35th ANNUAL REPORT

2017-18

STCL LIMITED

[Wholly owned subsidiary of The STC of India Ltd.,]

A Government of India Undertaking

CONTENTS

STCL LIMITED

[Wholly owned subsidiary of The State Trading Corporation of India Ltd.]

BOARD OF DIRECTORS

SRI RAJIV CHOPRA
CHAIRMAN
[from 30.01.2017]

SRI H.P. GIRISH
MANAGING DIRECTOR
[from 23.09.2010 to 31.01.2018]

SRI S.K.SHARMA
MANAGING DIRECTOR
(Addl. Charge)
[from 31.01.2018]

SRI Dr. SHOBIT JAIN
DIRECTOR
[from 29.02.2017]

MS. ROOMA NAGRATH
DIRECTOR
[from 15.05.2017]

STATUTORY AUDITORS

M/s. G.C. Banka & CO.
Chartered Accountants
Paryago Bhavan,Main Road,Rourkela-769001

एस टी सी एल लिमिटेड
(दि एस टी सी आफ इंडिया लि. की पूर्ण स्वामि व वाली सहायक कंपनी)
(भारत सरकार का एक उपक्रम)
STCL LIMITED
Subsidiary of The STC of India Ltd.
(A GOVT. OF INDIA UNDERTAKING)
CIN : U85110KA1982GO1005013

चन्द्रोदय, नं 10/1, 2 मेन,
30 क्रास 7 ब्लाक, जयनगर,
बेंगलोर - 560 070

फोन - 080-26650163/4
फै स - 91-80-26650165
ई-मेल - stcllimited@gmail.com

"Chandrodaya" No. 10/1, 2nd Main
30th Cross, 7th Block, Jayanagar
BANGALORE - 560 070. INDIA

Phone : 080 - 26650163 / 4
Fax : 91 - 080 - 26650165
E-mail : stcllimited@gmail.com

NOTICE

THIRTY FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of Company will be held on Thursday, September 20, 2018 at 3.00 PM at the Registered office of STCL at "Chandrodaya" No. 10/1, 2ndMain, 30th Cross, 7th Block, Jayanagar, Bangalore-560 070 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2018, Profit and Loss Account and Cash Flow Statement for the year ended that date, notes to accounts, the Auditors' Report, the Report of the Directors and the comments of the Comptroller and Auditor General of India.

2. To appoint a Director in place of Shri Rajiv Chopra (holding DIN 006466326), who retires by rotation and being eligible, offers himself for re-appointment.

3. To authorize Board of Directors of the Company to fix the remuneration of the Statutory / Branch Auditor(s) of the Company and to pass the following resolution, with or without modification(s), as an Ordinary Resolution :

   "RESOLVED THAT in terms of the provisions of Section 139(5) read with Section 142(1) of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory/Branch Auditors of the Company appointed by Comptroller and Auditor General of India for the financial year 2018-19, as may be deemed fit by the Board."

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Shri. S. K. Sharma (holding DIN 06942536), who, on appointment by the President of India, joined the Board as Managing Director (Additional Charge) w. e. f. 31.01.2018 be and is hereby appointed as Director of the Company, not liable to retire by rotation, on such terms, conditions and tenure as may be determined by the President of India from time to time."

For and behalf of Board of Directors

Place : Bangalore
Date:. 14.08.2018

Sharma

(S.K. Sharma)
Managing Director(Additional Charge)

1. All Members and Directors

2. M/s. G. C. Banka & Co., Chartered Accountants, Rourkela, Odisha.

Notes:

1) A Member entitled to attend and vote in the meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a Member.

2) In view of the applicability of the Provisions of Section 139 of the Companies Act, 2013, the Auditor to audit the Accounts of the Company for the financial year 2018-19 will be appointed by the Comptroller and Auditor General of India.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.4

APPOINTMENT OF SHRI. S.K.SHARMA AS MANAGING DIRECTOR (ADDL.CHARGE).

Shri. S.K.Sharma, Director (Personnel) of the State Trading Corporation of India Limited (the holding Company of STCL Limited), was appointed as Managing Director (Addl. Charge) on the Board of STCL Limited by the President of India vide Order No. A-12022/7/2017-E.IV dated 31st January' 2018.

