January 2017 to March 2021. The management had appointed a law firm to conduct a detailed analysis on this matter along with the gap findings. The management is in the process of implementing the gaps reported by the law firm.

58 Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Company is required to use certain specific methods in computing arm’s length price of transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Company has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertake during the financial year are on an "arm's length basis". The Company is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

59 The Company has changed its name to "National Commodities Management Services Limited" from National Collateral Management Services Limited w.e.f 1 June 2021.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

60 During the year ended 31 March 2021, the Company reclassified/regrouped certain previous year's balances. Refer below for details-

Particulars	31 March 2020	Reclassification	1 April 2020
Assets			
Non current assets			
Other non current assets	49.4	(6.0)	55.4
Current assets			
Other financial assets	697.6	115.0	582.6
Other current assets	128.5	42.1	86.4
Liabilities			
Non current liabilities			
Borrowings	4,187.0	(9.0)	4,196.1
Current liabilities			
Trade payables			
a. Total outstanding dues of micro and small	-	(9.1)	9.1
b. Total outstanding dues of creditors other than micro and small enterprises	254.6	45.2	209.4
Other financial liabilities	588.6	9.0	579.6
Provisions	450.2	115.1	335.1

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

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Independent Auditor's Report

To the Members of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Impact of COVID 19

4. We draw attention to note 59 to the accompanying consolidated financial statements, which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and management's assessment of its impact on the Group's operations and the consolidated financial statements of the Group as at 31 March 2021, the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
a) Revenue recognition Refer to the Group's significant accounting policies in note 4(h) and the revenue related disclosures in note 30 of the consolidated financial statements. Revenue of the Group includes sale of goods, warehousing and other services. Revenue is recognized when the control of goods is transferred to customer or services has been rendered and there are no unfulfilled obligations. The revenue is measured at fair value of the consideration received or receivable. In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Further, there is continuous pressure on the management to achieve planned results. Accordingly, due to the above reasons as well as the high volume of sales transactions, size of distribution network and varied terms of contracts with customers, occurrence and existence of revenue is a key focus area requiring special audit attention and evaluation. Due to the above factors, we have identified testing of revenue recognition as a key audit matter.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the process of revenue streams of sale of goods, warehousing and other services. • Evaluated the design, implementation and tested the operating effectiveness of key controls over the various revenue streams including over the general IT control environment; • Performed substantive analytical procedures on revenue which included ratio analysis, sales quantity analysis, area analysis etc.; • Evaluated the terms and conditions of the contracts, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payments; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof. • We tested, on a sample basis, revenue transaction recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. • Evaluated disclosures made in the consolidated financial statements for revenue recognition from sale of goods, warehousing services and other services, for appropriateness in accordance with the accounting standards.

b) Trade receivables – Expected credit loss model Refer to the Group's significant accounting policies in note 4(e) and trade receivable related disclosures in note 12 and 46(A)(b)(ii) of the consolidated financial statements. Trade receivables comprise a significant portion of the current financial assets of the Group. As at 31 March 2021 trade receivables aggregate to Rs. 828.5 million (net of allowance for expected credit losses of Rs. 448.0 million). In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group has analysed the trend of trade receivables under different ageing bracket for last five years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable. Further, the management regularly assess each class of trade receivables for recoverability. Provision for ECL is adjusted considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis the ongoing communications with the respective parties and is therefore considered as a key audit matter	Our audit procedures included, but were not limited to the following: • We obtained an understanding of the management process for computing average historical loss rate by age band and adjustments made to historical loss rates (if any). • We assessed and tested the design and operating effectiveness of controls around management's assessment of the recoverability of trade receivables and corresponding provisioning for ECL. Also, evaluated the controls over the modelling process, validation of data and related approvals. • We obtained from the management of the Group, detailed assessment, including computation, of the ECL. • We audited the underlying data and assessed reasonableness of the assumptions used for each age-band of trade receivables. • We analyzed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision. • We obtained the details of receivables specifically identified by the management for provisioning, over and above the ECL, and corroborated them from the ageing schedule and held discussions with management on their recoverability. • We assessed the appropriateness of disclosures made by the management for the ECL recognized in accordance with applicable accounting standards.
c) Recoverability of deferred tax assets Refer to the Holding Company's significant accounting policies in note 4(l) and the deferred tax related disclosures in note 41 of the consolidated financial statements. The Holding Company has recorded a deferred tax asset amounting to Rs. 545.7 million as at 31 March 2021 on business losses, minimum alternate tax and other components based on future taxable income projections of the Group and on freehold land based on future plan to monetize such freehold land. The Holding Company has incurred income tax losses of Rs. 140.9 million for the year ended 31 March 2021 and has accumulated losses of Rs. 257.0 million as at 31 March 2021.	Our audit procedures included, but were not limited to the following: • Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company over recognition of deferred tax assets based on the assessment of Holding Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws; • We obtained Management's financial projection business plan which include projected revenues, projected profits and estimated taxable profits based on the plan as approved by the Board of Directors. We have checked the reasonableness of the

The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws involves use of significant assumptions and estimates. Determining forecasts of future results and taxable profits includes key assumptions such as future growth rates and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions. We identified the recoverability of deferred tax assets as a key audit matter due to the recognition of these assets involving judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on several factors including whether there will be sufficient taxable profits in future periods to support recognition.	assumptions used and period in which tax credits are expected to be utilized. • We evaluated the assumptions and methodologies used by the Holding Company. To assess future taxable profits, we appraised the reliability of the preparation process for the financial projection business plan underlying the assessment of the probability that deferred tax assets will be recovered. Our work consisted in assessing the future growth assumptions used to prepare the financial projection business plan by comparing income forecasts for prior years with actual results for the years concerned; • Tested the arithmetical accuracy of the above calculations. • We evaluated the appropriateness and adequacy of the disclosures made by the Holding Company in accordance with the requirements as specified in the Indian Accounting Standards.
d) Recoverability of Capital Work in Progress and other financial assets related to its projects under development Refer to the Group's significant accounting policies in note 4(a) and the plant, property and equipment related disclosures in note 5.2 of the consolidated financial statements. As at 31 March 2021, the Group has carrying amount of Capital work-in-progress: Rs. 3,037.2 million and other financial assets: Rs. 902.0 million. This includes various infrastructure projects which are in different stages of completion. The Group has carried out an assessment of these projects for existence of impairment indicators. For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth and discount rates. Considering the materiality of the amounts involved, significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, combined with the detailed legal assessment of the viability of the projects including assessment of contractual terms and conditions, we have determined recoverability of capital work in progress and other financial assets related to its projects under development as a key audit matter.	Our audit procedures included, but were not limited to the following: • We obtained an understanding of the management process for identification of possible impairment indicators and process undertaken by the management for impairment assessment. • Evaluated the design, implementation and tested the operating effectiveness of key controls placed around the impairment assessment process of the recoverability of the capital work in progress. These includes the estimation of future cash flows forecasts, the process by which they were produced and discount rates used. • We obtained the contracts entered with the customers to ensure the viability of completion of the projects in CWIP and other financial assets for which these subsidiaries were specifically set up. • We reconciled the cash flow projections to the business plans approved by the Holding Company's board of directors. •We discussed management's underlying assumptions used for the cash flow projections including the expected growth rates, discount rate etc and considered evidence available to support these assumptions in light of our understanding of the business; • We focused on key assumptions which were more sensitive to the recoverable value of the projects. We also assessed the key assumptions were plausible in the light of the current environment of the COVID 19 pandemic.

	• We have assessed the work performed on the valuation methodology of the projects and the key assumptions used. • Considered the adequacy of disclosures in respect of the capital work in progress in the consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

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

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The consolidated financial statements of the Group for the year ended 31 March 2020 were audited by the predecessor auditor, B S R & Co LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 25 August 2020.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit we report that the Holding Company, 1 subsidiary company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 17 subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

18. As required by Section 143 (3) of the Act, based on our audit and other financial information of the subsidiaries, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matter described in paragraph 4 of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Group;

    f) on the basis of the written representations received from the directors of the Holding Company and its subsidiary companies taken on record by the Board of Directors of the Holding Company and its subsidiary companies covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

    g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :

        i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 43 to the consolidated financial statements;

        ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, covered under the Act, during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAAFS7692

Place: Gurugram
Date: 16 August 2021

Annexure I

List of entities included in the Statement

Holding Company

National Commodities Management Services Limited

Subsidiary Companies

1. NCML Finance Private Limited
2. NCML Basti Private Limited
3. NCML Batala Private Limited
4. NCML Bettiah Private Limited
5. NCML Bhattu Private Limited
6. NCML Chhehreatta Private Limited
7. NCML Deoria Private Limited
8. NCML Faizabad Private Limited
9. NCML Jalalabad Private Limited
10. NCML Palwal Private Limited
11. NCML Sonepat Private Limited
12. NCML Varanasi Private Limited
13. NCML KB Private Limited
14. NCML Saran Private Limited
15. NCML Madhepura Private Limited
16. NCML Motihari Private Limited
17. NCML Agribusiness Consultants Private Limited
18. NCML Mktyard Private Limited

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Consolidated balance sheet as at 31 March 2021

(Currency : Indian Rupees in Million)

		Note	As at 31 March 2021	As at 31 March 2020
ASSETS				
Non-current assets				
(a)	Property, plant and equipment	5	5,792.0	5,955.7
(b)	Right of use assets	5.1	182.4	68.4
(c)	Capital work-in-progress	5.2	3,037.2	1,841.0
(d)	Intangible assets	6.1	36.6	58.4
(e)	Intangible assets under development	6.2	0.9	0.9
(f)	Financial assets			
	(i) Loans	7	358.2	369.2
	(ii) Other financial assets	8	658.1	456.9
(g)	Deferred tax assets (net)	9	571.9	480.8
(h)	Non-current tax assets (net)		139.9	487.9
(i)	Other non-current assets	10	258.4	226.1
	Total non-current assets		**11,035.6**	**9,945.3**
Current assets				
(a)	Inventories	11	232.5	708.8
(b)	Financial assets			
	(i) Trade receivables	12	828.5	946.7
	(ii) Cash and cash equivalents	13	584.1	116.5
	(iii) Bank balances other than (ii) above	14	829.4	2,910.1
	(iv) Loans	15	713.9	1,316.6
	(v) Other financial assets	16	243.9	578.3
(c)	Current tax assets (net)		100.8	0.5
(d)	Other current assets	17	101.7	97.2
	Total current assets		**3,634.8**	**6,674.7**
	Assets classified as held-for-sale	18	1.1	-
	TOTAL		**14,671.5**	**16,620.0**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	19.1	1,474.1	1,474.1
(b)	Other equity	19.2	5,089.9	5,695.5
	Total equity		**6,564.0**	**7,169.6**
Liabilities				
Non-current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	20	4,800.1	4,523.9
	(ii) Lease liabilities	39	158.5	37.2
	(iii) Other financial liabilities	21	2.1	-
(b)	Provisions	22	22.4	33.5
(c)	Deferred tax liabilities	23	21.9	9.6
(d)	Other non-current liabilities	24	150.8	155.3
	Total non- current liabilities		**5,155.8**	**4,759.5**
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	25	1,647.8	3,298.0
	(ii) Lease liabilities	39	16.6	14.5
	(iii) Trade payables	26		
	Total outstanding dues of micro and small enterprises		9.0	9.1
	Total outstanding dues of creditors other than micro and small enterprises		212.3	223.1
	(iv) Other financial liabilities	27	542.2	564.1
(b)	Other current liabilities	28	207.9	264.0
(c)	Provisions	29	315.9	318.1
	Total current liabilities		**2,951.7**	**4,690.9**
	TOTAL		**14,671.5**	**16,620.0**

Summary of significant accounting policies and other explanatory information 1 to 64
The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Consolidated statement of profit and loss for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	30	5,093.1	8,897.5
Other income	31	140.8	49.1
Total revenue		**5,233.9**	**8,946.6**
Expenses			
Purchases of stock-in-trade		2,709.0	3,831.2
Changes in inventories of stock-in-trade	32	471.1	2,973.6
Cost of operations	33	78.5	35.6
Employee benefits expense	34	462.2	481.3
Finance costs	35	332.9	467.6
Depreciation and amortisation expense	36	237.6	231.3
Other expenses	37	1,585.6	1,753.0
Total expenses		**5,876.9**	**9,773.6**
Loss before tax		**(643.0)**	**(827.0)**
Income tax expenses			
(i) Current tax		13.7	14.4
(ii) Provision for current tax of earlier years		1.3	-
(iii) Deferred tax credit		(80.3)	(264.4)
Total tax credit		(65.3)	(250.0)
Net loss for the year		**(577.7)**	**(577.0)**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
- Remeasurement gain / (losses) on post employment defined benefits plans		5.2	(4.6)
- Income tax effect on above		(1.5)	1.5
Other comprehensive income, net of tax		**3.7**	**(3.1)**
Total comprehensive income for the year		**(574.0)**	**(580.1)**
Earnings per equity share	41		
Basic earnings per share		(3.92)	(3.92)
Diluted earnings per share		(3.92)	(3.92)
Summary of significant accounting policies and other explanatory information	1 to 64		

The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
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Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Consolidated statement of changes in equity for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

A. Equity share capital

	Note	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	19.1	1,474.1	-	1,474.1

B. Other equity

	Note	Equity component of compound financial instruments	Reserves and surplus						Total equity
	19.2		Capital reserve	Securities premium	Special reserve	Share options outstanding account	Statutory reserve	Retained earnings	
Balance as at 1 April 2020		**308.8**	**0.7**	**3,910.3**	**42.5**	**31.8**	**36.0**	**1,365.4**	**5,695.5**
Loss for the year		-	-	-	-	-	-	(577.8)	(577.8)
Remeasurement of the net defined benefit liability (net of tax effect)			-	-	-	-	-	3.7	3.7
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(574.0)**	**(574.0)**
Transfer to special reserve		-	-	-	5.0	-	-	(5.0)	-
Transfer to statutory reserve		-	-	-	-	-	8.5	(8.5)	-
Employee stock options (refer note 34 and 47)		-	-	-	-	(18.5)	-	-	(18.5)
Transfer to employee benefit expenses	34	-	-	-	-	(13.0)	-	-	(13.0)
Balance as at 31 March 2021		**308.8**	**0.7**	**3,910.3**	**47.5**	**0.3**	**44.5**	**777.9**	**5,089.9**

Summary of significant accounting policies and other explanatory information 1 to 64
The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
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Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Consolidated statement of changes in equity for the year ended 31 March 2020

(Currency : Indian Rupees in Million)

A. Equity share capital

	Note	Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital	19.1	1,473.7	0.4	1,474.1

B. Other equity

	Note 19.2	Equity component of compound financial instruments	Reserves and surplus						Total equity
			Capital reserve	Securities premium	Special reserve	Share options outstanding account	Statutory reserve	Retained earnings	
Balance as at 1 April 2019		**-**	**0.7**	**3,909.7**	**37.5**	**95.1**	**26.6**	**1,954.4**	**6,024.0**
Loss for the year		-	-	-	-	-	-	(577.0)	(577.0)
Adjustment relating to reinstatement of intangible assets (refer note 64)		-	-	-	-	-	-	4.7	4.7
Share premium on issue of equity shares		-	-	0.6	-	-	-	-	0.6
Remeasurement of the net defined benefit liability (net of tax effect)		-	-	-	-	-	-	(3.1)	(3.1)
Equity component through issue of Compulsory convertible debenture (CCD)		308.8	-	-	-	-	-	-	308.8
Total comprehensive income for the year		**308.8**	**-**	**0.6**	**-**	**-**	**-**	**(575.4)**	**(266.0)**
Transfer to special reserve		-	-	-	5.0	-	-	(5.0)	-
Transfer to statutory reserve		-	-	-	-	-	9.4	(9.4)	-
Employee stock options (refer note 34 and 47)						(63.3)		0.8	(62.5)
Balance as at 31 March 2020		**308.8**	**0.7**	**3,910.3**	**42.5**	**31.8**	**36.0**	**1,365.4**	**5,695.5**

