

STC/BS&P/BS/10082/2017-18/STEX

May 28, 2019

Manager-Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051 Scrip Code : STCINDIA - EQ	Manager –Listing Compliance Department BSE Limited 1 st Floor, P.J. Towers, Dalal Street Mumbai – 400001 Scrip Code : 512531
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Sub: Annual Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2019

Dear Sir/Madam,

This is to inform that the Board of Directors of The State Trading Corporation of India Limited at its meeting held on today i.e., May 28, 2019 has approved and taken on record the Annual Financial Results (both Standalone & Consolidated) for the quarter and Year ended March 31, 2019. In pursuance of Regulation 33, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

- Annual Audited Financial Results (Standalone & Consolidated) for the Quarter and Year ended March 31, 2019 along with the Statement of Assets and Liabilities.
- Auditors' Report on the Audited Financial Results (Standalone) for the financial Year ended March 31, 2019, pursuant to Regulation 33.
- Auditors' Report on the Audited Financial Results (Consolidated) for the financial Year ended March 31, 2019, pursuant to Regulation 33.
- Statement of impact of Audit Qualification (Standalone) and Statement of impact of Audit Qualification (Consolidated) for the financial year ended 31.03.2019

The Meeting of the Board of Directors commenced at 4:00 PM and concluded at 8:00 PM.

Please take the above on record.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited

(Deepak C S)

FCS-5060

Company Secretary & Compliance Officer

THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Financial Results for the Quarter and Year ended March 31, 2019
CIN: L74899DL1956GOI002674

(Rs. crore)

Particulars	STANDALONE					CONSOLIDATED	
	Quarter ended 31.03.2019	Quarter ended 31.12.2018	Quarter ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
Income							
Revenue from Operations	710.34	1,622.60	2,078.58	8,903.44	10,865.71	8,903.44	10,865.71
Other Income	22.19	(76.84)	76.93	109.63	303.19	109.85	303.49
Total Income	732.53	1,545.76	2,155.51	9,013.07	11,168.90	9,013.29	11,169.20
Expenses							
Cost of materials consumed	-	-	-	-	0.01	-	0.01
Purchases of Stock in trade	707.84	1,617.87	2,066.46	8,886.81	10,797.50	8,886.81	10,797.50
Change in Inventory	-	-	9.85	0.02	39.44	0.02	39.44
Employees' Benefit Expenses	19.17	17.84	31.27	100.12	105.78	101.38	107.59
Finance Cost	(0.65)	58.30	51.31	155.59	179.34	155.59	834.04
Depreciation & Amortization Expenses	3.31	3.93	3.57	15.14	16.02	15.46	16.72
Other Expenses	12.75	9.94	8.02	38.07	27.11	38.60	27.61
Total expenses	742.42	1,707.88	2,170.48	9,195.75	11,165.20	9,197.86	11,822.91
Profit before exceptional items and tax	(9.89)	(162.12)	(14.97)	(182.68)	3.70	(184.57)	(653.71)
Exceptional Items - Expense / (Income)	48.89	665.25	(9.31)	714.44	(29.89)	714.49	(30.44)
Profit Before Tax	(58.78)	(827.37)	(5.66)	(897.12)	33.59	(899.06)	(623.27)
Tax expense							
(i) Current tax	-	(0.90)	3.65	-	3.43	-	3.43
(i) Tax related to earlier years	(28.80)	12.76	(8.70)	(16.04)	(8.70)	(16.04)	(8.70)
(ii) Deferred tax	-	-	-	-	-	-	-
Profit for the period from continuing operations (A)	(29.98)	(839.23)	(0.61)	(881.08)	38.86	(883.02)	(618.00)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	-
Profit from discontinued operations after tax (B)	-	-	-	-	-	-	-
I Profit for the period (A+B)	(29.98)	(839.23)	(0.61)	(881.08)	38.86	(883.02)	(618.00)
II Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
- Remeasurements of the defined benefit plans	1.62	-	3.38	1.62	3.47	1.62	3.47
Less: Income Tax on Above	-	-	1.64	-	1.67	-	1.67
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-
Total of Other Comprehensive Income	1.62	-	1.74	1.62	1.80	1.62	1.80
Total Comprehensive Income for the period	(28.36)	(839.23)	1.13	(879.46)	40.66	(881.40)	(616.20)
Paid up equity share capital (Face value of Rs. 10/- each)	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Other Equity excluding Revaluation Reserves	-	-	-	(893.24)	(13.78)	(5,459.22)	(4,577.82)
Earnings per equity share : (Not Annualized)							
(1) Basic (in Rupees)	(5.00)	(139.87)	(0.10)	(146.85)	6.49	(147.17)	(103.00)
(2) Diluted (in Rupees)	(5.00)	(139.87)	(0.10)	(146.85)	6.49	(147.17)	(103.00)