Accordingly, he joined the Board as Director w. e. f. 01.02.2018 and was designated as Managing Director (Addl. Charge). In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the 35th Annual General Meeting of the Company.

Shri.S.K.Sharma is also Director in the State Trading Corporation of India Limited. During his tenure three meetings were held and he attended all the meetings.

None of the Directors, Key Managerial Persons or their relatives, except Shri S. K. Sharma, is concerned or interested in the said resolution.

For and behalf of Board of Directors

Place : Bangalore
Date:. 14.08.2018

(S.K. Sharma)
Managing Director(Additional Charge)

DIRECTORS' REPORT

The Members,
STCL Limited

Your Board of Directors hereby presents the 35th Annual Report of the Company with audited accounts for the year ended 31st March 2018.

PERFORMANCE

The performance of the Company during financial year 2017-18 vis-à-vis the previous year is summarized below:

[Rs. in lakhs]

Particulars	2017-18	2016-17
INCOME		
Interest Income on FD's	3.50	14.00
Other Interest	0.14	1.45
Other Receipts	23.72	28.18
Total	**27.36**	**43.63**
FINANCIAL		
Profit/[Loss] before Tax	-65688.41	-56185.62

SALES

During the year, there was no business activity of the Company in view of decision of the Union Cabinet to wind up STCL and subsequent filing of winding up petition in the Hon'ble High Court of Karnataka on 26.11.2013. The petition is pending for disposal.

DIVIDEND

The Board of Directors has not recommended any dividend for the year 2017-18 as the company incurred loss and negative net worth.

RESERVES

Company is having negative Reserves of Rs. 4562.68 cores as on 31.03.2018.

FOREIGN EXCHANGE EARNINGS/OUTGO

There was no foreign exchange earning/ outgo during the year under review.

PERSONNEL AND WELFARE

Subsequent to offering Voluntary Retirement (VRS Scheme) during the year 2013-14, the present manpower of the Company is Eleven (11) excluding Managing Director.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been put in place in the company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005.

EXTRACT OF THE ANNUAL RETURNS

As required under section 134 (3)(a) of the Companies Act, 2013, an extract of the Annual Return pursuant to section 92(3) of the Act is annexed to this report at Annexure – 1.

During the year, your Company did not make any contract or arrangement with related parties covered under section 188 of the Companies Act, 2013. Hence information required in Form AOC–2 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 transactions under third provision thereto, is not provided.

ANTI SEXUAL HARASSMENT POLICY

No sexual harassment complaint was received during the year 2017-18.

DEPOSITS

The company did not accept any deposits from public. Therefore, the requirement of chapter V of the Companies Act, 2013 is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year, the Company did not provide/gave any loans, guarantees or made any investment as specified under section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SCTION (1) OF SECTION 188 IN THE PRESCRIBED FORM.

As state earlier, the Company did not enter in contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013

CORPORATE SOCIAL RESPONSBILITY (CSR) AND SUSTAINBILITY

The Company did not undertake any CSR activities, since it is incurring loss continuously from since 2008-09.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

The information required to be disclosed in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is NIL, as the Company did not engage in any manufacturing business activity.

FINANCIAL ACCOUNTING

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified the Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015.

STATUTORY AUDITORS

M/s. G.C. Banka & Co., Chartered Accountants, Rourkela, Orissa were appointed as Auditors to audit the accounts for the year 2017-18 by the Comptroller and Auditor General of India, New Delhi (C&AG). Their report, along with replies of the Management, is attached and forms part of this report.

COMMENTS OF C&AG

C&AG has not yet communicated their comment, if any under section 143(6)(b) of the Companies Act, 2013 on the Accounts of the Company for the year 2017-18.

The Comments from C & AG(if any) along with Management reply thereon or NIL comments, as the case may be shall be placed in AGM as addendum.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors state:-

(i) that the applicable accounting standards have been followed in the preparation of annual accounts along with proper explanation relating to material departures.

(ii) that such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the Loss of the Company for the year ended 31st March 2018.

(iii) that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

(iv) That the annual accounts have been prepared on 'not a going concern' basis.