Summary of significant accounting policies and other explanatory information 1 to 64
The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Consolidated statement of cash flows for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
I	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Loss before tax	(643.0)	(827.0)
	Adjustments for:		
	Depreciation and amortisation	237.6	231.3
	Finance costs	332.9	467.6
	Liabilities no longer required written back	(2.1)	(8.2)
	Interest income	(96.2)	(32.9)
	Government grants	(8.7)	(5.8)
	Loss on surrender of concession agreements	-	323.9
	Foreign exchange loss - unrealised	2.5	-
	Provision against claims receivables	347.7	118.4
	Provision for credit impaired assets	117.2	91.5
	Provision for doubtful advances	92.7	30.0
	(Gain) / loss on sale of property, plant and equipment	(26.0)	0.8
	Provision for non-performing assets	3.6	0.9
	Share based payments to employees (net of capitalisation)	(13.0)	(46.6)
		988.2	**1,170.9**
	Operating cash flows before working capital changes	345.2	343.9
	Changes in:		
	Decrease in inventories	476.3	2,973.7
	Decrease in trade receivables	1.0	249.1
	Decrease in other financial assets	394.3	969.5
	(Increase) / decrease in other assets	(36.9)	430.5
	Increase in financial liabilities	126.9	40.1
	(Decrease) in provisions	(16.2)	(11.2)
	(Decrease) in other liabilities	(47.4)	(498.3)
		898.0	**4,153.4**
	Cash flows generated from operations	1,243.2	4,497.3
	Income tax received / (paid), net of refunds	281.6	(113.1)
	Net cash generated from operating activities	**1,524.8**	**4,384.2**
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase/construction of property, plant and equipment (including capital work in progress, capital advances and capital creditors)	(1,379.5)	(1,264.2)
	Proceeds from sale of property plant and equipment, net	24.7	-
	Purchase/development of intangible assets and intangibles under development	-	(18.7)
	Government grant received	0.3	48.3
	Maturity of bank deposits	3,476.8	577.4
	Investment in bank deposits	(1,487.2)	(2,716.3)
	Interest received	130.9	16.9
	Net cash generated from / (used in) investing activities	**766.0**	**(3,356.6)**
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of equity share capital, net of issue expenses	-	1.0
	Proceeds from non current borrowings	445.6	3,527.8
	Repayment of non current borrowings	(248.1)	(1,036.7)
	Repayment of short term borrowings, net	(1,667.8)	(4,088.1)
	Proceeds from issuance of compulsory convertible debentures	-	1,002.7
	Repayment of lease liabilities	(37.5)	(32.9)
	Interest paid on lease liabilities	(15.2)	(3.0)
	Interest paid	(300.2)	(451.4)
	Net cash used in financing activities	**(1,823.2)**	**(1,080.6)**
	Net increase / (decrease) in cash and cash equivalents (I+II+III)	**467.6**	**(53.0)**
	Cash and cash equivalents (refer note 13)		
	Cash and cash equivalents at the beginning of the year	116.5	169.5
	Cash and cash equivalents at the end of the year	584.1	116.5
	Net increase / (decrease) in cash and cash equivalents	**467.6**	**(53.0)**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Consolidated statement of cash flows for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Notes:

1 The above Statement of Cash Flows has been prepared under the "Indirect Method " as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash flows notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

	As at 31 March 2021	As at 31 March 2020
2. Components of Cash and cash equivalents		
Balance with banks		
- in current accounts	322.4	116.5
- in fixed deposit accounts (having original maturity less than 3 months)	261.7	-
Cash on hand	0.0	0.0
	584.1	**116.5**

3. Refer note 20.5 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Summary of significant accounting policies and other explanatory information 1 to 64
The notes referred to above form an integral part of financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1 Group overview

National Commodities Management Services Limited (formerly known as National Collateral Management Services Limited) ('the Holding Company') is a closely held public Holding Company incorporated on 28 September 2004 under the Indian Companies Act, 1956 to provide warehousing services to manage risks across various stages of commodity and inventory handling under a single umbrella. Through pan-India presence, in owned, leased as well as field warehouses, the Holding Company provides commodity handling and risk management services to clients across the country. The Holding Company is geared to handle operations encompassing the sale, purchase, trading, storage and movement of commodities and inventories. On 19 August 2015, Fairfax India Holding Corporation through its wholly owned subsidiary FIH Mauritius Investments Limited has acquired a majority stake in the Holding Company.

On 12 February, 2016 the Holding Company had acquired 100% stake in NCML Finance Private Limited (formerly known as TG Finance Private Limited), a wholly owned subsidiary. The subsidiary is registered with the Reserve Bank of India as a Non- Banking Financial Holding Company under section 45 IA of RBI Act, 1934 governed by Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("NBFC Directions").

The Group has entered into concession agreement with Food Corporation of India (FCI) for construction, operation and maintenance of Silo Complex for storage of food grain on behalf of FCI at various sites under Design, Build, Finance, Own and Operate (DBFOO) model) & Design, Build, Finance, Own and Operate (DBFOO) model.

Following subsidiary companies have been considered in the preparation of consolidated financial statements:

Name	**% voting power held as at 31 March 2021**	% voting power held as at 31 March 2020
NCML Finance Private Limited	**100**	100
NCML Mktyard Private Limited	**100**	100
NCML Basti Private Limited	**100**	100
NCML Varanasi Private Limited	**100**	100
NCML Faizabad Private Limited	**100**	100
NCML Batala Private Limited	**100**	100
NCML Chhehreatta Private Limited	**100**	100
NCML Deoria Private Limited	**100**	100
NCML Palwal Private Limited	**100**	100
NCML Bettiah Private Limited	**100**	100
NCML Bhattu Private Limited	**100**	100
NCML Jalalabad Private Limited	**100**	100
NCML Sonepat Private Limited	**100**	100
NCML KB Private Limited	**100**	100
NCML Madhepura Private Limited	**100**	100
NCML Saran Private Limited	**100**	100
NCML Motihari Private Limited	**100**	100
NCML Agribusiness Consultants Private Limited	**100**	100

The Holding Company and its subsidiaries are collectively referred as the Group.

2 Basis of presentation and preparation

(i) Statement of compliance

These consolidated financial statements (financial statements) are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments and employee stock options which are measured at fair values / amortised cost. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 16 August 2021.

(ii) Basis of consolidation

Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

Consolidation procedure

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March.

The procedure followed is as follows:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity as capital reserve. Transaction costs are expensed as incurred.

(iii) Functional and presentation currency

The consolidated financial statements are presented in INR, the functional currency of the Holding Company. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Holding Company operates (the 'functional currency'). Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these consolidated financial statements. All amounts in the financial statement and accompanying notes are presented in `million and have been rounded-off to one decimal place unless stated otherwise.

(iv) Current/ non- current classification

Any asset is classified as current if it satisfies any of the following conditions:

(i) it is expected to be realised or is intended for sale or consumption in the Company's normal operating cycle;
(ii) it is expected to be realised within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded;
(iv) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

Deferred tax assets are classified as non-current assets. All other assets and liabilities are classified as non- current.

All other assets and liabilities are classified as non- current.

Any liability is classified as current if it satisfies any of the following conditions:

(i) it is expected to be settled in the Company's normal operating cycle;
(ii) it is expected to be settled within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded;
(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non- current.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation and their realisation in cash and cash equivalents.

3 Use of accounting estimates and judgements

Preparation of consolidated financial statements requires the Group to make assumptions and estimates about future events and apply significant judgements. The Group base its assumptions, estimates and judgements on historical experience, current trends and all available information that it believes is relevant at the time of preparation of the consolidated financial statements. However, future events and their effects cannot be determined with certainty. Accordingly, as confirming events occur, actual results could ultimately differ from our assumptions and estimates. Such differences could be material. The following require subjective and/or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain:

(i) Impairment losses on trade receivables

The Group reviews its trade receivables to assess impairment at regular intervals. The Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(ii) Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the statement of profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(iii) Valuation of inventories

The Group values its inventories for commodity trading business at fair value less cost to sell and other inventories are valued at the lower of cost and net realisable value through inventory allowances. Subsequent changes in facts or circumstances could result in the reversal of previously recorded allowances. Results could differ if inventory allowances change because actual selling prices or selling costs differ materially from forecasted selling prices and selling costs. Calculating allowances depends on a combination of interrelated factors affecting forecasted selling prices, including demand variables. Demand variables include commodity prices and changes in inventories in distribution channels.

(iv) Estimated useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

(v) Provision for litigations

In estimating the final outcome of litigation, the Group applies judgment in considering factors including experience with similar matters, past history, precedents, relevant financial and other evidence and facts specific to the matter. Application of such judgement determines whether the Group requires an accrual or disclosure in the consolidated financial statements.

(vi) Recoverability of deferred tax assets

In determining the recoverability of deferred tax assets, the Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Group reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(vii) Share based payments

The Group determines costs for share-based payments using Black-Scholes-Merton model. The Group determines the fair value of its market- based and performance-based non-vested share options at the date of grant using generally accepted valuation techniques. A portion of share-based payments expense results from performance-based share options which require the Group to estimate the likelihood of achieving performance parameters and appraisals set by Board of directors.

Judgment is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. The Group is also required to use judgment in determining the most appropriate inputs to the valuation model including expected life of the option, volatility and dividend yield. The assumptions and model used are disclosed in note 48 of the Consolidated financial statements.

(viii) Employee benefits

The Group’s net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(ix) Measurement of fair value

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information, such as NCDEX quotes, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IndAS 113 " Fair Value Measurements", including the level in the fair value hierarchy in which such valuations should be classified.

4 Significant accounting policies

(a) Property, plant and equipment

Measurement at recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.
Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the Consolidated statement of profit and loss as and when incurred.

Depreciation :

The Group depreciates its property, plant and equipment on Straight Line Method (SLM) over the useful lives of assets estimated by management. Depreciation for assets purchased or sold during a year is proportionately charged. The management estimates for useful lives for property, plant and equipment are set out below:

Warehouse buildings	50 years
Office buildings	50 years
Silo	50 years
Property, plant and equipment : Meteorological instruments	5 years
Property, plant and equipment : Laboratory equipment	5- 10 years
Property, plant and equipment : Others	5 years
Computer	3 years
Electrical installation and fittings	5 years
Office equipments	5 years
Furniture and fixtures	5- 10 years
Leasehold improvements	Lower of useful life or lease period
Electrical installations and fittings at leased premises	Primary year of the lease or 5 years, whichever is less
Vehicles	5 years

For aforesaid class of assets based on internal assessment by the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence, the useful lives for the assets are different from the useful lives as prescribed under Part C of Schedule II of the Act .

For all class of assets except leasehold improvements and electrical installation and fittings at leased premises, management carries out an internal assessment to estimate the useful life over which it is expected to be used. Expected useful lives and residual values are re-assessed annually and adjusted if appropriate and such change is accounted for as a change in an accounting estimate.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work in progress and capital advances

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under "Other non - current assets". Assets under construction are not depreciated as these assets are not yet available for use.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit or loss in the period the asset is derecognised.

(b) Intangible assets

Measurement at recognition
Intangible assets comprise primarily of computer software. Intangible assets are initially recorded at cost and Subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated statement of profit and loss.

The following estimated useful life of intangible assets is mentioned below:

Computer software	3 years
License	10 years

Goodwill arising on the acquisition of subsidiary is measured at cost less accumulated impairment loses.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit or loss in the period the asset is derecognised.

Intangible assets under development

Intangible under development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial use. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Non-derivative financial assets

Initial recognition and measurement

The Group recognises a financial asset in its balance sheet when it become party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the consolidated statement of profit and loss at initial recognition if the fair value is determined through quoted market price in an active market for an identical asset (i.e level 1 input) or through a valuation technique that uses data from observable markets (i.e level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the consolidated statement of profit and loss only to the extent that such gain or loss arises due to a change in factor market participants take into account when pricing the financial asset.
However, trade receivables that do not contain a significant financing component are measured at transaction price irrespective of the fair value on initial recognition.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

(i) the Group's business model for managing the financial asset and

(ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

(i) Financial assets measured at amortised cost.

(ii) Financial assets measured at fair value through profit and loss (FVTPL).

(i) Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the conditions are met :

(a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows.

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, deposits and other financial assets of the Group. Such financial assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost of a financial asset is also adjusted for loss allowance, if any.

(ii) Financial assets measured at fair value through profit and loss (FVTPL).

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). This is a residual category applies to inventories, share based payments and other investments of the Group excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated statement of profit and loss.

Derecognition:

A financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Consolidated statement of profit and loss.

Presentation:

Financial assets and liabilities are offset and the net amount presented in the statement of Consolidated balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Non-derivative financial liabilities of the Group comprise long-term borrowings, short-term borrowings, bank overdrafts and trade and other payables.

Subsequent measurement:

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated statement of profit and loss .

(d) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or Indirectly
Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the Consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

(e) Impairment

Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence Indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

(i) Trade receivables
(ii) Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables and contract revenue receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward- looking estimates are updated.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Consolidated statement of profit and loss.

Intangible assets and plant, property and equipment

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such Indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's recoverable amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Inventories

Inventories principally comprise commodities held for trading and inventories that form part of the Group's expected purchase, sale or usage requirements.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the profit or loss in the period of the change.

Inventories are measured at cost and those forming part of the Group's expected purchase, sale or usage requirements are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Cost of inventories comprises of cost incurred on purchase and other direct expenditure on procurement. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

Dunnage

Dunnage consists of bamboo mats, polythene sheets/bags/covers, wooden planks, black/blue polythene films/sheets. Bamboo mats and polythene sheets/bags/covers issued for use are written off to the extent of 100% of cost in the year of purchase. 50% of the cost of black/blue polythene films/sheets issued for use is written off in the year of issue and the balance 50% is charged to revenue in the subsequent year.

(g) Statement of cash flows

The Group's statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

(h) Revenue recognition

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. When there is uncertainity as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainity is resolved. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or any other taxes. Amount collected on behalf of third parties such as goods and service tax and value added tax are excluded from revenue. Revenue on time and material contracts are recognised as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognised as unbilled revenue. Advances received for services and products are reported as advances from customers until all conditions for revenue recognition are met.

A. Warehousing services

(i) These include warehousing services in owned, leased, franchise as well as field warehouses. Charges levied for providing storage, stock management and preservation services at locations which are owned, leased or under franchise/associate arrangement are recognised as income on accrual basis as per agreed terms.

(ii) These activities also include custodial warehousing services for banks and fees therefrom are recognised on accrual basis as per agreed terms.

B. Sale of goods

The Group's revenue is derived from the single performance obligation to transfer primarily commodities under arrangements in which the transfer of control of the products and the fulfillment of the Group's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognised when the Group transfers control at the point of time the customer takes undisputed delivery of the goods. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

C. Other services

(i) Testing and certification

These includes testing the quality of commodities and issuing certificates regarding the same. The charges for testing and certification are recognised on accrual basis as per agreed terms with customers.

(ii) Market intelligence and commodity research

a) Price intelligence

Price polling is a neutral activity for collating spot price information for selected commodities on behalf of the client and the charges there from are recognised on accrual basis as per agreed terms with customers.

b) Weather intelligence

Weather data services is an activity wherein weather data is collected from Meteorological Instruments and provided to the client and the charges there from are recognised on accrual basis as per agreed terms with customers.

c) Market intelligence

Subscription charges on Market Intelligence and Commodity Research reports are recognised as Income on straight line basis over the year for which the reports are sent.

(iii) Vehicle management services

These activities include services for custodial warehousing of vehicles for customers. Fees there from are recognized on accrual basis as per agreed terms.

In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the signifcant risks and rewards associated with the rendering of logistics services. Revenue from rendering of logistic services provided to its customer after the transfer of control of underlying goods is recognised on gross basis and is recognised once the facilitation of such service is done.

(iv) Finance services

a) Revenue recognition policies are in accordance with the Master Direction of the Reserve Bank of India and Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder, for income recognition. Reversal of income, necessitated by these guidelines, has been netted off from revenue from operations.

b) Interest income are recognised on an accrual basis, except in the case of non-performing assets where it is recognised upon realization in accordance with the Master Direction of the RBI. No income is recognised on accounts, delinquent for more than 180 days. Payments received on delinquent accounts are first applied towards interest.

c) Revenue from interest on time deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates

d) Loan processing fees and loan application fees on loan transactions are recognised at the commencement of the contract and when there is no uncertainty regarding the collection of such revenue

e) Additional interest, bounce charges, penal charges and late payment charges are recognised as income on realisation due to uncertainty in their collection.