Segment-wise Revenue, Results, Assets & Liabilities

(Rs. crore)

1. Segment revenue							
a) Export	5.69	4.24	16.81	13.89	279.19	13.89	279.19
b) Import	670.40	1,475.06	1,962.66	8,437.75	10,240.04	8,437.75	10,240.04
c) Domestic	34.25	143.30	99.11	451.80	346.48	451.80	346.48
Total	710.34	1,622.60	2,078.58	8,903.44	10,865.71	8,903.44	10,865.71
Less -Inter-segment revenue	-	-	-	-	-	-	-
Revenue from operations	710.34	1,622.60	2,078.58	8,903.44	10,865.71	8,903.44	10,865.71
2. Segment results - Profit /(Loss) before tax and interest from each segment							
a) Export	0.12	0.10	0.33	3.73	18.23	3.73	18.23
b) Import	0.84	1.76	0.42	1.75	4.82	1.75	4.82
c) Domestic	1.18	2.47	1.07	9.44	3.01	9.44	3.01
Total	2.14	4.33	1.82	14.92	26.06	14.92	26.06
Less:(i) Finance cost	(0.65)	58.30	51.31	155.59	179.34	155.59	834.04
(ii) Other unallocable expenditure net off	-	-	-	-	-	-	-
Unallocable income	61.57	773.40	(43.83)	756.45	(186.87)	758.39	(184.71)
Profit before Tax	(58.78)	(827.37)	(5.66)	(897.12)	33.59	(899.06)	(623.27)



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Particulars	Quarter ended 31.03.2019	Quarter ended 31.12.2018	Quarter ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
3. Segment Assets							
a) Export	1,063.54	1,665.85	3,157.70	1,063.54	3,157.70	1,063.54	3,157.70
b) Import	29.83	49.56	84.34	29.83	84.34	29.83	84.34
c) Domestic	34.24	87.18	55.37	34.24	55.37	34.24	55.37
d) Unallocated	1,675.47	1,952.38	1,140.82	1,675.47	1,140.82	1,680.11	1,145.37
Total	2,803.08	3,754.97	4,438.23	2,803.08	4,438.23	2,807.72	4,442.78
4. Segment Liabilities							
a) Export	1,250.76	1,365.66	1,327.65	1,250.76	1,327.65	1,250.76	1,327.65
b) Import	348.11	292.06	255.28	348.11	255.28	348.11	255.28
c) Domestic	36.45	89.95	62.47	36.45	62.47	36.45	62.47
d) Unallocated	1,116.40	1,927.57	1,862.01	1,116.40	1,862.01	5,685.66	6,429.25
Total	2,751.72	3,675.24	3,507.41	2,751.72	3,507.41	7,320.98	8,074.65



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THE STATE TRADING CORPORATION OF INDIA LTD
Balance Sheet as at March 31, 2019

(Rs in crore)