8. ACKNOWLEDGEMENT:

Your Directors thank The State Trading Corporation of India Ltd. (the holding Company), Ministry of Commerce and Industry, Government of India, concerned commodity boards for their continued support. The Directors also sincerely thank the Statutory Auditors, Comptroller and Auditor General of India, Internal Auditors, Bankers, Legal Advisers, etc for their cooperation and the Officers and Staff of the Company for the services rendered to the Company.

FOR AND ON BEHALF OF THE BOARD

27/7/18
CHAIRMAN

Place: Bangalore.
Date :27.07.2018

ADDENDUM TO DIRECTORS REPORT

MANAGEMENT REPLIES TO INDEPENDENT AUDITOR'S QUALIFICATION FOR THE YEAR 2017-18

Sl. No.	Independent Auditor's Qualification	Management's Reply
1.	**Matter for Emphasis** **b**) Attention is drawn to Note No.62 of Notes to financial statements which states that, the balances in the accounts of Trade Receivable, Trade Payables, Business associates and Other Creditors are under litigation and no confirmation has been received from the parties.	Factual. Legal cases for recovery of outstanding dues from the business associate have been filed by the company and are pending before various courts/legal forums for disposal.
2.	c) Attention is drawn to Note No.20 of the Notes to financial statement which states that Interest payable of Rs, 33,78,29,51,646/- on the principal amount due to the banks is arrived on the basis of the interest rates	Factual. Since the banks have filed petitions before the Debts Recovery Tribunal, no such confirmation letter for interest payable to the banks have

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	disclosed in the Debt Recovery Tribunal application filed by banks. Interest provision of Rs. 6,54,70, 17,464/- have been made by the company for the current financial year. However, no confirmation is received from the banks for interest payable.	been received by the company. Hence the interest is calculated/ arrived on the basis of the claim filed by the banks in the DRT against the Company
3.	**d)** Attention is drawn to Note No.67 to Notes to financial statement which states that, in case where the Company has made provision for Doubtful Debts, no further interest/addition margin of profit is recognized after they have been classified as doubtful debts, Rs, 78, 37,880/- has been received from these parties during the year. As full provision has already made earlier, the same has been credited to Profit&Loss Account (Note No.28) by reducing the provision .Only after the full receipt of the balance outstanding as per books, the interest/additional margin of profit will be recognized on cash basis.	Factual.

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4	**e)** Attention is drawn to Notes No.18.2 of Notes to financial statement which states that, the interest rates considered for computation of interests on short term borrowing related to devolved LC,s are based on the claims of the consortium of banks with the Debt Recovery Tribunal(DRT)	Factual. Since the banks have filed petitions before the Debts Recovery Tribunal, no such confirmation letter for interest payable to the banks have been received by the company. Hence the interest is calculated/ arrived on the basis of the claim filed by the banks in the DRT Court against the Company.
5.	**Para (i) c of Annexure 'A' to Independent Auditor's Report :** As per the information and explanation given to us, the original title deeds of all the immovable properties are in the custody of Banks. The Company has sent a letter seeking confirmation of the original title deeds of immovable properties of the Company held by the Bank. However, confirmation from the bankers has not	Factual.

	been received as on the date of our report. As such and in absence of any evidences, we are not able to verify the title deeds of immovable properties of the Company.	
6.	**<u>Para (iv) of Annexure 'A' to Independent Auditor's Report :</u>** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security except with respect to an investment made during the year 2008-09 in shares of NSS Satpura for Rs. 1,000,000. In terms of Explanation to Rule 13 of Companies (Meeting of Board and Its Powers) Rules, 2014, the Company should have passed a special resolution within one year from the date of notification of Section 186 of the Companies Act, 2013, which has not been complied with.	As per the direction of the Administrative Ministry (Ministry of Commerce), during 2008-09 the Company invested Rs.10.00 lakhs in the Joint Venture NSS Satpura Agro Development Co. Ltd. Provisions of Section 186 of the Companies Act, 2013, in respect of investment is not applicable to a Government Company if such investment is approved by the Administrative Ministry concerned, in view of the exemption granted by the

		MCA vide notification dated 5th June 2015.
7.	**<u>Para (vi)(a) of Annexure 'A' to Independent Auditor's Report :</u>** According to information and explanation given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, Investor Education and protection fund, Employees State insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty,Cess and other statutory dues, if any, applicable to it with appropriate authorities except for	In response to the Kerala Sales Tax Department's notice for the year ending 31.03.1996 claiming an amount of Rs. 2,53,755/-, STCL has filed an appeal before the Appellate Tribunal in Kerala. The appeal is yet to be decided.