(v) Other services

These are recognised when the claim/charge is established as a legally enforceable right for the services rendered.

(vi) Revenue from contracts

Revenue from contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of profit or loss in the year in which the circumstances that give rise to the revision becomes known by management.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms whenever there is a delayed delivery attributable to the Group.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The profits on contracts are recognised only when outcome of the contract is reasonably certain.

(vii) Service concession revenue

Appendix A "Service concession arrangements" applies to "public to private" service concession arrangements, which can be defined as contracts under which the grantor transfers to a concession holder the right to deliver public services that give access to main public facilities for a specified period of time in return of managing the infrastructure used to deliver those public services.
More specifically, it applies to public to private service concession arrangement if the grantor:
Controls or regulates what services the operators must provide with the infrastructure, to whom it must provide them, and at what price; and
Controls through ownership or otherwise –any significant residual interest in the infrastructure at the end of the term of the arrangement.

The NCML KB Private Limited has the right to receive fixed annuity payments from FCI during the concession period and has adopted 'Financial Asset Model'.

Accounting under "Financial Asset Model" involves extensive use of estimates. The NCML KB Private Limited has allocated the contract revenues into distinct individual performance obligations i.e. construction, operation and maintenance which are derived by as per amount estimated by the management on actual/estimated cost to be incurred. Accordingly, annuity payment receivable has been classified as a "Financial asset" at the inception of concession period at fair value. The future annuity payments have been bifurcated towards construction services and unearned finance income based on the effective interest rate model.

(viii) Lease income

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(i) Foreign currency

Foreign currency transactions

Initial recognition

All transactions that are not denominated in the Group's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the consolidated statement of profit and loss.

Measurement of foreign current items at reporting date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. Non-monetary items measured based on historical cost in a foreign currency are not translated. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.
Exchange differences arising out of these translations are recognised in the standalone statement of profit and loss.

(j) Employee benefits

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Group pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations. The Group has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the period in which the employment services qualifying for the benefit are provided.

ii. Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan which is administered through Group gratuity scheme with Life Insurance Corporation of India. The Group's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government of India securities as at the balance sheet date.

When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The Group recognises all remeasurement gains and losses arising from defined benefit plans in the Statement of other comprehensive income in the period in which they occur and not reclassified to the Statement of Profit and Loss in the subsequent period. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the statement of profit and loss.

The entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the estimated liability for leave as a result of services rendered by employees, which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation under other long term employee benefits, are based on the market yields on Government of India securities as at the balance sheet date. Remeasurement gains and losses are recognised immediately in the consolidated statement of profit and loss.

The Group presents the above liability/(asset) as current and non- current in the balance sheet as per actuarial valuation by the independent actuary.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified Short-term employee benefits and they are recognised in the period in which the employee renders the related services. For the amount expected to be paid, the Group recognise an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

Share-based payments

Equity-settled plans are accounted at fair value as at the grant date in accordance with Ind AS 102 " Share- Based Payments". The fair value of the share-based option is determined at the grant date using a market-based option valuation model which includes an estimated forfeiture rate. The fair value of the option is recorded as compensation expense amortised over the vesting period of the award, with a corresponding increase in other components of Equity under the head "Share Options Outstanding Account". On exercise of the option, the proceeds are recorded as share capital.

Share-based payment transactions that are settled in cash at an amounts that are based on the price of the Group's equity instruments. This creates a liability, and the recognised cost is based on the fair value of the instrument at the reporting date.

(k) Lease accounting

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:
– Fixed payments, including in-substance fixed payments;
– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– Amounts expected to be payable under a residual value guarantee; and
– The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(l) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year as per the provisions of tax laws enacted in India and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date.

ii) Deferred tax

Deferred tax is recognised on deductible temporary differences between the carrying amounts of assets and liabilities in the Consolidated balance sheet and the corresponding tax bases used in the computation of taxable income, the carryforward of unused tax losses and the carry forward of unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax liabilities are generally recognised for all deductible temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

Unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets is recognised only to the extent that there is convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Group accounts for the expected future benefit on account of the indexed cost of freehold land held by the Group as a deferred tax asset at the substantively enacted capital gains tax rate.

The Group reviews the carrying amount of deferred tax assets at the end of each reporting year and reduce amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Presentation of current and deferred tax :

Current and deferred tax are recognised as income or an expense in the Consolidated statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income/ Equity, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income/ Equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority.

iii) Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after 1 April 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

(m) Earnings per share

The basic earnings per share (EPS) is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

(n) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting period.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(o) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Government grants

Grants and subsidies from the government are recognised if the following conditions are satisfied.

- There is reasonable assurance that the Group will comply with the conditions attached to it.

- Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.

Government grants are amortised to the Consolidated statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(q) Segment reporting

For management purposes, the Group's accounting policy is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.
The segment managers report directly to the Managing Director and CEO of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

Unallocated items:
Revenues and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate income and expenses". Assets and liabilities, which relate to the Group as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities, respectively.

(r) Provisioning / Write – Off of assets as per RBI Prudential Norms for finance services

Non- Performing loans are written off / provided as per the minimum provision required under the Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Provision on standard assets is made as per management estimates and is more than as specified in the RBI notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 and amended vide RBI notification no. RBI/2014-15/29 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November, 10, 2014.

(s) Loans for finance services

Loans are stated at the amount advanced and expenses recoverable, as reduced by the amounts received up to the balance sheet date.

(t) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount or fair value less costs to sell.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

5 Property, plant and equipment

Particulars	Free hold land	Warehouse buildings	Office buildings	Silo	Plant and equipment	Meteorological instruments	Laboratory equipment	Computer hardware	Electrical installation and fittings	Office equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Total assets
Gross carrying amount :														
Balance as at 1 April 2019	**2,115.0**	**2,791.2**	**54.8**	**283.3**	**233.3**	**269.1**	**448.6**	**61.3**	**87.0**	**48.6**	**0.4**	**53.9**	**172.0**	**6,618.5**
Add: Additions during the year	207.4	30.4	-	2.5	0.7	9.7	2.0	3.4	-	1.9	-	0.3	5.6	**263.9**
Balance as at 31 March 2020	**2,322.4**	**2,821.6**	**54.8**	**285.8**	**234.0**	**278.8**	**450.6**	**64.7**	**87.0**	**50.5**	**0.4**	**54.2**	**177.6**	**6,882.4**
Add: Additions during the year	46.6	-	-	-	0.0	0.9	18.4	2.7	-	1.5	-	0.2	-	**70.3**
Less : Disposals during the year	(53.2)	-	-	-	-	-	-	(3.0)	-	(1.3)	-	-	-	**(57.5)**
Less: Asset classified as held for sale*	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	**(1.1)**
Balance as at 31 March 2021	**2,314.7**	**2,821.6**	**54.8**	**285.8**	**234.0**	**279.7**	**469.0**	**64.4**	**87.0**	**50.7**	**0.4**	**54.4**	**177.6**	**6,894.1**
Accumulated depreciation :														
Balance as at 1 April 2019	**-**	**158.3**	**3.2**	**10.5**	**70.8**	**228.6**	**99.4**	**46.3**	**37.4**	**27.6**	**0.4**	**10.9**	**41.4**	**734.8**
Charge for the year	-	53.6	1.0	5.4	26.1	11.8	41.2	6.5	16.2	6.7	-	5.4	18.0	**191.9**
Balance as at 31 March 2020	**-**	**211.9**	**4.2**	**15.9**	**96.9**	**240.4**	**140.6**	**52.8**	**53.6**	**34.3**	**0.4**	**16.3**	**59.4**	**926.7**
Add: Charge for the year	-	55.5	1.1	4.2	22.2	10.3	43.4	5.7	12.9	6.2	-	5.4	18.4	**185.3**
Less: Disposal	-	-	-	-	-	-	-	(2.8)	-	(1.1)	-	-	-	**(3.9)**
Less: Other adjustments	-	-	-	-	-	-	(5.7)	-	-	-	(0.3)	-	-	**(6.0)**
Balance as at 31 March 2021	**-**	**267.4**	**5.3**	**20.1**	**119.1**	**250.7**	**178.3**	**55.7**	**66.5**	**39.4**	**0.1**	**21.7**	**77.8**	**1,102.1**
Net carrying amount														
Balance as at 31 March 2020	**2,322.4**	**2,609.7**	**50.6**	**269.9**	**137.1**	**38.4**	**310.0**	**11.9**	**33.4**	**16.2**	**0.0**	**37.9**	**118.2**	**5,955.7**
Balance as at 31 March 2021	**2,314.7**	**2,554.2**	**49.5**	**265.7**	**114.9**	**29.0**	**290.7**	**8.7**	**20.5**	**11.3**	**0.3**	**32.7**	**99.8**	**5,792.0**

* refer note 18
Refer to note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
Refer note 20.1 for information on property, plant and equipment pledged as security by the Company.

National Commodities Management Services Limited

(formerly known as National Collateral Management Services Limited)

CIN : U74140MH2004PLC148859

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

National Commodities Management Services Limited

(formerly known as National Collateral Management Services Limited)

CIN : U74140MH2004PLC148859

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

5.1 Right of use assets**

Particulars	Amount
Gross carrying amount :	
Balance as at 1 April 2019	**81.6**
Add: Additions during the year	-
Balance as at 31 March 2020	**81.6**
Add: Additions during the year	145.7
Balance as at 31 March 2021	**227.3**
Accumulated depreciation :	
Balance as at 1 April 2019	**-**
Charge for the year	13.2
Balance as at 31 March 2020	**13.2**
Add: Charge for the year	31.7
Balance as at 31 March 2021	**44.9**
Net carrying amount	
Balance as at 31 March 2020	**68.4**
Balance as at 31 March 2021	**182.4**

** Right of use assets is created on office premises including regional office, laboratories and corporate office (refer note 40).

5.2 Capital work-in-progress	**31 March 2021**	**31 March 2020**
Opening balance	1,841.0	1,274.1
Additions during the year	1,125.9	831.7
Capitalised during the year	70.3	(264.8)
Closing balance	**3,037.2**	**1,841.0**

(Currency : Indian Rupees in Million)

6.1 Intangible assets

Particulars	Computer software	License	Total
Gross carrying amount			
Balance as at 1 April 2019	84.3	8.8	93.1
Add: Additions during the year	58.0	-	58.0
Balance as at 31 March 2020	**142.3**	**8.8**	**151.1**
Add: Adjustment during the year	(1.2)	-	(1.2)
Balance as at 31 March 2021	**141.1**	**8.8**	**149.9**
Amortisation:			
Balance as at 1 April 2019	63.7	2.8	66.5
Amortisation for the year	25.3	0.9	26.2
Balance as at 31 March 2020	**89.0**	**3.7**	**92.7**
Amortisation for the year	19.7	0.9	20.6
Balance as at 31 March 2021	**108.7**	**4.6**	**113.3**
Net carrying amount			
Balance as at 31 March 2020	**53.3**	**5.1**	**58.4**
Balance as at 31 March 2021	**32.4**	**4.2**	**36.6**

6.2 Intangible assets under development

	31 March 2021	31 March 2020
Intangible assets under development - Computer software	0.9	0.9
	0.9	**0.9**

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National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		As at 31 March 2021	As at 31 March 2020
7	**Loans**		
	Security deposits		
	- Unsecured, considered good	60.1	35.2
	- Unsecured, credit impaired	10.1	-
	Allowance for credit impaired	(10.1)	-
	Loans		
	- Secured, considered good	298.1	334.0
	- Secured, credit impaired	0.8	0.9
	Allowance for credit impaired	(0.8)	(0.9)
		358.2	**369.2**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 46 - Financial risk management for assessment of expected credit losses.

8	**Other financial assets**		
	Bank deposits with maturity more than 12 months*	428.8	337.8
	Interest accrued but not due on bank deposits	15.2	7.8
	Advance paid towards investment	0.9	0.9
	Other financial assets	213.2	110.4
		658.1	**456.9**
	* Restrictions on fixed deposits towards:		
	Bank guarantee	21.1	50.8
	Lien	210.7	264.6
	Lien with Food Corporation of India	196.9	22.4
		428.8	**337.8**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 46 - Financial risk management for assessment of expected credit losses.

9	**Deferred tax assets (net)**		
	Deferred tax assets (net) (refer note 42(d))	571.9	480.8
		571.9	**480.8**

10	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	(a) Capital advances	230.3	215.3
	(b) Advances other than capital advances		
	(i) Balance with government authorities	7.7	6.0
	(ii) Prepaid expenses	20.4	4.8
		258.4	**226.1**

11	**Inventories**		
	Stock in trade		
	Inventories valued at fair value		
	Commodities	-	52.1
	Inventories valued at the lower of cost and net realisable value		
	Commodities	219.2	638.2
	Stores and consumables		
	Consumables	10.3	15.5
	Dunnage	3.0	3.0
		232.5	**708.8**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		As at 31 March 2021	As at 31 March 2020
12	**Trade receivables**		
	Secured, considered good	17.6	17.6
	Unsecured, considered good	810.9	929.1
	Unsecured, credit impaired	448.0	330.8
	Allowance for credit impaired	(448.0)	(330.8)
		828.5	**946.7**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 46 - Financial risk management for assessment of expected credit losses.

13	**Cash and cash equivalents**		
	Balances with banks - in current accounts	322.4	116.5
	Deposit with original maturity less than 3 months	261.7	-
	Cash on hand	0.0	0.0
		584.1	**116.5**
14	**Bank balances other than cash and cash equivalents**		
	Deposit with maturity more than 3 months but less than 12 months*	634.1	2,685.7
	Other bank balance #	169.7	173.8
	Escrow account	25.6	50.6
		829.4	**2,910.1**
	* includes restrictions on fixed deposits towards:		
	Bank guarantee	173.4	127.3
	Lien	284.8	2,329.5
	Lien with Food Corporation of India	17.7	217.2
	Against bank overdraft	8.1	-
	Letter of credit	35.0	11.7
		518.9	**2,685.7**

Other bank balance pertains to money lying in subsidy reserve fund (SRF) account towards subsidy granted to the Holding Company which will be adjusted against the loan amount.

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost.

15	**Loans**		
	(Secured and considered good)		
	- Loans and advances for standard assets	689.4	1,236.3
	(Unsecured, considered good)		
	Security deposits	24.5	80.3
	(Secured and credit impaired)		
	Loans and advances for non-performing assets	1.9	3.3
	(Unsecured, credit impaired)		
	Security deposits	14.9	-
	Loans	3.7	9.5
	Allowance for credit impaired	(20.5)	(12.8)
		713.9	**1,316.6**
16	**Other financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	Insurance claim receivable	462.7	462.7
	Allowance for insurance claims	(462.7)	(115.0)
	Compensation receivable	18.6	17.2
	Unbilled revenue	172.6	37.6
	Interest accrued but not due on loans and advances	3.5	10.4
	Interest receivable on income tax refund	-	14.9
	Interest accrued on fixed deposits	15.8	57.9
	Amount recoverable from employees, credit impaired (refer note 61)	12.2	-
	Allowance for credit impaired	(12.2)	-
	Amounts recoverable from rice millers		
	- Unsecured, considered good	33.4	92.6
	- Unsecured, credit impaired	94.8	30.0
	Allowance for credit impaired	(94.8)	(30.0)
		243.9	**578.3**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial assets measured at amortised cost and note 46 - Financial risk management for assessment of expected credit losses.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		As at 31 March 2021	As at 31 March 2020
17	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Balance with government authorities	37.2	41.2
	Advance to suppliers	37.9	24.8
	Advance to employees	0.2	5.5
	Prepaid expenses	24.7	25.7
	Others	1.7	0.0
	(Unsecured, credit impaired)		
	Advance to suppliers	24.7	6.8
	Advance to employees	29.4	29.4
	Allowance for credit impaired	(54.1)	(36.2)
		101.7	**97.2**

18 Asset classified as held for sale

The Board of Directors of the Holding Company, in its meeting held on 4 November 2020, approved the sale of land located at Village Sherpur, Tehsil and District-Vidisha, M.P. measuring 1.683 Hectares. The Holding Company has completed the sale of the land subsequent to the reporting date at Rs. 9.6 million.