Particulars	STANDALONE		CONSOLIDATED	
	As at March, 31, 2019	As at March, 31, 2018	As at March, 31, 2019	As at March, 31, 2018
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	593.60	601.92	596.40	605.01
(b) Capital work-in-progress	0.37	2.10	0.37	2.10
(c) Investment property	307.41	312.50	307.44	317.50
(d) Other intangible assets	0.02	0.10	0.02	0.10
(e) Financial Assets :				
(i) Investments	0.01	0.01	0.01	0.01
(ii) Trade receivables	966.98	964.55	966.98	964.55
(iii) Loans	6.78	9.76	6.78	9.76
(iv) Other Financial Assets	20.13	52.43	20.15	52.44
(f) Deferred tax assets (net)	86.49	73.67	86.49	73.67
(g) Other non-current assets	7.46	9.86	7.46	9.86
Sub total	1,989.28	2,026.90	1,992.10	2,030.00
Current Assets				
(a) Inventories	0.16	0.25	0.16	0.25
(b) Financial Assets :				
(i) Trade receivables	120.67	2,220.89	120.77	2,220.99
(ii) Cash & cash equivalents	123.35	98.79	124.12	99.20
(iii) Bank Balances other than (ii) above	3.54	2.35	3.72	2.52
(iv) Loans	2.35	4.93	2.51	5.10
(v) Other Financial Assets	521.60	48.59	521.64	48.63
(c) Tax Assets (Net)	27.90	10.02	28.19	10.31
(d) Other Current Assets	14.22	25.51	14.50	25.76
(e) Other non current assets held for disposal	0.01	-	0.01	-
Sub total	813.80	2,411.33	815.62	2,412.76
Total Assets	2,803.08	4,438.23	2,807.72	4,442.76
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	60.00	60.00	60.00	60.00
(b) Other Equity	(8.64)	870.82	(4,573.26)	(3,691.88)
Sub total	51.36	930.82	(4,513.26)	(3,631.88)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Trade payables -MSME	-	-	-	-
(ii) Trade payables -Others	991.18	993.29	991.17	993.29
(iii) Other Financial Liabilities	38.76	45.22	36.83	41.53
(b) Provisions	109.00	105.34	109.40	105.66
(c) Other non-current liabilities	7.37	8.39	8.47	9.68
Sub total	1,146.31	1,152.24	1,145.87	1,150.16
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	896.23	1,612.29	2,081.49	2,797.54
(ii) Trade payables -MSME	-	-	-	-
(iii) Trade payables -Others	184.82	215.34	185.95	216.45
(iv) Other Financial Liabilities	377.86	407.87	3,760.98	3,790.76
(b) Provisions	23.74	31.81	23.87	31.84
(c) Other current liabilities	122.76	87.86	122.82	87.89
Sub total	1,605.41	2,355.17	6,175.11	6,924.48
Total Equity and Liabilities	2,803.08	4,438.23	2,807.72	4,442.76

Notes

1) These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2) The financial results for the Quarter and Year ended on 31st March 2019 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 28.05.2019.

3) Figures of the last quarter are the balancing figures between Audited figures in respect of the full financial year and the year to date figures up to the third quarter, as published, of the current financial year.



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4) STC is in continuing default in the repayment of principal amount of Banks Loans and interest thereon Rs. 1925.27 Crore from November 2017 onwards. Lender Banks have jointly filed case against the company in DRT. Further, one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and Rs. 900 crore has also been paid to the Lead banker of Joint Lender Forum Banks on 29.03.2019.

5) L&DO has raised a demand of Rs. 132.83 Crore vide its letter No. L&DO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for noncompliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, STC has disputed the demand and the matter is still pending.

6) Total trade receivable Rs. 1087.65 Crore includes Rs. 974.78 Crore "having significant increase in credit risk" being under dispute/litigation. No credit impairment has been made, as the company feels that even if the amount is eventually not recovered, the creditor will not be paid by the company to the extent the amount is not realized from trade receivables.

7) The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices and 3 representative offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. This has led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiate legal action against the defaulting associates. One of the major associates has made sufficient payment to STC on direction of Hon'ble Supreme Court. This has eased out the financial crisis of the Company to some extent. The Company has therefore proposed OTS with the lender banks. Since the lender banks has initiated action in the NCLT / DRT. An amount of Rs.900 crore was paid on 29.03.2019 towards OTS with the banks to show the bona fide intention of STC towards OTS. The OTS is under process and the company is hopeful that the same can be done shortly.

Simultaneously the company has undertaken various cost reduction measures to improve the liquidity / profitability such as closure of unviable branches undertaking trade in those commodities fetching higher trade margins etc. In view of this it is believed that, after the OTS, sufficient liquidity would be available with the company to undertake further business operation. The Company has also requested to JLF to provide some funded/non-funded limit for conducting business on behalf of Govt. of India. It is believed that this would generate sufficient trade margin for STC in the process of revival, it is believed that STC shall be in a position to confidently sail as a going concern.

Considering the strength of the company, business plans and future outlook as assessed, the company is quite confident to reach at some workable solution to resolve financial position of the company. Pending such resolution and considering the facts given above:-

a. Accounts have been prepared on going concern basis.

b. As regards to business plan, it is to mention that STC has projected a turnover of Rs. 9000 Crore for the F.Y 2019-20.

c. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital,

d. No provision for impairment of non-current assets has been considered necessary and.

e. As a cost cut measure, the company has introduced Voluntary retirement scheme (VRS), first phase of VRS was introduced starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The VRS in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled. Further Second phase has also been introduced from 29.03.2019 till 29.04.2019 up to level of Chief Manager and 45 applications has been received.