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	an amount of Rs, 2,53,755/- relating to Kerala Sales Tax for the year ended 31.03.1996	
8.	**<u>Para (vi)(b) note: of Annexure 'A' to Independent Auditor's Report :</u>** Note: The Company has filed an application u/s 220(A) of the income Tax Act,1956,with the Income tax department against notice of the demand for Rs, 2,11,95,009/- relating to AY 2010-11 raised by the Tax Recovery Officer, Income Tax Department. No detail has been received till the date of audit.	In response to the income tax notice during the year 2010-11 for an amount of Rs, 2,11,95,009/-, STCL has filed an application u/s 220(A) of the income Tax Act.1956/- and is awaiting reply from income tax department.

9.	**Qualified Opinion** **Para (i) of Annexure 'B' to Independent Auditor's Report :** The Company did not have appropriate internal control with respect to reconciliation of Trade Receivables, Trade Payables, other Creditors and Business Associates, which could result in the material mis-statement in books of accounts.	Explained in Balance Sheet Note No. 62
10.	**Para (ii) of Annexure 'B' to Independent Auditor's Report :** The lease rent of steam sterilization unit located in Chhindwara, Madhya Pradesh was not collected during the period of lease i.e. 1st November, 2013 till the lease was terminated as on 31st January 2015. The Company has not exercised its right to terminate the lease despite rent remaining unpaid throughout the lease period. The Company has not filed any suit	In response to the petition filed by the lessee, the Company filed its objection and also made the counter claim for the amount payable by the lessee.

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	against the lessee for recovery of its dues.	
11.	**<u>Para (iii) of Annexure 'B' to Independent Auditor's Report :</u>** The Company has rent advance to the tune of Rs.3.68 Crore with STC of India Ltd.,(the holding company) given towards occupation of earlier premises taken from STC of India Ltd. which has been terminated.	Fresh lease agreement is being undertaken.
12.	**<u>Para (iv) of Annexure 'B' to Independent Auditor's Report :</u>** The Board of Directors of the Company had delegated certain powers to the MD vide 107th Board Resolution dated 27th January, 2006, however, no review or revision of the same has been made subsequently till date.	Since the company is in the process of winding up and no business activity is being carried out, the existing delegation of powers is being continued. At this stage no useful purpose will be served by amending the DOP.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U85110KA1982GOI005013
2.	Registration Date	23.10.1982
3.	Name of the Company	STCL LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/Union Government Company
5.	Address of the Registered office & contact details	"Chandrodaya", No. 10/1, 2nd Main, 30th Cross, 7th Bock, Jayanagar, Bangalore – 560070
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (**All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	**Wholesale trade services**	**99611**	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES–

Sl. No.	Name & address of the company	CIN	Holding/subsidiary/Associate	% of shares held	Applicable Section
1	THE STATE TRADING CORPORATION OF INDIA LIMITED	L74899DL1956GOI002674	Holding Company	100%	2(87)(ii)

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/ HUF	NIL	2	2	0.001	NIL	2	2	0.001	0
b) Central Govt	NIL	0	0	0	NIL	0	0	0	0
c) State Govt(s)	NIL	0	0	0	NIL	0	0	0	0
d) Bodies Corp.	NIL	149998	149998	99.999	NIL	149998	149998	99.999	NIL
e) Banks / FI	NIL	0	0	0	NIL	0	0	0	0
f) Any other	NIL	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	Nil	150000	150000	100	NIL	150000	150000	100	0
B. Public Shareholding	NIL	-	-	-	NIL	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	--
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	--
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total	0	0	0	0	0	0	0	0	0

(B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	**0**	0	**0**	0	0	0	0	0	0
Grand Total (A+B+C)	NIL	150000	150000	100	NIL	150000	150000	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% chang i sharehold during t year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	STC of India Limited	149998	99.998	0	149998	99.998	0	-
2	CMD, STC	1	0.0005	0	CMD, STC	1	0.0005	0
3	MD, STCL	1	0.0005	0	MD, STCL	1	0.0005	0