19.1 Equity share capital

Share capital		
Authorised :		
200,000,000 (31 March 2020 : 200,000,000) Equity shares of 10 each	**2,000.0**	**2,000.0**
Issued, subscribed and paid up		
147,411,736 (31 March 2020 : 147,411,736) Equity shares of 10 each, fully paid up	1,474.1	1,474.1
	1,474.1	**1,474.1**

a) The reconciliation of the shares outstanding at the beginning and at the end of the year is as below:

	31 March 2021		31 March 2020	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Number of equity shares at the beginning of the year	147,411,736	1,474.1	147,369,736	1,473.7
Add: Equity shares issued during the year	-	-	42,000	0.4
Number of equity shares at the end of the year	**147,411,736**	**1,474.1**	**147,411,736**	**1,474.1**

b) The Holding Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividends as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual to the number of equity shares held.

c) Shares held by ultimate or intermediate holding company

	31 March 2021		31 March 2020	
	Number of equity shares held	**Amount**	**Number of equity shares held**	**Amount**
Equity shares of Rs. 10 each fully paid up held by FIH Mauritius Investments Limited	131,941,286	1,319.4	131,941,286	1,319.4

d) The details of shareholders holding more than 5% of the equity shares of the Company as at year end are as below :

	31 March 2021		31 March 2020	
Name of shareholders	**Number of equity shares held**	**Percentage holding**	**Number of equity shares held**	**Percentage holding**
FIH Mauritius Investments Limited	131,941,286	89.53%	131,941,286	89.53%

(Currency : Indian Rupees in Million)

e) Shares reserved for issue under options (refer note 46)

(NCML 2014 Employee Stock Option Scheme)

NCML ESOP 2014 plan provides for the grant of stock options to eligible employees. The Board of Directors recommended NCML ESOP 2014 plan to shareholders on 1 September 2014 and the shareholders approved the recommendations of the board on 30 September 2014. The plan entitles key management personnel and senior employees to purchase shares in the Company at the stipulated excercise price, subject to compliance with vesting conditions. The Board of Directors have approved the proposal for cash settlement of ESOP at a fair market value (FMV) of Rs. 67.16, as certified by an Independent Valuer. Further as per the board meeting held on 24 March 2021, Board has decided to defer the payout to employees under NCML ESOP Scheme 2014 till 30 September 2021.

(NCML 2016 Employee Stock Option Scheme)

NCML ESOP 2016 plan provides for the grant of stock options to eligible employees. The Board of Directors recommended NCML ESOP 2016 plan to Shareholders on 5 August 2016 and the Shareholders approved the recommendations of the Board. The plan entitles key management personnel and senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the board meeting held on 24 March 2021, Borad has officially abandoned the NCML ESOP Scheme 2016 as the condition precedent of achievement of benchmark profit has not been met.

f) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back in the current reporting period and five years immediately preceding the balance sheet date.

	As at 31 March 2021	As at 31 March 2020
19.2 Other equity		
(i) Equity component of compound financial instrument		
- equity component of compulsory convertible debentures (refer note 20.4)	308.8	308.8
	308.8	**308.8**
(ii) Reserves and surplus		
(a) Capital reserve		
At the commencement and the end of the year	0.7	0.7
	0.7	**0.7**
(b) Securities premium		
At the commencement of the year	3,910.3	3,909.7
Add: Securities premium received on issue of equity shares	-	0.6
Closing balance (refer sub-note 1)	**3,910.3**	**3,910.3**
(c) Special reserve		
Opening balance	42.5	37.5
Add: Transferred from surplus in statement of profit and loss	5.0	5.0
Closing balance (refer sub-note 2)	**47.5**	**42.5**
(d) Share options outstanding account		
At the commencement of the year	31.8	95.1
Amount transferred to other financial liability due to cash settlement	(18.5)	-
Employee compensation expense for the year (refer note 34)	(13.0)	(63.3)
Closing balance (refer sub-note 3)	**0.3**	**31.8**
(e) Statutory reserve pursuant to section 45-IC of the RBI Act, 1934		
Opening balance	36.0	26.6
Add: Transferred from surplus in statement of profit and loss	8.5	9.4
Closing balance (refer sub-note 5)	**44.5**	**36.0**
(f) Retained earnings		
Opening balance	1,365.4	1,954.4
Adjustment relating to reinstatement of intangible assets (refer note 64)	-	4.7
Loss for the year	(577.8)	(577.0)
Remeasurement of the net defined benefit liability, (net of tax)	3.7	(3.1)
Less: Transferred to statutory reserve	(8.5)	(9.4)
Less: Transferred to special reserve (refer sub-note 2)	(5.0)	(5.0)
Add: Employee stock options	-	0.8
Closing balance (refer sub note 4)	**777.9**	**1,365.4**
Total	**5,089.9**	**5,695.5**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Sub-note:

1 Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the share premium account may be applied:

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
ii) for the purchase of its own shares or other securities;
iii) in writing off the preliminary expenses of the Company;
iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

2 Special reserve - In view of contingencies as may arise due to the peculiar nature of the Company's business, a sum of Rs 5.0 million is allocated as at 31 March 2021 (31 March 2020: Rs 5.0 million) has been transferred from retained earnings to special reserve.

3 Share options outstanding account -Share-based compensation reserves represent the equity-settled shares and share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting year commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

4 Retained earnings represents the accumulated profits of the Group.

5 Statutory Reserve- NCML Finance Private Limited a wholly owned subsidiary of the Company, makes transfer from retained earnings to Statutory Reserve pursuant to section 45-IC of the RBI Act, 1934.

		As at 31 March 2021	As at 31 March 2020
20	**Borrowings**		
	Secured loan:*		
	Non convertible debenture (refer note (e) below)	3,200.0	3,200.0
	Term loan		
	(i) from banks (refer note (a), (b), (d) and (f) below)	891.8	472.2
	(ii) from financial institutions (refer note (c) below)	-	168.0
	Less : Unamortised transaction cost	(41.3)	(48.9)
	Unsecured loan		
	Compulsory convertible debentures (refer note 4 below)	749.6	732.6
		4,800.1	**4,523.9**

* Amount disclosed under "Other financial liabilities - Current maturities of non-current borrowings" Rs. 182.9 million (31 March 2020: Rs. 237.0 million) (Refer note 26).

Sub-notes:

1	**Nature of security**	**Terms:**
(a)	Long-term loan taken from Yes bank amounting to Rs. 88.9 million (31 March 2020: Rs. 100 million) are secured by way on lien on fixed deposit of Rs. 97.7 million.	- Term loan carries interest rate at base rate plus 0.25%, repayable in 32 unequal quarterly installments starting from 30 June 2015
(b)	Long-term loan taken from ICICI Bank amounting to Rs. 44.4 million (31 March 2020: Rs. 57 million) are secured by way on lien on fixed deposit of Rs. 66 million.	- Term loan carries interest rate at base rate plus 0.15%, repayable in 33 (thirty three) unequal quarterly installments starting from 28 March 2016
(c)	Long-term loan taken from NABARD amounting to Rs. 168 million (31 March 2020: Rs. 392 million) are secured by way on lien on fixed deposit of Rs. 56 million and security mentioned in point (i) below.	- Term loan carries interest rate of 9.50% pa , repayable in 20 equal quarterly installments of 56 starting from 1 January 2017.
(d)	Long-term loan taken from Karur Vysya Bank (under ECLGS 2.0 scheme) amounting to Rs 59.1 million (31 March 2020: nil) are secured by way on second pari passu charge on current assets of the company.	- Term loan carries interest rate of Base rate (EBR -R) plus 1% pa , repayable in 48 equal quarterly installments starting from 5 April 2022.
(e)	Long-term loan in the form of non convertible debentures issued to debenture holder- FMO (Financierings-Maatschappij voor Ontwikkelingslanden) amounting to Rs 3,200.0 million (31 March 2020: Rs 3,200.0 million) is secured by security mentioned in point (i) below.	- Long-term loan in the form of non convertible debentures carries interest rate 9.47% p.a., repayable in 15 equal quarterly installments starting from 31 March 2023 as may be extended in accordance with the terms of the Debenture Trust Deed.
(f)	Long-term loan taken from Yes Bank amounting to Rs. 714 million (31 March 2020: Rs. 328 million) is secured by security mentioned in point (ii) below.	- Term loan carries interest rate at 3 months MCLR plus 0.57%, repayable in 68 unequal quarterly installments commencing after 1 year of commercial operations date (COD).

Security:

(i) Related to NABARD and FMO

- First ranking pari passu mortgage and charge over the 21 immovable (whether tangible or intangible) project properties and assets (including insurance contracts), both present and future between NABARD and debenture holder, FMO and exclusive mortgage and charge over the 8 immovable (whether tangible or intangible) project properties and assets (including insurance contracts), both present and future with Debenture Holder, FMO.

- Assignment of all the clearances of the obligor (to the extent assignable under applicable law and to the satisfaction of the rupee lenders)

- First ranking pari passu assignment of the obligor's rights under each of the project documents, consents to assignment from the relevant counterparties to such project documents to the satisfaction of the facility agent

- First ranking pari passu charge on the respective accounts formed under the escrow account agreement and any other bank accounts of the obligor or to be created by the obligor under any project documents and all monies in such accounts

- First ranking pari passu assignment on any letter of credit and/or performance bonds and/ or guarantee provided by any contractor/ counter-party in favour of the obligor.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

(ii) Related to NCML Bhattu Private Limited & NCML Sonipat Private Limited

- Exclusive charge on all movable and immovable assets of the subsidiary company (to the extent permissible in concession agreement)
- Exclusive charge /assignment of all revenues, current assets and receivables of the subsidiary company
- Exclusive charge on all bank accounts including without limitation, the escrow account to be established by the subsidiary company and each of the other accounts required to be created by the subsidiary company under any project document or contract or any account opened
- Exclusive charge on all intangible assets including but not limited to the goodwill, undertaking, uncalled capital and intellectual property rights of the subsidiary company
- Exclusive charge / assignment in favour of security trustee on all the rights, titles and interests of the subsidiary company from all contracts, insurance policies, licenses in, to and under all assets and all project agreements which the subsidiary company is party to including contractor guarantees, liquidated damages and all other contracts
- Exclusive charge / assignment in favour of the security trustee of all the right title, interest, benefits, claims and demands whatsoever of the subsidiary company in any letter of credit, guarantee, performance bond provided by any party
-Exclusive charge on / assignment of security package pertaining to the project listed in the financing documents (if any), including termination payments (if any) due in respect of the project in specified circumstances
-ECS from the subsidiary company towards interest as well principal repayment
-Pledge of the equity shares held by the Holding Company in the share capital of the subsidiary company of 30% of the total paid up equity share capital of the subsidiary company in favour of the senior lander and NDU for the balance
-Corporate guarantee from the Holding Company.

2 Default in repayment of principal and interest Rs. Nil (31 March 2020: Rs. Nil)

3 Non-compliances of loan covenants are considered not material as waiver has been obtained by the Holding Company from debenture trustee through a letter dated 12 July 2021.

Fair value and carrying value of Borrowings

	Interest rate	Maturity	31 March 2021	
			Fair value	Carrying Amount
Non-current liabilities				
Secured loan:				
Term loan from Yes bank	7.10% to 8.20%	31 March 2024	88.9	88.9
Term loan from Yes bank	9.37% to 9.45%	25 July 2039	714.3	714.3
Term loan from ICICI bank	7.90% to 8.60%	31 March 2024	44.4	44.4
Term loan from KVB Bank (ECLGS 2.0)	8.20%	5 June 2024	59.1	59.1
Term loan from financial institutions - NABARD	9.50%	1 November 2021	168.0	168.0
Non-convertible debentures	9.47%	18 September 2023 or as extended in accordance with Debenture Trust Deed	3,200.0	3,200.0
Unsecured loan - Compulsory convertible debentures	12.50%	30 September 2030	749.6	749.6
Total interest-bearing liabilities			**5,024.3**	**5,024.3**
Borrowings shown as current/ non current				
Current				182.9
Non- Current				4,841.4

	Interest rate	Maturity	31 March 2020	
			Fair value	Carrying Amount
Non-current liabilities				
Secured loan:				
Term loan from Yes bank	8.80% to 9.66%	30 September 2023	100.0	100.0
Term loan from Yes bank	9.37% to 9.45%	25 July 2039	327.8	327.8
Term loan from ICICI bank	8.90% to 9.30%	31 May 2024	57.4	57.4
Term loan from financial institutions - NABARD	9.50%	01 January 2022	392.0	392.0
Term loan in form on NCD	9.47%	18 September 2023 or as extended in accordance with Debenture Trust Deed	3,200.0	3,200.0
Unsecured loan - Compulsory convertible debentures	12.50%	30 September 2030	732.6	732.6
Total interest-bearing liabilities			**4,809.8**	**4,809.8**
Borrowings shown as current/ non current				
Current				237.0
Non- Current				4,572.8

4 During the previous year ended 31 March 2020, the Company on a private placement basis offered to issue upto 112,000,000 unsecured compulsory convertible debentures (CCD) of Rs 10 each at par to the equity shareholders of the Company on its records as at 6 September 2019. Pursuant, to the offer the Holding Company, FIH Mauritius Investments Limited, subscribed to 100,274,482 CCD, in the proportion of its holding. These CCD were subsequently allotted on 1 October 2019. The coupon rate for the compulsory convertible debentures is 12.50%. The Company has seperated the liability and euity component of the CCD, and has accordingly recognised as financial liabilities amounting to Rs. 693.9 million and portion of equity amounting to Rs 308.8 million on the initial recognition of CCD. The Company has determined the coupon rate for the identification of equity component of CCD.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

5 **Reconciliation of liabilities arising from financing activities**

	Long-term Borrowings	Lease liability	Short-term Borrowings	Total
As on 01 April 2020	4,809.8	51.7	3,298.0	8,159.5
Proceeds from borrowings	445.6	-	8,046.1	8,491.7
Repayment of borrowings	(248.1)	(37.5)	(9,713.9)	(9,999.5)
Interest paid on CCD	(67.4)	-	-	(67.4)
Non-cash:				
Increase in lease liability	-	145.7	-	145.7
Interest	84.3	15.2	17.6	117.1
As on 31 March 2021	**5,024.3**	**175.1**	**1,647.8**	**6,847.2**

	Long-term Borrowings	Lease liability	Short-term Borrowings	Total
As on 01 April 2019	1,581.4	-	7,347.8	8,929.2
Proceeds from borrowings	4,530.5	-	28,424.7	32,955.3
Repayment of borrowings	(1,036.7)	(32.9)	(32,512.9)	(33,582.5)
Non-cash:				
Adjustment on adoption of Ind AS 116	-	81.6	-	81.6
Transfer to equity portion of CCD	(308.8)	-	-	(308.8)
Interest	43.4	3.0	38.4	84.8
As on 31 March 2020	**4,809.8**	**51.7**	**3,298.0**	**8,159.5**

Refer note 44 - Financial instruments for disclosure of fair value in respect of borrowings measured at amortised cost

		As at 31 March 2021	As at 31 March 2020
21	**Other financial liabilities - Non-current**		
	Security deposit payable	2.1	-
		2.1	**-**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial liabilities measured at amortised cost

22	**Provisions**		
	Provision for compensated absences (refer note 49)	22.1	33.0
	Provision for gratuity (refer note 49)	0.3	0.5
		22.4	**33.5**
23	**Deferred tax liabilities**		
	Deferred tax liabilities (refer note 42(d))	21.9	9.6
		21.9	**9.6**
24	**Other non-current liabilities**		
	Government grants (refer note 48)	150.8	155.3
		150.8	**155.3**
25	**Borrowings**		
	From banks - secured		
	Short term loans (refer sub-note 1)	1,630.2	2,784.4
	Cash credit facility (refer sub-note 2)	-	475.2
	Interest accrued but not due on term loans from banks	17.6	38.4
		1,647.8	**3,298.0**

Sub-notes:

1 Short-term loans taken from banks carries interest ranging between 0.85% to 10.95% (31 March 2020 - 8.05% to 9.55%), computed on a monthly basis on the actual amount utilised, and are repayable on demand. Short-term loans from bank is secured by way of charge on stock of commodities and receivables, ranking pari passu among participating banks.