8) As a matter of accounting prudence, Deferred Tax Assets for the quarter and year ended 31.03.2019 have not been recognized.

9) Figures of the previous period have been recasted / reclassified to make them comparable with those of the current period wherever necessary.

As per our report of even date
M/s Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

FRN : 0000038N

(K K Upadhyay)

Partner

M. No. 096584

Place: New Delhi

Date: 28.05.2019



By order of the Board of Directors

(Rajiv Chopra)

Director (Marketing)

with additional charge of CMD

DIN -06466326

अध्यक्ष एवं प्रबंध निदेशक

Chairman and Managing Director

स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड

The State Trading Corp. of India Ltd.

जवाहर व्यापार भवन, टॉलस्टोय मार्ग, नई दिल्ली-1
Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-1

(Pooja Nagrath)
GM-F & CFO



Independent Auditor's Report on Quarterly and Year to Date Standalone Financial Results of The State Trading Corporation of India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To Board of Directors of

The State Trading Corporation of India Limited

We have audited the accompanying standalone financial results of The State Trading Corporation of India Limited ("the company") for the quarter ended 31 March 2019 and the year to date results for the period 1 April 2018 to 31 March 2019 ("the statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the regulation") read with SEBI Circulars No. CIR/CFD/FAC/62/2016 dated 5 July 2016 ("the Circular")

These quarterly standalone financial results as well as the year to date Standalone financial results have been prepared on the basis of the reviewed standalone financial results for the nine-month period ended 31 December 2018, the audited annual standalone financial statements as at and for the year ended 31 March 2019 and the relevant requirement of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended 31 December 2018, which was prepared in accordance with the measurement and recognition principles laid down in the Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone financial statements as at and for the year ended 31 March 2019, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.



We conducted our audit in accordance with the auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in standalone financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our Qualified Opinion.

In our opinion and to the best of our information and according to explanations given to us, these quarterly standalone financial results as well as the year to date results:-

- i. are presented in accordance with the requirements of the Regulation read with the circular in this regard and
- ii. give a true and fair view, except in the case of paras (a), (b) & (c) below, of the net loss including other comprehensive income and other financial information of the company for the quarter ended 31st March, 2019 as well as the year to date results for the period from 1st April 2018 to 31st March 2019.

a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by Rs.111.11 crore for the year :

- i. for not providing as firm liabilities of contingent liabilities for amounting to Rs. 72.82 crore though the company lost the case, from the Arbitration as well as from the single bench of High Court.
- ii. for not providing as firm liability against deposits of Rs. 27.89 crore due from a company and adjusting the same against the deposit held by the holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.
- iii. for not making credit impairment on Rs. 10.40 crore recoverable from various Tenants which are under disputes/litigation "having significant increase in credit risk".

b. The Company has not complied with:

- i. Ind AS 40 (regarding Fair Value Measurement of Investment Property) by not performing fair valuation of investment property as on balance sheet date.
- ii. Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in certain cases, of foreign currency receivables and payables which are under litigation/disputed.



- iii. Ind AS 109, (regarding impairment of financial assets and recognition of expected credit loss) by not making credit impairment on undisputed trade receivable of Rs. 112.87 crore. The impact of the same is not ascertainable.

c. The impact of the following is not ascertainable:

- i. for non-availability of confirmation of balances of certain receivables and payables (including certain direct & indirect taxes).
- ii. for non-adjustment of value of lease hold land against areas acquired by DMRC for construction of Metro Station & by L&DO for widening of the Road during Asian Game, as well as areas of flats including land given by the company to HHEC for housing colony.

As a result of matters contained in paras (a) (i) to (iii) above, loss for the year is understated by Rs. 111.11 crore , with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by Rs. 100.71 crore and overstatement of claim recoverable by Rs. 10.40 crore.