C) Change in Promoters' Shareholding (please specify, if there is no change)- No change in share holding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		NO CHANGE		
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1					
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	0	0	0	0

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H.P. Girish, Managing Director				
	At the beginning of the year	1	0.0005	2	0.0005
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1	0.0005	2	0.0005
2	Rajiv Chopra, CMD, STC of India Ltd				
	At the beginning of the year	1	0.0005	2	0.0005
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1	0.0005	2	0.0005

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits (Partly Secured)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11852590719	Nil	Nil	11852590719
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	11852590719	Nil	Nil	11852590719
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	28800	Nil	Nil	28800
Net Change	28800	Nil	Nil	28800
Indebtedness at the end of the financial year				
i) Principal Amount	11852561919	Nil	Nil	11852561919
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	11852561919	Nil	Nil	11852561919

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:[Rs. In Lakhs]

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Name	H.P. GIRISH				
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2649757				2649757
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil				Nil
2	Stock Option	Nil				Nil
3	Sweat Equity	Nil				Nil
4	Commission- as % of profit - others, specify…	Nil				Nil
5	Others, please specify	Nil				Nil
	Total (A)	2649757				2649757

	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	----	----	---	
1	Independent Directors					
	Fee for attending board committee meetings	Nil				Nil
	Commission	Nil				Nil
	Others, please specify	Nil				Nil
	Total (1)	Nil				
2	Other Non-Executive Directors					Nil
	Fee for attending board committee meetings	Nil				Nil
	Commission	Nil				Nil
	Others, please specify	Nil				Nil
	Total (2)	Nil				Nil
	Total (B)=(1+2)	Nil				Nil
	Total Managerial Remuneration	Nil				Nil
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

NIL

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				Nil
2	Stock Option				Nil
3	Sweat Equity				Nil
4	Commission				Nil
	- as % of profit				
	others, specify…				Nil
5	Others, please specify				Nil
	TOTAL				Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N0T APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITOR'S REPORT (REVISED)

To the Members of STCL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ***STCL LIMITED*** (Formerly Spices Trading Corporation) "the Company", which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement for the year and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit and loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessment, the auditor considers internal financial controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of accounting policies used and reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

The Audit Report issued on 31.07.2018 has been revised to incorporate Compliance to Directions of Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013 and this Revised Audit Report supersedes the earlier audit report.

PARYAGO BHAWAN (1ST FLOOR) MAIN ROAD, ROURKELA - 769 001
☎ : (0661) 2500199, Email : mail@gcbanka.com; gopalbanka@gmail.com

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the company as at 31st March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Company has first time prepared the financial statements for the year ended on 31st March 2018 in accordance with Accounting Standards as per Ind AS. The financial statements up to the year ended on 31st March 2017 has been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Company has prepared opening Ind AS compliant Balance sheet as at 1st April 2016 (the company's date of transition to Ind AS) and has restated the Balance sheet as at 31st March 2017 in accordance with Ind AS requirements.

Emphasis of Matter

a) Attention is drawn to Note No. 1.2 of the notes to financial statements, which states that, the accounts of the Company are prepared based on the assumption that the Company is not going concern due to following reasons:

   i) The Shareholders of the Company in their Extraordinary General Meeting held on 12.09.2013 had approved winding up of the Company under 433 (a) of the Companies Act, 1956.

   ii) Department of Commerce, Ministry of Commerce and Industry vide its letter dated 26.08.2013 had conveyed approval of the Union Cabinet for winding up of the Company and to offer voluntary Separation Scheme (VSS) to the Employees.

   iii) Company had filed winding up petition before the Hon'ble High Court of Karnataka on 26.11.2013.