2 Cash credit and overdraft facility from banks carries interest ranging between 7.30% to 12.00% (31 March 2020 - 9.00% to 10.65%), computed on a daily basis on the actual amount utilised, and are repayable on demand. Cash credit facility from bank is secured by way of charge on stock of commodities and receivables, ranking pari passu among participating banks.

3 Default in repayment of principal and interest Rs. nil (31 March 2020: Rs. nil).

(Currency : Indian Rupees in Million)

4 **Fair value and carrying value**

	Nominal interest rate	31 March 2021 Maturity	Carrying amount
Current liabilities			
Secured short term loan *	0.85% to 10.95%	Less than 1 year	1,630.2
Interest accrued but not due on term loans from banks	0.85% to 10.95%	Less than 1 year	17.6
Total interest-bearing liabilities			**1,647.8**

* Secured Short Term loans includes Supplier / Buyers Credit loan which are in foreign currency and interest rates ranges from 0.85% - 1.13%)

	Nominal interest rate	31 March 2020 Maturity	Carrying amount
Current liabilities			
Secured cash credit facility	9.00% to 10.65%	Less than 1 year	475.2
Secured short term loan	8.05% to 9.65%	Less than 1 year	2,784.4
Interest accrued but not due on term loans from banks	8.05% to 9.65%	Less than 1 year	38.4
Total interest-bearing liabilities			**3,298.0**

Refer note 44 - Financial instruments for disclosure of fair value in respect of borrowings measured at amortised cost

		As at 31 March 2021	As at 31 March 2020
26	**Trade payables**		
	Total outstanding dues of micro enterprise and small enterprise (refer note 54)	9.0	9.1
	Total outstanding dues of creditors other than micro enterprise and small enterprise	212.3	223.1
		221.3	**232.2**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial liabilities measured at amortised cost

27	**Other financial liabilities**		
	Current maturities of non-current borrowings (refer note 20)*	182.9	237.0
	Less : Unamortised transaction cost	(9.1)	(9.0)
	Payable for capital expenditure	245.9	197.6
	Security deposits	6.1	5.6
	Margin money payable	17.8	4.8
	Payable to employees	23.0	14.8
	Cash settlement (ESOP scheme 2014)	18.5	-
	Others	57.1	113.3
		542.2	**564.1**

Refer note 44 - Financial instruments for disclosure of fair value in respect of financial liabilities measured at amortised cost

28	**Other current liabilities**		
	Advance from customers	142.6	207.9
	Statutory dues Payable	55.2	53.3
	Government grants (refer note 48)	4.6	2.7
	Provision for corporate social responsibility expenses	2.8	-
	Others	2.7	0.1
		207.9	**264.0**

29	**Provisions**		
	Provision for compensated absences (refer note 49)	11.3	9.6
	Provision for gratuity (refer note 49)	32.6	27.4
	Provision for litigations (refer note 52)	265.5	279.2
	Provision for taxation (net of advance tax)	6.5	1.9
		315.9	**318.1**

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National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
30	**Revenue from operations**		
	(a) Sales of goods	3,275.8	6,826.0
	(b) Sale of services :		
	Warehousing services	1,077.8	1,306.2
	Testing and certification	257.4	241.2
	Weather and market intelligence	144.2	176.8
	Vehicle management services	35.2	-
	Construction contract revenue	35.4	5.7
	Transaction charge on electronic auction	4.7	7.0
	(c) Finance services:		
	Interest income from finance operations	159.5	284.6
	(d) Other operating income :		
	Service concession revenue	102.8	49.7
	Other	0.2	0.4
		5,093.1	**8,897.5**
31	**Other income**		
	Interest income on:		
	- Fixed deposits	77.1	32.8
	- Income tax refund	15.9	0.1
	- Others	3.2	-
	Liabilities no longer required written back	2.1	8.2
	Gain on sale of property, plant and equipment (net)	26.0	-
	Government grants (refer note 48)	8.7	5.8
	Miscellaneous income	7.8	2.2
		140.8	**49.1**
32	**Changes in inventories of stock-in-trade**		
	Opening inventories		
	Commodities at fair value	52.1	497.9
	Commodities valued at lower of cost or net realisable value	638.2	3,166.0
		690.3	**3,663.9**
	Less: Closing inventories		
	Commodities at fair value	-	52.1
	Commodities valued at lower of cost or net realisable value	219.2	638.2
		219.2	**690.3**
		471.1	**2,973.6**
33	**Cost of operations**		
	Direct costs attributable to silo	78.5	35.6
		78.5	**35.6**
34	**Employee benefits expense**		
	Salaries, wages and bonus	445.8	487.4
	Contribution to provident and other funds (refer note 49)	23.6	25.9
	Shared based payments to employees (refer note 47 (d))	(13.0)	(46.6)
	Staff welfare expenses	5.8	14.0
		462.2	**481.3**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
35	**Finance costs**		
	Interest on short-term borrowings	152.4	373.8
	Interest on long-term borrowings	52.2	243.4
	Interest on non convertible debenture	302.4	11.6
	Interest on compulsory convertible debenture (refer note 39)	84.3	43.4
	Interest on lease liability	15.2	3.0
	Interest expense on delay in payment of advance tax	0.5	-
	Other borrowing costs	2.8	10.4
		609.8	**685.6**
	Less: Transfer to capital work-in-progress	276.9	218.0
		332.9	**467.6**
36	**Depreciation and amortisation**		
	Depreciation on property, plant and equipment (refer note 5)	185.3	191.9
	Amortisation on intangible assets (refer note 6.1)	20.6	26.2
	Depreciation on right of use assets (refer note 5.1)	31.7	13.2
		237.6	**231.3**
37	**Other expenses**		
	Lease rentals:		
	- Warehouse rent (refer note 40)	161.3	265.3
	- Office rent (refer note 40)	14.5	57.2
	Outsourcing expenses	109.4	147.1
	Security expenses	43.9	59.4
	Storage charges	101.6	63.8
	Dunnage and fumigation	32.5	36.6
	Professional fees	78.8	94.1
	Provision against claims receivables	347.7	118.4
	Warehousing service expenses	18.5	17.7
	Insurance	65.6	59.2
	Testing and certification charges	29.4	10.0
	Travelling and conveyance expenses	57.3	49.5
	Postage, courier and telephone charges	23.3	32.3
	Repairs and maintenance - others	53.1	57.1
	Allowance for credit impaired assets	117.2	91.5
	Allowance for credit impaired advances	92.7	30.0
	Loss on surrender of concession agreement (refer note 60)	-	323.9
	Electricity charges	26.5	36.1
	Rates and taxes	48.7	54.7
	Bank charges	21.8	19.7
	Payment to auditors (refer note 51)	6.4	7.3
	Corporate social responsibility expenses (refer note 53)	3.9	2.2
	Loss on disposal of property, plant and equipment (net)	-	0.8
	Provision for non-performing assets	3.6	0.9
	Foreign exchange loss	5.8	-
	Weather station expenses	49.8	54.2
	Vehicle management expenses	32.3	-
	Miscellaneous expenses	40.0	63.9
		1,585.6	**1,753.0**

(Currency : Indian Rupees in Million)

46 Financial risk management

Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost and other financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Suppliers credit
Market risk - interest rate	Borrowings at variable rates	Sensitivity	Negotiation of terms that reflect the market factors

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial assets with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Group provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Loans, trade receivables and other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

In respect of trade receivable that results from contracts with customers, loss allowances is always measured at lifetime expected credit losses.

Financial assets that expose the entity to credit risk* –

Particulars		As at 31 March 2021	As at 31 March 2020
(i)	**Low credit risk on financial reporting date**		
	Loans	1,072.1	1,685.8
	Cash and cash equivalents	584.1	116.5
	Other bank balances	829.4	2,910.1
	Trade receivables	828.5	946.7
	Other financial assets	902.0	1,035.2
(ii)	**High credit risk**		
	Loans	30.6	12.8
	Trade receivables	448.0	330.8
	Other financial assets	569.7	145.0
		5,264.4	**7,182.9**

*These represent carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become three year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

b) Expected credit losses for financial assets

i) Expected credit losses for financial assets other than trade receivables

Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial assets for expectation of any credit losses.
- For cash & cash equivalents and other bank balances - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

31 March 2021

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	1,102.6	30.6	1,072.1
Other financial assets	1,471.6	569.7	902.0

31 March 2020

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	1,698.6	12.8	1,685.8
Other financial assets	1,180.2	145.0	1,035.2

(ii) Expected credit loss for trade receivables under simplified approach

The Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. The Group based upon past trends determines an impairment allowance for loss on receivables from others

Particulars	0 - 6 months	6 - 12 months	More than 12 months
As at 31 March 2021			
Trade receivables	324.3	220.2	732.0
Expected probability of default	2%	4%	59%
Expected credit losses	7.1	9.8	431.2
As at 31 March 2020			
Trade receivables	523.8	68.7	685.0
Expected probability of default	2%	3%	47%
Expected credit losses	9.9	2.4	318.6

B Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To ensure continuity of funding, the Group primarily uses short-term bank facilities in nature of cash credit facility, bank overdraft facility and short term borrowings, to fund its ongoing working capital requirement and growth needs.

Further, the Group has obtained long-term secured borrowings from banks, financial institutions and debenture holders as referred in note 20.1 to fund its warehouse & silos construction.

a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Group had access is Rs. 252.3 million (31 March, 2020: Rs. 170.5 million).

b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Less than 1 year	1-3 year	More than 3 years	Total
31 March 2021				
Borrowings	1,821.7	1,600.1	3,200.0	**6,621.8**
Lease liabilities	16.6	70.2	88.2	**175.0**
Trade payable	221.2	-	-	**221.2**
Other financial liabilities	368.4	2.1	-	**370.5**
Total	**2,427.8**	**1,672.4**	**3,288.2**	**7,388.4**

Particulars	Less than 1 year	1-3 year	More than 3 years	Total
31 March 2020				
Borrowings	3,526.0	1,323.9	3,200.0	**8,049.9**
Lease liabilities	14.5	27.4	9.8	**51.7**
Trade payable	232.2	-	-	**232.2**
Other financial liabilities	336.1	-	-	**336.1**
Total	**4,108.7**	**1,351.3**	**3,209.8**	**8,669.8**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk, and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk

The portion of the business is transacted in foreign currency and consequently the Group is exposed to foreign exchange risk through its purchases of commodities from overseas suppliers in foreign currency.

Contracts outstanding

Particulars		As at 31 March 2021		As at 31 March 2020	
	Currency	In FX	in INR	In FX	in INR
Suppliers credit	USD	4.3	316.5	-	-

Particulars of unhedged foreign currency exposures

Particulars		As at 31 March 2021		As at 31 March 2020	
	Currency	In FX	in INR	In FX	in INR
Import of capital goods (Silo's)	USD	0.0	0.5	-	-
Interest accrued but not due on suppliers credit	USD	0.0	0.7	-	-

Foreign Exchange Dealer's Association of India (FEDAI) rate as on 31 March 2021 : Rs 73.50 (31 March 2020 : Rs 75.39) has been considered for conversion from foreign currency to reporting currency.

b) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2021 and 31 March 2020, the Group is exposed to changes in interest rates through bank borrowings carrying variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

	31 March 2021	31 March 2020
Fixed rate instruments :		
Financial asset	1,324.6	3,023.5
Financial liabilities	(4,117.6)	(4,324.6)
	(2,793.0)	**(1,301.1)**
Variable rate instruments :		
Financial liabilities	**(2,504.2)**	**(3,725.3)**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Secured bank loan - Long term	(8.9)	8.9	(5.9)	5.9
Short term loan facility	(16.3)	16.3	(10.7)	10.7
Variable-rate instruments	**(25.2)**	**25.2**	**(16.6)**	**16.6**
-				
Secured bank loan - Long term	(4.7)	4.7	(3.1)	3.1
Short term loan facility	(27.8)	27.8	(18.4)	18.4
Variable-rate instruments	**(32.5)**	**32.5**	**(21.5)**	**21.5**

ii) Assets

The Group's interest bearing financial assets consist of advances and fixed deposits which are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group's trading market risk appetite is determined by the Managing Director and CEO in consultation with the Board of directors.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

38 Operating segments

a) Basis of segmentation:

The Group's operating segments are the strategic business units through which it operates and report the business: warehousing services, trading of goods, finance services, silos and other segments. Each of these segments has developed its own strategy, goals and tactics in alignment with Group's overall corporate strategy. Segment results are reviewed internally by the Managing Director and CEO on a regular basis for the purpose of making decisions regarding resource allocations and performance assessments. Segments have been identified in line with the Ind AS 108 " Operating Segments" taking into account the organization structure as well as differential risks and returns of these segments. The Group has disclosed all the business segments as the primary segment. There is no reportable secondary segment (geographical segment). Inter- segment transactions are determined on arm's length basis. The measurement principles of segments are consistent with those used in significant accounting policies which are as under:

a. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

b. Segment assets and liabilities represent the assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable.

The following summary describes the operations of each reportable segments.

Reportable segment	Operations
Warehousing services	These include warehousing services in owned, leased, franchise as well as field warehouses. These activities also include custodial warehousing services for bank.
Trading of goods	Procurement, trading and relater solutions.
Finance Services	Commodity finance with focus on rural and agri - business finance domain
Silo's	Construction, operation and maintenance of silo complex for storage of food grain
Others	Other reportable segment comprise of: (i) Testing and certification (ii) Commodity and weather intelligence (iii) Vehicle management services (iv) Business of design and development of, or otherwise to deal in design development, publishing and support applications software(s) used to conduct e-commerce, e-mail, instant messaging, online storefronts and shopping carts among others.

b) Information about reportable segments:

Particulars	31 March 2021	31 March 2020
1. **Segment revenue**		
a. Warehousing services	1,077.8	1,306.2
b. Trading of goods	3,275.8	6,826.0
c. Finance services	159.5	284.6
d. Silo's	102.8	49.7
e. Other services	477.1	431.1
Total	5,093.1	8,897.5
Less : Inter segment revenue	-	-
Revenue from operations	5,093.1	8,897.5
2. **Segment results**		
a. Warehousing services	(165.4)	201.4
b. Trading of goods	(26.2)	(33.2)
c. Finance services	59.0	36.6
d. Silo's	21.2	(367.0)
e. Other services	(24.9)	(28.0)
Total	**(136.3)**	**(190.2)**
Less: Finance costs	332.9	467.6
Other un-allocable expenditure net off un-allocable income	173.8	169.2
3. Loss before tax	**(643.0)**	**(827.0)**
Less: Tax expenses	(65.3)	(250.0)
4. Loss after tax	**(577.8)**	**(577.0)**
Segment assets		
a. Warehousing services	5,074.1	6,038.9
b. Trading of goods	494.1	998.5
c. Finance services	1,669.2	2,024.1
d. Silo's	4,928.8	3,590.9
e. Other services	889.4	942.3
f. Unallocated corporate	1,615.8	3,025.3
Total (A)	**14,671.5**	**16,620.1**
Segment liabilities		
a. Warehousing services	587.1	661.1
b. Trading of goods	123.7	176.7
c. Finance services	430.4	852.7
d. Silo's	1,027.7	656.0
e. Other services	171.7	79.3
f. Unallocated corporate	5,766.8	7,024.5
Total (B)	**8,107.5**	**9,450.4**
Total (A) – (B)	**6,564.0**	**7,169.7**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

c) Geographic information:

The Group primarily operates in domestic market ie in India , therefore disclosures relating to geographical segments is not applicable and accordingly not made.

d) Major customer :

Revenue from two major customers of the Group of the trading of goods segment represents approximately Rs. 1,188.3 million (23% of total revenue from operations) of the Group's total revenues for the year ended 31 March 2021.There is no major customer during the previous year ending 31st March 2020 which generate revenue more than 10%.

39 Related parties

In accordance with the requirements of Ind AS -24 " Related Party Disclosures" , following are the details of the transactions during the year with the related parties of the Group.