Emphasis of Matters:

- a. Attention is drawn for not making credit impairment of trade receivables (Rs. 974.78 Crore) & Claim Receivables (Rs. 6.84 Crore) making a total of Rs. 981.62 crore since the company feels that even if no amount would eventually be recovered no provision is necessary as the creditor will be paid by the company only to the extent the amount is realised against such trade receivables, though in most of the cases agreements are no tripartite.
- b. Attention is drawn for continuing default in the repayment of Bank loans including interest thereon amounting to Rs. 1925.09 Crore (Balance as on 31.12.2018) against which lender Bank have jointly filed case in DRT. One of the lender bank has also filed a Case in NCLT. The company has approached the banks for settlement and Rs. 900 Crore has been paid by the company to the Lead banker of Joint Lender Forum Banks.

Possibility of Material Uncertainty Related to Going Concern:

The Company has incurred a net loss of Rs.879.46 crore during the year ended March 31, 2019 and, as of that date, the Company's liquidity position is not strong enough as is evident from the fact that the current liabilities exceeded its Current assets by Rs 791.61 crore and (the fact that equity shows a positive balance only on account of revaluation reserve) hence, there could be material uncertainty for the company to continue as going concern. However, in spite of these events or conditions which may cast a doubt on the ability of the company to continue as a



going concern, the management is of the opinion that going concern basis of accounting is appropriate having regard to the facts mentioned in Note No. 7 of the financial Results.

Our opinion is not modified in respect of this matter.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
(FRN : 000038N)



(K. K. Upadhyay)
Partner
M. No. : 096584

Place : New Delhi
Date : 28/05/2019



Independent Auditor's Report on Quarterly and Year to Date Consolidated Financial Results of The State Trading Corporation of India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**To Board of Directors of
The State Trading Corporation of India Limited**

We have audited the accompanying consolidated financial results of The State Trading Corporation of India Limited ("the company") for the quarter ended 31 March 2019 and the year to date results for the period 1 April 2018 to 31 March 2019 ("the statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the regulation") read with SEBI Circulars No. CIR/CFD/FAC/62/2016 dated 5 July 2016 ("the Circular").

These years to date consolidated financial results have been prepared on the basis of audited annual consolidated financial statements, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Holding Company's management and have been approved by the Board of Directors of the Holding Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit on such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS), prescribed under Sec 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the statements. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our Qualified Opinion.

In our opinion and to the best of our information and according to explanations given to us, these quarterly Consolidated Financial Results as well as the year to date results:-

- i. are presented in accordance with the requirements of the Regulation read with the circular in this regard and
- ii. give a true and fair view, except in the case of paras (a) to (c) below, of the net loss including other comprehensive income and other financial information of the Group for the quarter ended 31st March, 2019 as well as the year to date results for the period from 1st April 2018 to 31st March 2019.



Basis for Qualified Opinion:

a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by Rs.111.11 crore for the year :

- i. for not providing by Holding Company as firm liabilities of contingent liabilities for amounting to Rs. 72.82 crore though the company lost the case, from the Arbitration as well as from the single bench of High Court.
- ii. for not providing by Holding Company as firm liability against deposits of Rs. 27.89 crore due from a company and adjusting the same against the deposit held by the holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.
- iii. for not making credit impairment by Holding Company on Rs. 10.40 crore recoverable from various Tenants which are under disputes/litigation "having significant increase in credit risk".

b. The Group has not complied with:

- i. Ind AS 40 (regarding Fair Value Measurement of Investment Property) by not performing fair valuation of investment property as on balance sheet date.
- ii. Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in certain cases, of foreign currency receivables and payables which are under litigation/disputed.
- iii. Ind AS 109, (regarding impairment of financial assets and recognition of expected credit loss) by not making credit impairment on undisputed trade receivable of Rs. 112.87 crore. The impact of the same is not ascertainable.

c. The impact of the following is not ascertainable:

- i. for non-availability of confirmation of balances of certain receivables and payables (including certain direct & indirect taxes).
- ii. for non-adjustment of value of lease hold land by Holding Company against areas acquired by DMRC for construction of Metro Station & by L&DO for widening of the Road during Asian Game, as well as areas of flats including land given by the company to HHEC for housing colony.

As a result of matters contained in paras (a) (i) to (iii) above, loss for the year is understated by Rs. 111.11 crore , with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by Rs. 100.71 crore and overstatement of claim recoverable by Rs. 10.40 crore.

Emphasis of Matters

- a) In respect of Holding Company, Attention is drawn for not making credit impairment of trade receivables (Rs. 974.78 Crore) & Claim Receivables (Rs. 6.84 Crore) making a total of Rs. 981.62 crore since the company feels that even if no amount would eventually be recovered no provision is necessary as the creditor will be paid by the



company only to the extent the amount is realised against such trade receivables, though in most of the cases agreements are no tripartite.