Name of the related party	Nature of relationship
Fairfax India Holdings Corporation	Ultimate Holding Company
FIH Mauritius Investments Limited	Intermediate Holding Company
Mr. Sanjay Kaul (Managing Director and CEO) (Till 23 September 2019)	Key management personnel
Mr. Sanjay Kaul (Non-executive Chairman) (w.e.f. 24 September 2019)	Key management personnel
Mr. Siraj A. Chaudhry (Managing Director and CEO) (w.e.f. 24 September 2019)	Key management personnel
Mr. Unupom Kausik (Director and President)	Key management personnel
Ms. Zohra Chatterji	Independent Director
Mr. Sunil Behari Mathur	Independent Director
Mr. Pravin Kumar Vohra	Independent Director
Fellow subsidiaries with whom transaction have taken place	
Quess Corp Limited	Fellow subsidiary
Thomas Cook (India) Limited	Fellow subsidiary

Transactions with controlling party:

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
FIH Mauritius Investments Limited	Issue of unsecured compulsory convertible debentures	-	1,002.7
FIH Mauritius Investments Limited	Interest expenses	84.3	43.4

Transactions with key management personnel :

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
Mr. Sanjay Kaul	Remuneration	-	10.3
	Employee stock compensation expense	-	(7.8)
	Post employment benefits	-	0.1
	Consultancy charges	-	10.4
Mr. Siraj A. Chaudhry	Remuneration	40.0	15.6
	Post employment benefits	2.5	1.3
Mr. Unupom Kausik	Remuneration	15.0	13.3
	Employee stock compensation expense	-	(7.7)
	Post employment benefits	3.0	3.5
Mr. Sunil Behari Mathur	Director sitting fees	0.3	0.3
Mr. Pravir Kumar	Director sitting fees	0.4	0.4
Ms. Zohra Chatterji	Director sitting fees	0.4	0.5

Transactions with fellow subsidiary :

Related party	Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
Quess Corp Limited	Outsourcing expenses	69.3	142.0

Related party	Balances Outstanding	As at 31 March 2021	As at 31 March 2020
FIH Mauritius Investments Limited	Unsecured compulsory convertible debentures	749.6	732.6
Thomas Cook Limited	Advance to supplier	-	0.2
Quess Corp Limited	Balance receivable	0.0	-

Terms and conditions of transactions with related parties

(i) The sale of service to related parties are made on terms equivalent to those that prevail in arm's length transactions. Interest rate at which loan is received from the related party is also at arm's length. Outstanding balances at the year end are unsecured, interest free and will be settled in cash.

(ii) In case of amount receivable from related parties assessment is undertaken at each financial year through examining the financial position of the related party, the market in which the related party operates and the accounting policy of the Company.

40 Disclosure on Ind-AS 116 Leases

Effective 1 April 2019, the Group has adopted Ind AS 116 'Leases', applied to all leases contracts existing on 1 April 2019 using the modified prospective method along with the transition option to recognise right-of-use asset (ROU) at an amount equal to the lease liability.

In consolidated statement of profit and loss, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance costs for interest accrued on lease liability.

The effect of depreciation and interest related to right of use asset and lease liability are reflected in the consolidated statement of profit and loss under the heading "finance costs" and "depreciation and amortisation expense" respectively under Note No 35 and 36.

Following are the changes in the carrying value of right of use assets :

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	68.4	81.6
Additions	145.7	-
Depreciation	(31.7)	(13.2)
Closing balance	**182.4**	**68.4**

The following is the break-up of current and non-current lease liabilities :

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liabilities - current	16.6	14.5
Lease liabilities - non-current	158.5	37.2
	175.1	**51.7**

The following is the movement in lease liabilities :

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	51.7	81.6
Additions during the year	145.7	-
Interest charged	15.2	3.0
Payments made	(37.5)	(32.9)
Closing balance	**175.1**	**51.7**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases / low value lease was Rs 175.8 million for the year ended 31 March 2021 (31 March 2020: Rs 315.6 million).
The Company has taken weighted average increamental borrowing rate of 9.5%

Leases as lessor
The Group leasing arrangements are in respect of operating leases for automatic weather stations for weather data provision and silo complex. Lease income from operating leases is recognised on systematic basis.

Operating lease revenue recognised in the consolidated statement of profit and loss for the year ended on 31 March 2021 aggregate to Rs. Nil (31 March 2020: Rs. 44.9 million).

Operating lease commitments - Income

	As at 31 March 2021	As at 31 March 2020
Not later than 1 year	103.1	-
Later than 1 year and not later than 5 years	3,323.2	3,244.9
Later than 5 years	45,003.6	37,708.4

Operating lease commitments - Expenses

	As at 31 March 2021	As at 31 March 2020
Non later than 1 year	16.6	14.5
Later than 1 year and not later than 5 years	70.1	27.4
Later than 5 years	88.3	9.7

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

41 Earnings per share

		For the year ended 31 March 2021	For the year ended 31 March 2020
Basic earnings per share			
Loss attributable to the equity share holders of the Group	(A)	(577.7)	(577.0)
Weighted-average number of equity shares outstanding during the year - basic	(B)	147,411,736	147,371,269
Basic earnings per share	(A)/(B)	**(3.9)**	**(3.9)**
Diluted earnings per share			
Weighted-average number of equity shares considered for basic earnings per share		147,411,736	147,371,269
Weighted-average number of employee stock options / compulsory convertible debenture for dilutive earning per share (Nos)	(C)	14,761,247	19,745,247
Weighted-average number of equity shares considered for diluted earnings per share (based on date of issue of shares) (Nos)	(D)=(B)+(C)	162,172,983	167,116,516
Loss for the year considered for diluted earning per share	(E)	**(522.8)**	**(548.8)**
Diluted earnings per share#	(E)/(D)	**(3.9)**	**(3.9)**

Since the diluted earning per share is anti-dilutive, dilutive earning per share is restricted to basic earning per share.

42 Income taxes

a) Amount recognised in the consolidated statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense :		
Current year	13.7	14.4
Provision for current tax of earlier years	1.3	-
	15.0	**14.4**
Deferred tax expense :		
Deferred tax credit	(80.3)	(264.4)
	(80.3)	**(264.4)**
Tax expenses for current year	**(65.3)**	**(250.0)**

b) Amount recognised in OCI

	For the year ended 31 March 2021 Tax credit	For the year ended 31 March 2020 Tax credit
Remeasurement (losses) on post employment defined benefit plan	(1.5)	1.5

c) Reconciliation of effective tax rate

	31 March 2021		31 March 2020	
	Percentage	Amount	Percentage	Amount
(Loss) before tax from continuing operations		(643.0)		(827.0)
Tax using the Group's domestic tax rate	34.94%	(224.7)	34.94%	(289.0)
Tax effect of:				
Tax claim/deduction	0.00%	-	10.70%	(88.5)
Tax adjustment on indexation of freehold land	15.16%	(97.5)	1.23%	(10.2)
Non-deductible expenses	0.00%	-	(22.44)%	185.6
Deferred tax asset recognised on carry forward losses	0.00%	-	7.65%	(63.2)
Deferred tax asset not recognised on current year loss and other items	(44.48)%	286.0	0.00%	-
Tax impact of lower tax rates in subsidiaries	1.38%	(8.8)	0.24%	(2.0)
Provision for current tax of earlier years	(0.21)%	1.3	0.00%	-
Others	3.37%	(21.6)	(2.08)%	17.2
		(65.3)		**(250.0)**

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

d) Movement in deferred tax balances

	Net balances at 1 April 2020	Recognised in the statement of profit and loss	Recognised in OCI	Net	Balance at 31 March 2021 Deferred tax asset	Deferred tax liabilities
Property, plant and equipment and intangible assets	(69.2)	(28.7)	-	(28.7)	-	(97.9)
Provision for standard assets	1.5	0.2		0.2	1.7	-
Tax adjustment on indexation of freehold land	91.3	97.5	-	97.5	188.8	-
MAT credit entitlement	98.7	-	-	-	98.7	-
Carry forward losses	91.3	-		-	91.3	-
Employee benefits	25.4	0.3	(1.5)	(1.2)	24.2	-
Trade and other receivables	117.4	43.1	-	43.1	160.5	-
Impairment of Assets	124.6	(26.0)	-	(26.0)	98.6	-
MTM valuation of inventory	0.0	8.4		8.4	8.4	-
Other items	(0.2)	(2.2)	-	(2.2)	-	(2.5)
Tax assets (liabilities) before set-off (A)	**480.8**	**92.6**	**(1.5)**	**91.1**	**672.2**	**(100.3)**
Set-off of deferred tax liabilities					(100.3)	
Net deferred tax assets					**571.9**	

	Net balances at 1 April 2020	Recognised in the statement of profit and loss	Recognised in OCI	Net	Balance at 31 March 2021 Deferred tax liabilities	Deferred tax assets
Other items	9.6	12.3	-	12.3	21.9	-
Tax liabilities (B)	**9.6**	**12.3**	**-**	**12.3**	**21.9**	**-**
Net deferred tax liabilities					**21.9**	
Net recognised (A-B)		**80.3**	**(1.5)**			

	Net balances at 1 April 2019	Recognised in the statement of profit and loss	Recognised in OCI	Net	Balance at 31 March 2020 Deferred tax asset	Deferred tax liabilities
Property, plant and equipment and intangible assets	(35.4)	(33.8)	-	(33.8)	-	(69.2)
Provision for standard assets	2.4	(0.9)		(0.9)	1.5	-
Tax adjustment on indexation of freehold land	81.1	10.2	-	10.2	91.3	-
MAT credit entitlement	98.7	-	-	-	98.7	-
Carry forward losses	28.1	63.2		63.2	91.3	-
Employee benefits	21.1	2.8	1.5	4.3	25.4	-
Trade and other receivables	92.1	25.3	-	25.3	117.4	-
Tax claim/deduction carried forward	-	124.6	-	124.6	124.6	-
MTM valuation of inventory	(65.9)	65.9		65.9	0.0	-
Other items	(13.4)	13.2	-	13.2	-	(0.2)
Tax assets (liabilities) before set-off (A)	**208.8**	**270.5**	**1.5**	**272.0**	**550.2**	**(69.4)**
Set-off of deferred tax liabilities					(69.4)	
Net deferred tax assets					**480.8**	

	Net balances at 1 April 2019	Recognised in the statement of profit and loss	Recognised in OCI	Net	Balance at 31 March 2020 Deferred tax liabilities	Deferred tax assets
Other items	3.6	6.0	-	6.0	9.6	-
Tax liabilities (B)	**3.6**	**6.0**	**-**	**6.0**	**9.6**	**-**
Net deferred tax liabilities					**9.6**	
Net recognised (A-B)		**264.5**	**1.5**			

(Currency : Indian Rupees in Million)

e) Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items, in absence of convincing evidence that future taxable profits will be available against which the Group can use the benefits therefrom.

For the year ended 31 March 2021	Within 1 year	Greater than one year and less than five year	Greater than five year	No expiry date	Total
Unutilized business loss specified business	-	-	-	85.9	85.9
Unutilized business loss other than specified business	-	-	299.4	-	299.4

For the year ended 31 March 2020	Within 1 year	Greater than one year and less than five year	Greater than five year	No expiry date	Total
Unutilized business loss specified business	-	-	74.3	-	74.3

(f) The Group has elected not to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has continued to measure tax expenses for the year ended 31 March 2021 based on the old rates. Six subsidiary companies of the Group has elected to exercise to option permitted under section 115BAA of the Income Tax Act - 1961.

43 Contingent liabilities and commitments

a) Contingent liabilities

	31 March 2021	31 March 2020
(a) Claims against the Group not acknowledged as debts		
(i) Claim made by a party in respect of disposal activity undertaken by the Group	18.5	23.8
(ii) Claims made by certain parties in respect of warehousing services provided	128.5	413.3
(iii) Claim made by authority in respect of concession agreement	-	97.2
(b) Bank guarantees	194.5	1.1
(c) Other money for which the Group is contingently liable:		
(i) Orissa VAT liability	4.6	-
(ii) Income tax liability	-	0.6
	346.1	**536.0**

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Group's results of operations or financial condition.

b) Commitments

	31 March 2021	31 March 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	982.3	1,081.8
(ii) Loans sanctioned but not disbursed (awaiting completion of documentation formalities by borrower)	320.0	1,095.6
(iii) Undrawn credit limits/Sanction amount by the borrowers	744.4	2,120.7
	2,046.7	**4,298.1**

c) The Holding Company was engaged as an agency of FCI for procurement of paddy and wheat during Kharif Marketing Season 2007-08 and Rabi Marketing Season 2008-09 in the states of Odisha, MP and Bihar. Procurement dues have been paid as per the provisional costing sheet issued by Government of India, except the last part of invoices in respect of which the outstanding amount as on 31 March 2021: Rs nil (31 March 2020: Rs. 128.9 million).

44 Financial instruments

The carrying value and fair value of financial instruments by categories as of 31 March 2021 and 31 March 2020 were as follows:

	31 March 2021		
	Amortised cost	**Total carrying value**	**Total fair value**
Financial assets:			
Trade receivables (refer note 12)	828.5	828.5	828.5
Cash and cash equivalents (refer note 13)	584.1	584.1	584.1
Bank balances other than cash and cash equivalents (refer note 14)	829.4	829.4	829.4
Loans (refer note 7 and 15)	1,072.1	1,072.1	1,072.1
Other financial assets (refer note 8 & 16)	901.9	901.9	901.9
	4,216.0	**4,216.0**	**4,216.0**
Financial liabilities:			
Borrowings (refer note 20 ,25, 27)	6,630.9	6,630.9	6,630.9
Lease Liabilities	175.1	175.1	175.1
Trade payables (refer note 26)	221.2	221.2	221.2
Other financial liabilities (refer note 27)	361.4	361.4	361.4
	7,388.6	**7,388.6**	**7,388.6**

	31 March 2020		
	Amortised Cost	**Total carrying value**	**Total fair value**
Financial assets:			
Trade receivables (refer note 12)	946.7	946.7	946.7
Cash and cash equivalents (refer note 13)	116.5	116.5	116.5
Bank balances other than cash and cash equivalents (refer note 14)	2,910.1	2,910.1	2,910.1
Loans (refer note 7 and 15)	1,685.8	1,685.8	1,685.8
Other financial assets (refer note 8 and 16)	1,035.3	1,035.3	1,035.3
	6,694.4	**6,694.4**	**6,694.4**
Financial liabilities:			
Borrowings (refer note 20 ,25, 27)	8,058.9	8,058.9	8,058.9
Lease Liabilities	51.8	51.8	51.8
Trade payables (refer note 26)	232.2	232.2	232.2
Other financial liabilities (refer note 27)	327.1	327.1	327.1
	8,670.0	**8,670.0**	**8,670.0**

b) Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The management assessed that the fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. The fair value of Group's fixed interest-bearing loans that approximate to their carrying amounts as it is based on discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

3. All the other long-term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

(Currency : Indian Rupees in Million)

45 Fair values and measurement principles

a) Assets and liabilities carried at fair values :

The following table shows the fair values of assets, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Group's use of quoted market prices (Level 1), valuation models using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities and contracts by type of issuer was as follows:

	31 March 2021			31 March 2020		
	Quoted price (Level 1)	Other observable input (Level 2)	Significant unobservable input (Level 3)	Quoted price (Level 1)	Other observable input (Level 2)	Significant unobservable input (Level 3)
Non-financial assets						
Inventories	-	-	-	52.1	-	-

b) Measurement of fair values

Valuation techniques and significant unobservable inputs :

Particular	Valuation technique	Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Inventory	The fair values are based on the market price of commodities of similar weight and market values.	Quoted market prices	Not applicable.

c) Transfers between Levels 1 and 2

There were no transfers in either direction for year ended 31 March 2021 and 31 March 2020.

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National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

47 Employee share-based payment plans

a) Description of share-based payment arrangements:

As at 31 March 2021, the Holding Company has the following share-based payment arrangements for employees.

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
MD and CEO	100,000	- Continued employment with the group - Performance parameters and appraisal set by Board	4 years
Deputy CEO	150,000	- Continued employment with the group - Performance parameters and appraisal set by Board	4 years
Senior employees	460,000	- Continued employment with the group - Performance parameters and appraisal set by Board	4 years

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
MD and CEO	735,000	- Continued employment with the group Attainment of certain financial parameters as set out by the Board	5 years
Deputy CEO	605,000	- Continued employment with the group Attainment of certain financial parameters as set out by the Board	5 years
Senior employees	4,150,000	- Continued employment with the group Attainment of certain financial parameters as set out by the Board	5 years

b) Measurement of fair value :

The fair value of the employee share options granted during the year was determined using the Black-Scholes-Merton formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plan were as follows:

Particular	NCML 2016 Employee Stock Option Scheme		NCML 2014 Employee Stock Option Scheme	
	Option - 4	Option - 3	Option -2	Option -1
Fair value of the option at grant date	INR 27.31	INR 29.18	INR 67.12	INR 52.13
Share price at grant date	INR 82.01	INR 86.71	INR 85.74	INR 75.81
Exercise price	INR 78.00	INR 76.98	INR 33.45	INR 23.68
Expected volatility (weighted average)	0.79	0.76	1.00	1.00
Expected life (weighted average)	5 years	5 years	2.67 years	4 years
Expected dividend	Nil	Nil	Nil	Nil
Risk-free interest rate (based on government bond)	6.66% p.a.	6.82% p.a.	7.79% p.a.	7.79% p.a.

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

Particular	Weighted average exercise price	1 April 2020 No. of options (Nos)	Movement from 1 April 2020 to 31 March 2021					
			Granted	Forfeited	Converted	Exercised	Cash settled	Outstanding as on 31 March 2021
ESOP 2014	23.68	324,000	-	-	-	-	309,000	15,000
ESOP 2014	33.45	150,000	-	-	-	-	150,000	-
ESOP 2016	76.98	4,075,000	-	4,075,000	-	-	-	-
ESOP 2016	99.28	500,000	-	500,000	-	-	-	-
Total		**5,049,000**	**-**	**4,575,000**	**-**	**-**	**459,000**	**15,000**

(Currency : Indian Rupees in Million)

Particular		1 April 2019	Movement from 1 April 2019 to 31 March 2020					
	Weighted average exercise price	No. of options (Nos)	Granted	Forfeited	Converted	Exercised	Cash settled	Outstanding as on 31 March 2020
ESOP 2014	23.68	560,000	42,000	12,000	-	-	182,000	324,000
ESOP 2014	33.45	150,000	-	-	-	-	-	150,000
ESOP 2016	76.98	4,990,000	-	915,000	-		-	4,075,000
ESOP 2016	99.28	500,000	-	-	-		-	500,000
Total		**6,200,000**	**42,000**	**927,000**	**-**	**-**	**182,000**	**5,049,000**

The options outstanding at 31 March 2021 have an exercise price and a weighted average contractual life as given below:

	31 March 2021			31 March 2020		
	No. of options	Exercise price	Weighted average remaining life	No. of options	Exercise price	Weighted average remaining life
NCML 2014 ESOP	15,000	23.68	-	324,000	23.68	-
NCML 2014 ESOP	-	-	-	150,000	33.45	-
NCML 2016 ESOP	-	-	-	3,570,000	76.98	1.35 years
NCML 2016 ESOP	-	-	-	505,000	78.00	2.30 years
NCML 2016 ESOP	-	-	-	500,000	99.28	3.75 years

d) Expense recognised in the consolidated statement of profit and loss:

	For the year ended 31 March 2021	For the year ended 31 March 2020
NCML 2014 ESOP	-	(12.2)
NCML 2016 ESOP	(13.3)	(41.4)
Total expense recognised in 'employee benefits expenses'	**(13.0)**	**(46.6)**

48 Government grants

	31 March 2021	31 March 2020
At the beginning of the year	158.0	115.5
Received during the year	17.2	48.3
Refunded during the year	(11.1)	-
Released to the statement of profit and loss	(8.7)	(5.8)
At the end of the year	**155.4**	**158.0**
Current	4.6	2.7
Non-current	150.8	155.3
	155.4	**158.0**

Government grants have been received for the construction of warehouse and purchase of laboratory equipment. The Group has received subsidy in advance for construction of warehouse. There are no unfulfilled conditions and other contingencies attaching to government grant that has been recognised.

49 Disclosure pursuant to Ind AS 19 - 'Employee benefits'

A Contribution to provident fund and ESIC

Amount of Rs. 23.3 million (31 March 2020: Rs. 25.4 million) is recognised as expenses in the consolidated statement of profit and loss and included in 'Employee benefits expense'.

B Defined benefit plan and other long-term employment benefit

Gratuity (Defined benefit plan)

Gratuity is payable to all the eligible employees of the Group on leaving / retirement from services, death and permanent disablement, in terms of provision of the Payment of Gratuity Act, 1972.
The Group has defined benefit gratuity plan administered through Company gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

		Gratuity	
		31 March 2021	**31 March 2020**
A	Change in present value of the obligation		
	1. Obligation at the beginning of the year	**52.4**	**50.9**
	2. Current service	14.2	11.1
	3. Interest cost	3.1	3.2
	4. Benefits paid	(12.8)	(17.1)
	5. Actuarial (gain)/loss on obligation	(3.5)	4.3
	6. Obligation at the end of the year	**53.4**	**52.4**
B	Change in fair value of plan assets		
	1. Fair value of plan assets at the beginning of the year	**24.7**	**34.2**
	2. Adjustment to opening fair value of plan assets	0.1	1.8
	3. Expected return on plan assets	1.4	2.2
	4. Contributions	5.8	4.0
	5. Benefits paid	(12.8)	(17.1)
	6. Actuarial gain / (loss) on plan assets	1.6	(0.4)
	7. Fair value of plan assets at the end of the year	**20.8**	**24.7**
C	Expense recognised in the statement of profit and loss for the year		
	1. Current service	14.2	11.1
	2. Interest cost	3.1	3.2
	3. Expected return on plan assets	(1.5)	(0.5)
	4. Total expense	**15.8**	**13.9**
D	Expense recognised in the statement of other comprehensive income		
	1. Actuarial loss	(3.5)	3.9
	2. Return on plan assets excluding interest income	5.4	5.4
		5.2	**(4.6)**
E	Net (liability) recognised in the balance sheet		
	1. Present value of the obligation	52.4	52.1
	2. Fair value of plan assets	19.8	24.7
	3. Funded status deficit	32.6	27.4
	4. Net (liability) recognised in the balance sheet.	**(32.6)**	**(27.4)**
F	Actual return on plan assets		
	1. Expected return on plan assets	1.4	2.2
	2. Actuarial gain/ (loss) on plan assets	1.6	(0.5)
	3. Actual return on plan assets	**3.0**	**1.7**

Sensitivity Analysis	**DR Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
Present Value of Obligations (PVO)	47.2	58.4	58.4	47.1

Expected payout

Year	**Year-1**	**Year-2**	**Year-3**	**Year-4**	**Year-5**	**Year-6 to 10**
PVO payouts	3.2	1.3	1.1	6.1	2.6	13.5

Demographic and other assumption used in determining gratuity and compensated absence		**31 March 2021**	**31 March 2020**
Weighted average duration of the defined benefit obligation		17.19	17.45
Retirement Age		58 years	58 years
Employee Attrition Rate	Upto Age 35	3%	3%
	36 to 45	2%	2%
	46 and above	1%	1%
Rate of increase in compensation		5.00%	5.00%
Mortality rate		IALM (2012-14) Ult.	IALM (2006-08) Ult.
Expected return on plan assets		6.79%	6.80%
Discount rate		6.79%	6.80%

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

Compensated absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date. Amount of Rs. (0.1) million (31 March 2020: Rs. 16.9 million) has been recognised in the statement of profit and loss on account of provision for employment benefit.

Short-term compensated absences

Provision for short-term compensated absences is made for privilege leave and sick leave outstanding at the year end which can be availed within 12 months from the end of the year. Amount of Rs. 2.7 million (31 March 2020: Rs. 2.3 million) has been recognised in the statement of profit and loss on account of provision for compensated absence for leave balances.

50 Capital management

The Group manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021. The Group calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios is as follows:

	31 March 2021	31 March 2020
Total financial liabilities (Refer note 20,25,26, 27)	7,388.5	8,669.9
Less: cash and bank balances (Refer note 13, 14 and 8)	1,842.4	3,364.4
Adjusted net debt	**5,546.0**	**5,305.5**
Total equity (Refer note 19.1 and 19.2)	6,564.0	7,169.6
Less: Other components of equity (ESOP outstanding)	0.3	31.8
Adjusted equity	**6,563.8**	**7,137.8**
Adjusted net debt to adjusted equity ratio (times)	**0.8**	**0.7**

Non-compliances of loan covenants are considered not material as waiver has been obtained by the Company from debenture trustee through a letter dated 12 July 2021.

51 Payment to auditors (exclusive of goods and service tax)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	3.8	5.9
Tax audit fees	0.5	0.4
Other matters	0.8	0.7
Out of pocket expenses	1.3	0.3
Total	**6.4**	**7.3**

52 Provision for litigations

Provision for contingencies is primarily on account of various provisions towards the outstanding claims / litigations against the Group, which are expected to be utilised on closure of the litigations. The Group has paid certain amounts under dispute against these claims / litigations.

The following table set forth the movement in the provision for litigations :

Description	As at 1 April 2020	Additions during the year	Utlisaition during the year	As at 31 March 2021
Provision for litigation	279.2	-	13.7	265.5

Description	As at 1 April 2020	Additions during the year	Utlisaition during the year	As at 31 March 2021
Provision for litigation	411.5	3.7	136.0	279.2

(Currency : Indian Rupees in Million)

53 Corporate social responsibility expenses

During the year, the Group has spent Rs 3.9 million (31 March 2020: Rs 2.2 million) towards corporate social responsibility.

(a) Gross amount required to be spent by the Group during the year ended 31 March 2021 Rs. nil (31 March 2020: Rs. 7.6 million)

(b) Amount spent during the year :

	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-		**-**
(ii) On purposes other than (i) above	3.7	0.2	**3.9**

54 Dues to micro, small and medium enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise. On the basis of the information and records available with the Management, the creditors of the Group are not registered under the Micro Small and Medium Enterprises Development Act, 2006.

Particulars	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the year end	9.0	9.1
Interest due thereon	-	-
Amount of interest paid by the Group in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	9.0	9.1
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

55 Disclosure under Ind AS -115

(a) The Group through its pan-India presence, in owned, leased as well as field warehouses, provides commodity handling and risk management services to clients across the country. The Group is geared to handle operations encompassing the sale, purchase, trading, storage and movement of commodities and inventories.

(b) Disaggregation of revenue from contracts with customers

The Group believes that the information provided under Note 30, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

(c) Reconciliation of contract assets and liabilities:

	31 March 2021	31 March 2020
Unbilled revenue (contract assets)		
At the beginning of the reporting year	37.6	2.4
At the end of the reporting year	172.6	37.6
Net increase	**135.0**	**35.2**
Advance from customers (contract liability)		
At the beginning of the reporting year	207.9	751.3
Revenue recognised during the year	3,275.8	6,826.0
Progress billings made towards contracts-in-progress	(3,341.1)	(7,369.4)
At the end of the reporting year	**142.6**	**207.9**

(d) There are no adjustments to revenue accordingly, no disclosure is made under paragraph 126AA of Ind AS-115.

(e) Performance obligations

The Group is engaged in the business of warehousing services to manage risks across various stages of commodity, providing commodity handling and risk management services to customers across the country. The Group is also into the business of sale, purchase, trading, financing, storage and movement of commodities and inventories.
Income from financing activities (i.e loans advanced) is recognised on accrual basis, except in case of income on non performing assets, which is recognised on receipt basis
Revenue is recognised at a point in time upon satisfaction of the performance obligations which is typically upon rendering of services based on the contractual terms with the customers and sale of goods upon transfer of control of goods.

(f) Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for trading of goods contracts that have original expected duration of one year or less.

56 Utilisation of proceeds from the issue of Non Convertible Debentures

During the year ended 31 March 2020, the Company has issued Rs 3,200 million debentures which was listed on the stock exchange, BSE Limited on 27 March 2020. Below is the table depicting the utilisation of the proceeds from issue of debentures :

Particulars	31 March 2021	31 March 2020
Opening balance	1,800.0	-
Amount of money raised	-	3,200.0
Less: Utlisation towards to refinance of long term loans	-	570.0
Less: to on-lend or contribute by way of shareholder capital, the proceeds to the subsidiaries to finance the construction of new silos for the storage and preservation of agricultural commodities	1,800.0	830.0
Amount pending to be utilised - parked in escrow account	-	1,800.0

57 Disclosure under Appendix - C & D to Ind AS 115 - " Service Concession Arrangements"

On 15 January 2018, the NCML KB Private Limited has entered into an agreement with Food Corporation of India(FCI) for development of food grain silos at Kaimur and Buxar, in the state of Bihar under Design, Build, Finance, Operate and Transfer (DBFOT) model) , for a period of thirty years.

These arrangements include constructing the silo complex to be used for the entire concession period and consequently, qualify for service concession accounting as per appendix C of IND AS 115 - Revenue from contracts with customers. Following are the key terms and conditions of the Service Concession arrangement.

(a) The NCML KB Private Limited has to develop food grain silos at Kaimur and Buxar in the state of Bihar under Design, Build, Finance, Operate and Transfer (DBFOT) model) as required by the concession agreement.
(b) As per the agreement, the authority FCI will provide the land to the NCML KB Private Limited for constructing the silo complex on DBFOT basis. The authority will give grant of Rs 76.5 million to the Concessioner as a equity support.
(c) On the expiry of the agreement all the concession assets at the project site has to be handover to the authority.
Start of Concession period: Commercial operation date (COD)
End of concession period: 30 Years from the commercial operation date (COD)

(b) Disaggregation of revenue from contracts with customers

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Construction revenue	90.1	42.7
Interest Income	12.7	7.0
Service concession revenue	**102.8**	**49.7**
Construction cost	78.5	35.6

58 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statement:

Name of the entity	31 March 2021 Net assets		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	Proportionate share	Amount	Proportionate share	Amount	Proportionate share	Amount	Proportionate share	Amount
National Collateral Management Services Limited	79.08%	6,489.8	107.60%	(609.9)	65.67%	2.5	107.84%	(607.3)
NCML Finance Private Limited	14.79%	1,213.7	(7.65)%	43.4	16.32%	0.6	(7.81)%	44.0
NCML Mktyard Private Limited	(0.02)%	(1.7)	2.37%	(13.4)	15.34%	0.6	2.28%	(12.8)
NCML Agribusiness Consultants Private Limited	0.06%	5.0	(0.21)%	1.2	0.00%	-	(0.21)%	1.2
NCML Basti Private Limited	0.92%	75.5	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
NCML Varanasi Private Limited	(0.10)%	(8.4)	(0.13)%	0.8	0.00%	-	0.00%	0.8
NCML Faizabad Private Limited	0.83%	67.8	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
NCML Batala Private Limited	1.43%	117.5	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
NCML Chhehreatta Private Limited	1.43%	117.2	0.04%	(0.3)	0.00%	-	0.00%	(0.3)
NCML Deoria Private Limited	0.46%	37.8	0.04%	(0.2)	0.00%	-	0.00%	(0.2)

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

Name of the entity	31 March 2021 Net assets		Share in Profit/(loss)		Share in other comprehensive		Share in total	
	Proportionate share	Amount	Proportionate share	Amount	Proportionate share	Amount	Proportionate share	Amount
NCML Palwal Private Limited	(0.94)%	(77.0)	(0.18)%	1.0	0.00%	-	0.00%	1.0
NCML Bettiah Private Limited	(0.70)%	(57.5)	(0.17)%	1.0	0.00%	-	0.00%	1.0
NCML Bhattu Private Limited	0.70%	57.7	0.08%	(0.4)	0.00%	-	0.00%	(0.4)
NCML Jalalabad Private Limited	0.46%	38.0	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
NCML Sonepat Private Limited	1.30%	107.0	0.11%	(0.6)	0.00%	-	0.00%	(0.6)
NCML KB Private Limited	0.28%	22.8	(2.10)%	11.9	0.00%	-	0.00%	11.9
NCML Motihari Private Limited	0.00%	0.3	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
NCML Madhepura Private Limited	0.00%	0.3	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
NCML Saran Private Limited	0.00%	0.3	0.04%	(0.2)	0.00%	-	0.00%	(0.2)
Total	**100%**	**8,206.1**	**100%**	**(566.8)**	**97%**	**3.7**	**100%**	**(563.2)**
Adjustment arising out of consolidation		(1,642.1)		(10.8)		-		(10.9)
		6,564.0		**(577.7)**		**3.7**		**(574.0)**