- b) Attention is drawn for continuing default in the repayment of Bank loans by the holding company including interest thereon amounting to Rs. 1925.09 Crore (Balance as on 31.12.2018) against which lender Bank have jointly filed case in DRT. One of the lender bank has also filed a Case in NCLT. The holding company has approached the banks for settlement and Rs. 900 Crore has been paid by the holding company to the Lead banker of Joint Lender Forum Banks.
- c) The Subsidiary has created pari-passu charge on current assets in favor of the banks and also surrendered the documents of immovable properties. DRT has passed an order dtd. 29.09.2015 for recovery of Rs. 148.18 Crore by banks, However, the Subsidiary has challenged DRT order at DRAT, Chennai. The banker has also issued notice u/s 13(2) of Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002. Further based on the above, the bankers have issued two Possession Notices one on 26.10.2011 on Factory Land and Building located at Byadagi and another on 17.11.2011 on Factory Land and Building located at Chhindwara, Madhya Pradesh. The cases with banks is pending.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
(FRN : 000038N)



(K. K. Upadhyay)
Partner
M. No. : 096584

Place : New Delhi
Date : 28/05/2019



THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI

ANNEXURE-1

Statement of impact of Audit Qualification for the Financial Year ended 31.03.2019 along with Annual Audited Financial Results - (Standalone)

(Rs. Crore)

I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
	1	Total Income	9,013.07	9,013.07
	2	Total Expenditure	9,894.15	10,005.26
	3	Net Profit/(Loss)	(881.08)	(992.19)
	4	Earning per share	(146.85)	(165.37)
	5	Total Assets	2,803.08	2,792.68
	6	Total Liabilities	2,751.72	2,852.43
	7	Net Worth (excluding Revaluation Reserve)	(833.24)	(944.35)
	8	Any other financial item (as felt appropriate by the management)		
II	Audit qualification			
1	a. Details of Audit Qualification		Refer foot note of note no.36 (i) for not providing as firm liabilities of contingent liabilities for amounting to Rs. 72.82 crore though the company lost the case, from the Arbitration as well as from the single bench of High Court.	
	b. Type of Audit Qualification:		Qualified Opinion	
	c. Frequency of Qualification		First Time	
	d. For Audit qualification, whether the impact is quantified by the audit, management's view		The said transaction for import of pulses was undertaken by STC on behalf of ministry of consumer affairs, Govt. Of India. The matter of abrogation of contracted quantities with M/s J.K international was in line with directions received from the Ministry of Consumer affairs. As per the judgement of the Hon'ble High Court for damages payable by STC, STC has sent letter to Department of Consumer affairs, ministry of consumer affairs with a copy to ministry of commerce and industry for their intervention to take appropriate steps for compensating STC in event of payment of the claim. STC has challenged the award and is hopeful of favourable decision. In view of this no provision is required.	
2	a. Details of Audit Qualification		Refer foot note of note no.36 (i) for not providing as firm liability against deposits of Rs. 27.89 crore due from a company and adjusting the same against the deposit held by the holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.	



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ANNEXURE-1

Statement of impact of Audit Qualification for the Financial Year ended 31.03.2019 along with Annual Audited Financial Results - (Standalone)

	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	STC appropriated amount of Rs. 27.89 Crore recoverable from M/s Lichen Metals Pvt. Ltd., due to STC from the deposits of its Holding Company in respect of Bullion transactions (as the holding company had given guarantee). Though arbitral award is in favour of the Holding company, STC is in the process of filing an appeal before the Hon'ble High Court and is hopeful for favourable judgement. However as matter of prudence it has been shown as contingent liability
3	a. Details of Audit Qualification	i. Refer foot note of note no. 11 for not making credit impairment on Rs. 10.40 crore recoverable from various Tenants which are under disputes/litigation though the same has been classified as "having significant increase in credit risk".
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The major portion is recoverable from BIFR (now Department of Financial services) and CCIC of Rs.8.89 crore which are being released to STC in installments based on their approvals. As regards amount due from SBI, the matter is sub judice due to subsidiary (STCL) and the management is hopeful of recovery. For the remaining balances the matter has been taken up with the concerned departments. Hence no provision is considered necessary
Signatories		
>	CMD	<p align="center">  28/5/19 Chairman and Managing Director स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड The State Trading Corpn. of India Ltd. जवाहर व्यापार भवन, टॉलस्टोय मार्ग, नई दिल्ली-110002 Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110002 </p>
>	CFO	
>	Audit Committee Chairman	
>	Statutory Auditor - Thakur, Vaidyanath Aiyar & Co.	



THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI

ANNEXURE-1

Statement of impact of Audit Qualification for the Financial Year ended 31.03.2019 along with Annual Audited Financial Results - (Consolidated)

(Rs. Crore)

I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
	1	Total Income	9,013.29	9,013.29
	2	Total Expenditure	9,896.31	10,007.42
	3	Net Profit/(Loss)	(883.02)	(994.13)
	4	Earning per share	(147.17)	(165.69)
	5	Total Assets	2,807.72	2,797.32
	6	Total Liabilities	7,320.98	7,421.69
	7	Net Worth (excluding Revaluation Reserve)	(5,399.22)	(5,510.33)
	8	Any other financial item (as felt appropriate by the management)		
II	Audit qualification			
1	a. Details of Audit Qualification		Refer foot note of note no.36 (i) for not providing as firm liabilities of contingent liabilities for amounting to Rs. 72.82 crore though the company lost the case, from the Arbitration as well as from the single bench of High Court.	
	b. Type of Audit Qualification:		Qualified Opinion	
	c. Frequency of Qualification		First Time	
	d. For Audit qualification, whether the impact is quantified by the audit, management's view		The said transaction for import of pulses was undertaken by STC on behalf of ministry of consumer affairs, Govt. Of India. The matter of abrogation of contracted quantities with M/s J.K international was in line with directions received from the Ministry of Consumer affairs. As per the judgement of the Hon'ble High Court for damages payable by STC, STC has sent letter to Department of Consumer affairs, ministry of consumer affairs with a copy to ministry of commerce and industry for their intervention to take appropriate steps for compensating STC in event of payment of the claim. STC has challenged the award and is hopeful of favourable decision. In view of this no provision is required.	
2	a. Details of Audit Qualification		Refer foot note of note no.36 (i) for not providing as firm liability against deposits of Rs. 27.89 crore due from a company and adjusting the same against the deposit held by the holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.	



18/5

ANNEXURE-1

Statement of impact of Audit Qualification for the Financial Year ended 31.03.2019 along with Annual Audited Financial Results - (Consolidated)

	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	STC appropriated amount of Rs. 27.89 Crore recoverable from M/s Lichen Metals Pvt. Ltd., due to STC from the deposits of its Holding Company in respect of Bullion transactions (as the holding company had given guarantee). Though arbitral award is in favour of the Holding company, STC is in the process of filing an appeal before the Hon'ble High Court and is hopeful for favourable judgement. However as matter of prudence it has been shown as contingent liability
3	a. Details of Audit Qualification	i. Refer foot note of note no. 11 for not making credit impairment on Rs. 10.40 crore recoverable from various Tenants which are under disputes/litigation though the same has been classified as "having significant increase in credit risk".
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The major portion is recoverable from BIFR (now Department of Financial services) and CCIC of Rs.8.89 crore which are being released to STC in installments based on their approvals. As regards amount due from SBI, the matter is sub judice due to subsidiary (STCL) and the management is hopeful of recovery. For the remaining balances the matter has been taken up with the concerned departments. Hence no provision is considered necessary
Signatories		
>	CMD	<p align="center">अध्यक्ष एवं प्रबंध निदेशक Chairman and Managing Director स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड The State Trading Corpn. of India Ltd. जवाहर व्यापार भवन, टॉल्स्टॉय मार्ग, नई दिल्ली-110002 Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi</p> <p align="center"><i>28/5</i></p> <p align="center"><i>(Signature)</i></p>
>	CFO	
>	Audit Committee Chairman	
>	Statutory Auditor - Thakur, Vaidyanath Aiyar & Co.	



THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Financial Results for the Quarter and Year ended March 31, 2019
CIN: L74899DL1956GOI002674

(Rs. Crore)

S.NO.	PARTICULARS	STANDALONE				CONSOLIDATED	
		Quarter ended 31.03.2019	Quarter ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
		(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Total income from operations	710.34	2,078.58	8,903.44	10,865.71	8,903.44	10,865.71
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(9.89)	(14.97)	(182.68)	3.70	(184.57)	(653.71)
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(58.78)	(5.66)	(897.12)	33.59	(899.06)	(623.27)
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(29.98)	(0.61)	(881.08)	38.86	(883.02)	(618.00)
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	(28.36)	1.13	(879.46)	40.66	(881.40)	(616.20)
6	Equity Share Capital	60.00	60.00	60.00	60.00	60.00	60.00
7	Other Equity excluding Revaluation Reserves			(893.24)	(13.78)	(5,459.22)	(4,577.82)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :						
	(a) Basic (in Rupees)	(5.00)	(0.10)	(146.85)	6.49	(147.17)	(103.00)
	(b) Diluted (in Rupees)	(5.00)	(0.10)	(146.85)	6.49	(147.17)	(103.00)

Notes:

- 1) These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 2) The financial results for the Quarter and Year ended on 31st March 2019 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 28.05.2019.
- 3) Figures of the last quarter are the balancing figures between Audited figures in respect of the full financial year and the year to date figures up to the third quarter, as published, of the current financial year.
- 4) STC is in continuing default in the repayment of principal amount of Banks Loans and interest thereon Rs. 1925.27 Crore from November 2017 onwards. Lender Banks have jointly filed case against the company in DRT. Further, one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and Rs. 900 crore has also been paid to the Lead banker of Joint Lender Forum Banks on 29.03.2019.
- 5) L&DO has raised a demand of Rs. 132.83 Crore vide its letter No. L&DO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for noncompliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, STC has disputed the demand and the matter is still pending.
- 6) Total trade receivable Rs. 1087.65 Crore includes Rs. 974.78 Crore "having significant increase in credit risk" being under dispute/litigation. No credit impairment has been made, as the company feels that even if the amount is eventually not recovered, the creditor will not be paid by the company to the extent the amount is not realized from trade receivables.



7) The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices and 3 representative offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. This has led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiate legal action against the defaulting associates. One of the major associates has made sufficient payment to STC on direction of Hon'ble Supreme Court. This has eased out the financial crisis of the Company to some extent. The Company has therefore proposed OTS with the lender banks. Since the lender banks has initiated action in the NCLT / DRT. An amount of Rs.900 crore was paid on 29.03.2019 towards OTS with the banks to show the bona fide intention of STC towards OTS. The OTS is under process and the company is hopeful that the same can be done shortly.

Simultaneously the company has undertaken various cost reduction measures to improve the liquidity / profitability such as closure of unviable branches undertaking trade in those commodities fetching higher trade margins etc. In view of this it is believed that, after the OTS, sufficient liquidity would be available with the company to undertake further business operation. The Company has also requested to JLF to provide some funded/non-funded limit for conducting business on behalf of Govt. of India. It is believed that this would generate sufficient trade margin for STC in the process of revival, It is believed that STC shall be in a position to confidently sail as a going concern.

Considering the strength of the company, business plans and future outlook as assessed, the company is quite confident to reach at some workable solution to resolve financial position of the company. Pending such resolution and considering the facts given above:-

a. Accounts have been prepared on going concern basis.

b. As regards to business plan, it is to mention that STC has projected a turnover of Rs. 9000 Crore for the F.Y 2019-20.

c. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital,

d. No provision for impairment of non-current assets has been considered necessary and.

e. As a cost cut measure, the company has introduced Voluntary retirement scheme (VRS), first phase of VRS was introduced starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The VRS in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled. Further Second phase has also been introduced from 29.03.2019 till 29.04.2019 up to level of Chief Manager and 45 applications has been received.

8) As a matter of accounting prudence, Deferred Tax Assets for the quarter and year ended 31.03.2019 have not been recognized.

9) Figures of the previous period have been recasted / reclassified to make them comparable with those of the current period wherever necessary.

12) The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the websites (www.nseindia.com, www.bseindia.com) of the stock Exchange(s) and Co.'s website (www.stclimited.co.in).

By order of the Board of Directors

(Rajiv Chopra)

Director (Marketing) with additional charge of
CMD

DIN -06466326

अध्यक्ष एवं प्रबंध निदेशक
Chairman and Managing Director

स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड
The State Trading Corpn. of India Ltd.
जवाहर व्यापार भवन, टॉलस्टोय मार्ग, नई दिल्ली-1
Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-1

(Roopa Nagrath)
GM-F & CFO



Place: New Delhi
Date: 28.05.2019