Name of the entity	31 March 2020 Net assets		Share in Profit/(loss)		Share in other comprehensive		Share in total	
	Proportionate share	Amount	Proportionate share	Amount	Proportionate share	Amount	Proportionate share	Amount
National Collateral Management Services Limited	81.09%	7,128.7	66.06%	(596.8)	97.75%	(3.0)	66.16%	(599.8)
NCML Finance Private Limited	13.33%	1,171.5	(5.41)%	48.9	0.00%	-	(5.39)%	48.9
NCML Mktyard Private Limited	0.13%	11.1	2.73%	(24.7)	2.25%	(0.1)	2.74%	(24.8)
NCML Agribusiness Consultants Private Limited	0.04%	3.8	(0.09)%	0.8	0.00%	-	(0.09)%	0.8
NCML Basti Private Limited	0.86%	75.7	0.31%	(2.8)	0.00%	-	0.31%	(2.8)
NCML Varanasi Private Limited	(0.11)%	(9.4)	12.01%	(108.5)	0.00%	-	11.97%	(108.5)
NCML Faizabad Private Limited	0.77%	68.1	0.06%	(0.6)	0.00%	-	0.06%	(0.6)
NCML Batala Private Limited	1.34%	117.7	0.06%	(0.6)	0.00%	-	0.06%	(0.6)
NCML Chhehreatta Private Limited	1.34%	117.5	0.07%	(0.6)	0.00%	-	0.07%	(0.6)
NCML Deoria Private Limited	0.43%	38.0	0.07%	(0.7)	0.00%	-	0.07%	(0.7)
NCML Palwal Private Limited	(0.89)%	(78.0)	12.86%	(116.2)	0.00%	-	12.82%	(116.2)
NCML Bettiah Private Limited	(0.67)%	(58.5)	10.71%	(96.8)	0.00%	-	10.67%	(96.8)
NCML Bhattu Private Limited	0.66%	58.1	0.07%	(0.7)	0.00%	-	0.07%	(0.7)
NCML Jalalabad Private Limited	0.43%	38.2	0.06%	(0.6)	0.00%	-	0.06%	(0.6)
NCML Sonepat Private Limited	1.22%	107.6	0.08%	(0.7)	0.00%	-	0.08%	(0.7)
NCML KB Private Limited	(0.01)%	(0.8)	0.15%	(1.3)	0.00%	-	0.15%	(1.3)
NCML Motihari Private Limited	0.01%	0.5	0.06%	(0.5)	0.00%	-	0.06%	(0.5)
NCML Madhepura Private Limited	0.01%	0.5	0.05%	(0.5)	0.00%	-	0.05%	(0.5)
NCML Saran Private Limited	0.01%	0.5	0.05%	(0.5)	0.00%	-	0.05%	(0.5)
Total	**100%**	**8,790.8**	**100%**	**(903.4)**	**100%**	**(3.1)**	**100%**	**(906.5)**
Adjustment arising out of consolidation		(1,621.2)		326.4		-		326.4
		7,169.6		**(577.0)**		**(3.1)**		**(580.1)**

59 Estimation of uncertainties relating to the global health pandemic from COVID-19

(a) Pertaining to the Group excluding NCML Finance Private Limited

In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. Complying with the directives of Government, the warehouses, silos and offices of the Group had been under lock-down with certain exemptions related to agricultural commodities, resulting thereto, the operations for the year have been impacted.

However, the recent second wave of Covid-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the Group's operations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Group does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation.

(b) Pertaining to NCML Finance Private Limited

The Covid-19 pandemic has continued to cause a significant disruption of the economic activities across the globe including India throughout the year, with second wave of the pandemic emerging towards the later part of the financial year in India. The Government of India announced a nation-wide lockdown to contain the spread of the virus which continued till May 31,2020. Subsequently, various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact subsidiary's operations including lending and collection activities. Further, pursuant to the Reserve Bank of India ('RBI') Covid-19 Regulatory package issued vide circulars dated 27 March 2020 and 23 May 2020 which allowed lending institutions to offer moratorium to borrowers on payment of installments falling due between 1 May 2020 and 31 August 2020, and subsequently the subsidiary has offered a moratorium to its eligible borrowers until 31 August 2020.

The impact of the ongoing pandemic on the subsidiary's operations, with respect to future disbursements, collections etc, and financial standpoint will depend on future developments which involves a high degree of incertitude, inter alia, severity of the COVID-19 pandemic. The subsidiary's management has evaluated the recoverability and realisability of the loans and other financial assets based on the information available at this point of time. These estimates made by the subsidiary's management may significantly change due to uncertainties caused by pandemic. The subsidiary believes that it has considered all the possible impact of the known events arising out of COVID 19 pandemic in the preparation of financial statements. However, the impact assessment of COVID-19 is an ongoing process and the subsidiary will continue to monitor any material changes in the future conditions. The subsidiary has sufficient liquid funds which is adequate for the subsidiary to be able to sustain in the foreseeable future.

The subsidiary continues to closely monitor the implications of the second wave of COVID-19 on its operations and financial statements, which are dependent on emerging uncertain developments. In light of the COVID-19 outbreak and the information available upto the date of approval of these financial statements, the subsidiary has assessed the impact of COVID-19 and the subsequent lock-down announced by the Government, on its operations and its financial statements.

60 During the previous year, the management of the Group has decided not to pursue Silo Projects in three of its subsidiaries for Food Corporation of India (FCI) due to issues such as land acquisition and delay in obtaining requisite approvals, permits, etc. Accordingly, the loss on surrender of such concession agreements with FCI aggregating Rs 323.9 million has been charged to the Consolidated Statement of Profit and Loss.

61 A fraud has been committed on the Holding Company by one of our former employee in relation to misappropriation of money which resulted in losses amounting to Rs. 12.2 million (Rs. 3.07 million pertaining to current year) during the period January 2017 to March 2021. The management had appointed a law firm to conduct a detailed analysis on this matter along with the gap findings. The management is in the process of implementing the gaps reported by the law firm.

62 Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Group is required to use certain specific methods in computing arm's length price of transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Group has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertake during the financial year are on an "arm's length basis". The Group is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

63 The Holding Company has changed its name to "National Commodities Management Services Limited" from National Collateral Management Services Limited w.e.f 1 June 2021.

64 Restatement of financial statements

(i) Restatement related to NCML KB Private Limited

In NCML KB Private Limited, wholly owned subsidiary of NCML, restatement is carried out by the management in the current financial year, in accordance with the principles of Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" on account of adjustments pertaining to Service concession arrangements as per "Ind AS 115- Revenue from contracts with customers".

According to the principles laid down in Ind AS 115 for accounting of service concession arrangements, being the subsidiary company operates on DBFOT model, cost incurred over the project should have been recognised as non-current financial assets, instead of intangible under development as the subsidiary company has unconditional right to receive cash directly from the grantor (Food corporation of India) and not merely a right (license) to collect cash from the user of the public service. Moreover, payment from the grantor is not contingent upon the usage by the public and hence should not be classified as intangible under development.

The subsidiary company has assessed the same as an accounting error made in the comparative period. The same has been corrected in the year end 31 March 2021 and has been presented in line with IND AS 8. Since, the impact of reclassification / restatement is not material for consolidated financial statements, third balance sheet presentation is not required.

(ii) During the year ended 31 March 2021, the Group reclassified/regrouped certain previous year's balances.

National Commodities Management Services Limited
(formerly known as National Collateral Management Services Limited)
CIN : U74140MH2004PLC148859
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(Currency : Indian Rupees in Million)

The impact of restatement and reclassification is as follows:

Particulars	31 March 2020	Restatement	Reclassification	1 April 2020
Assets				
Non current assets				
Intangibles under development	87.1	(86.2)	-	0.9
Non- current financial assets	346.5	110.4	-	456.9
Other non current assets	220.1	-	6.0	226.1
Current assets				
Loans	1,329.4	-	(12.8)	1,316.6
Other financial assets	693.3	-	(115.0)	578.3
Other current assets	140.2	-	(43.0)	97.2
Liabilities				
Equity				
Other equity*	5,682.9	12.6	-	5,695.5
Non current liabilities				
Borrowings	4,514.9	-	9.0	4,523.9
Deferred tax liabilities	-	9.6	-	9.6
Current liabilities				
Trade payables				
a. Total outstanding dues of micro and small enterprises	-	-	9.1	9.1
b. Total outstanding dues of creditors other than micro and small enterprises	268.3	-	(45.2)	223.1
Other financial liabilities	573.1	-	(9.0)	564.1
Current liabilities				
Provisions	444.0	1.9	(127.8)	318.1

* Including Rs 4.7 million pertaining to 31 March 2019.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
National Commodities Management Services Limited

Tarun Gupta
Partner
Membership No: 507892

Siraj A. Chaudhry
Managing Director & CEO
DIN: 00161853

Zohra Chatterji
Independent Director
DIN: 01382511

Place: Gurugram
Date: 16 August 2021

Anuj Kumar Vasdev
Chief Financial Officer
Membership No: 094898

Rupinder Kaur
Company Secretary
Membership No: A28733

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(In Rs.)

S. No.	**1**	**2**	**3**	**4**
Name of the Subsidiary	**NCML Basti Private Limited**	**NCML Batala Private Limited**	**NCML Bettiah Private Limited**	**NCML Finance Private Limited**
The date since when subsidiary was acquired	19/01/2017	18/01/2017	01/02/2017	12/02/2016
Reporting period for the subsidiary concerned	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
Reporting currency	Rupees	Rupees	Rupees	Rupees
Share capital	8,00,00,000	12,00,00,000	4,00,00,000	904,545,290
Reserves and surplus	-44,71,583.1	-25,04,152.4	-9,75,34,066.4	314,180,518
Total assets	36,55,55,615.4	73,84,22,013.9	4,60,534.5	1,673,102,966
Total Liabilities	36,55,55,615.4	73,84,22,013.9	4,60,534.5	1,673,102,966
Investments	Nil	Nil	Nil	NIL
Turnover	Nil	Nil	11,79,762.9	188,781,035
Profit/Loss before tax	-2,21,135	-2,00,426.4	9,22,941.2	58,444,700
Provision for taxation	Nil	Nil	Nil	16,458,080
Profit/Loss after tax	--2,21,135	-2,00,426.4	9,22,941.2	41,986,620
Proposed Dividend	Nil	Nil	Nil	NIL
Percentage of shareholding	100%	100%	100%	99.99%

Part A Subsidiaries (Contd.)

(In Rs.)

S.No.	5	6	7	8
Name of the Subsidiary	**NCML Bhattu Private Limited**	**NCML Chhehreatta Private Limited**	**NCML Deoria Private Limited**	**NCML Faizabad Private Limited**
The date since when subsidiary was acquired	20/01/2017	18/01/2017	20/01/2017	18/01/2017
Reporting period for the subsidiary concerned	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
Reporting currency	Rupees	Rupees	Rupees	Rupees
Share capital	6,00,00,000	12,00,00,000	4,00,00,000	7,00,00,000
Reserves and surplus	-22,53,119.4	27,67,306.2	-22,41,311.5	-21,72,721
Total assets	83,88,35,736.8	68,47,62,533.3	23,90,61,113.1	34,31,17,290.5
Total Liabilities	83,88,35,736.8	68,47,62,533.3	23,90,61,113.1	34,31,17,290.5
Investments	Nil	Nil	Nil	Nil
Turnover	Nil	Nil	Nil	Nil
Profit/Loss before tax	-3,60,628.5	-2,37,692.8	-2,31,673.5	-2,37,131
Provision for taxation	Nil	Nil	Nil	Nil
Profit/Loss after tax	-3,60,629.1	-2,37,692.8	-2,31,673.5	-2,37,131
Proposed Dividend	Nil	Nil	Nil	Nil
Percentage of shareholding	100%	100%	100%	100%

Part A Subsidiaries (Contd.)

(In Rs.)

S.No.	9	10	11	12
Name of the Subsidiary	**NCML Jalalabad Private Limited**	**NCML Palwal Private Limited**	**NML KB Private Limited**	**NCML Sonepat Private Limited**
The date since when subsidiary was acquired	20/01/2017	20/01/2017	28/09/2017	24/01/2017
Reporting period for the subsidiary concerned	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
Reporting currency	Rupees	Rupees	Rupees	Rupees
Share capital	4,00,00,000	4,00,00,000	10,00,000	11,00,00,000
Reserves and surplus	-20,24,711	-11,69,69,720.6	2,26,98,000	-30,30,302.6
Total assets	22,61,51,851.5	11,20,57,741	33,21,98,519	86,00,18,561.8
Total Liabilities	22,61,51,851.5	11,20,57,741	33,21,98,519	86,00,18,561.8
Investments	Nil	Nil	Nil	Nil
Turnover	Nil	13,82,371	10,28,20,000	Nil
Profit/Loss before tax	-2,16,086	-10,13,690.9	2,41,10,000	-6,11,778.6
Provision for taxation	Nil	Nil	1,22,40,000	Nil
Profit/Loss after tax	-2,16,086	-10,13,690.9	1,18,70,000	-6,11,778.6
Proposed Dividend	Nil	Nil	Nil	Nil
Percentage of shareholding	100%	100%	100%	100%

Part A Subsidiaries (Contd.)

(In Rs.)

S.No.	13	14	15	16
Name of the Subsidiary	**NCML Varanasi Private Limited**	**NCML Madhepura Private Limited**	**NCML Motihari Private Limited**	**NCML Saran Private Limited**
The date since when subsidiary was acquired	18/01/2017	22/01/2019	22/01/2019	29/01/2019
Reporting period for the subsidiary concerned	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
Reporting currency	Rupees	Rupees	Rupees	Rupees
Share capital	10,10,00,000	10,00,000	10,00,000	10,00,000
Reserves and surplus	-10,94,11,569.1	-7,14,055	-7,24,150	-7,07,084
Total assets	6,72,42,452.7	4,64,89,235	4,10,34,330.1	3,31,84,372
Total Liabilities	6,72,42,452.7	4,64,89,235	4,10,34,330.1	3,31,84,372
Investments	Nil	Nil	Nil	Nil
Turnover	17,08,530.6	Nil	Nil	Nil
Profit/Loss before tax	7,67,804.9	-2,26,057	-2,16,743	-2,19,151
Provision for taxation	Nil	Nil	Nil	Nil
Profit/Loss after tax	7,67,804.9	-2,26,057	-2,16,743	-2,19,151
Proposed Dividend	Nil	Nil	Nil	Nil
Percentage of shareholding	100%	100%	100%	100%

Part A Subsidiaries (Contd.)

(In Rs.)

S.No.	17	18
Name of the Subsidiary	**NCML MktYard Private Limited**	**NCML Agribusiness Consultants Private Limited**
The date since when subsidiary was acquired	01/02/2017	11/02/2019
Reporting period for the subsidiary concerned	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
Reporting currency	Rupees	Rupees
Share capital	5,00,00,000	30,00,000
Reserves and surplus	(51,810,786)	2,052,697
Total assets	33,275,827	32,840,559
Total Liabilities	35,086,614	27,787,862
Investments	NIL	NIL
Turnover	5,590,878	26,143,893
Profit/Loss before tax	(13,407,307)	1,771,054
Provision for taxation	--	515,225
Profit/Loss after tax	(13,407,307)	1,255,829
Proposed Dividend	--	-
Percentage of shareholding	100%	100%

For and on behalf of the Board of Directors

National Commodities Management Services Limited

(formerly known as National Collateral Management Services Limited)

Place: Gurgaon

Date: 16.08.2021

Siraj A. Chaudhry
Managing Director &
Chief Executive Officer
DIN: 00161853

Unupom Kausik
Director
DIN: 01978970