   Accordingly, the Company has drawn the accounts on Liquidation basis i.e. assets have been revalued on realizable basis, whereas the liabilities towards the bank have been stated at book value, in view of legal cases initiated by the banks against the Company for recovery of their dues and all other liabilities at their settlement value.

b) Attention is drawn to Note No.62 of Notes to financial statements which states that, the balances in the accounts of Trade Receivable, Trade Payables, Business associates and Other Creditors are under litigation and no confirmation has been received from the parties.

c) Attention is drawn to Note No. 20 of the Notes to financial statements which states that, Interest payable of Rs. 33,78,29,51,646/- on the principal amount due to the banks is arrived on the basis of the interest rates disclosed in the Debt Recovery Tribunal application field by banks. Interest provision of Rs. 6,54,70,17,464/- have been made by the company for the current financial year. However, no confirmation is received from the banks for interest payable.

d) Attention is drawn to Note No. 67 to Notes to financial statements which states that, in cases where the Company has made provision for Doubtful Debts, no further interest/addition margin of profit is recognized after they have been classified as doubtful debts. Rs 78,37,880/- has been received from these parties during the year. As full provision has already made earlier, the same has been credited to Profit & Loss Account (Note No 28) by reducing the provision. Only after the full receipt of the balance outstanding as per books, the interest/additional margin of profit will be recognized on cash basis.

e) Attention is drawn to Notes No. 18.2 of Notes to financial statements which states that, the interest rates considered for computation of interest on short term borrowings related to devolved LC's are based on the claims of the consortium of banks with the Debt Recovery Tribunal (DRT).

f) Attention is drawn to Note No. 30.1(f, g & h) where it is mentioned that the Company has made provision for payment of interest as per the claim made by the consortium banks in the DRT up to 20.07.2011 and further interest are provided at the rates mentioned in the DRT application by the banks. Excess interest / penal interest / liquidated damages claimed by the banks as shown in their balance confirmation certificate amounting to Rs. 165,83,94,543/- (included in Note 30) has been shown under contingent liability. However, the contingent liability as shown in Notes consists only of those banks who have given their balance confirmation certificate.

g) Attention is drawn to Note No. 18.2 of Notes to Financial Statements which states that, the total liability to banks along with interest amounting to Rs. 4563,55,42,366/- is payable to consortium of seven banks and UCO Bank is respect of devolved LCs/Packing credits since 2008-09. Confirmation of outstanding interest has not been received from the banks. The Company has considered interest payable as claimed at the rates disclosed in their DRT application filed by UCO Bank and consortium of other Banks. Cash credit/short term loan is as per the DRT (Debt Recovery Tribunal) application filed by consortium of seven banks and UCO Banks on 20.07.2011. The above loan has been classified as NPA by consortium banks and UCO Bank. The Company has created pari-passu charge on current assets in favor of the banks and also surrendered the documents of immovable property situated at Chhindwara (3.239 hectares), Byadgi (5Acres), Siddapura (2.20 acres) and Madikeri (0.50 acres) in favor of the Bankers. In view of the immovable properties of STCL given as security, an estimated amount of RS. 1,82,69,500/- out of the total advances can be considered as secured. The consortium of bank and UCO Bank have filed cases separately against the Company with the DRT, wherein with regard to UCO Bank recovery case, DRT has passed an order dtd. 29.09.2015 for recovery of Rs. 148,18,29,854.77, However, the Company 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.

h) Attention is drawn to Note No. 3.2 of the Notes to financial statements with respect to investment in Shares of NSS Satpura Agro Development Corporation Ltd., which states as follows:

The Joint Venture Company has incurred losses and its cumulative losses is Rs. 30,13,372/- up to 31st March 2013 and details of subsequent period are not available, the Company has written off Rs. 7,53,343/- towards permanent diminution in its investment value up to earlier years. The audited financial statements of NSS Satpura are not available for the subsequent periods. The Company Board approved in its 142nd Board Meeting held on 24.10.2013 for withdrawal from the Joint Venture Company NSSSADCL.

i) Attention is drawn to Note. No. 30.1 (k) which states that, subsequent to filing of arbitration petition of M/s Shiva Shankar Minerals Private Limited against STCL and on completion of arbitration process, Rs. 6,06,69,338/- including legal fees of Rs. 26,55,114/- was awarded in favour of M/s Shiva Shankar Minerals Private Limited, STCL has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore.

Our Opinion is not modified in respect of these matters.

Report on the Other Legal and Regulatory Requirements

As required by 'the Companies (Auditors Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act *(hereinafter referred to as the "Order")*, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(5) of the Act, we report that:

In compliance to directions/sub-directions issued by the Comptroller & Auditor General of India we enclose herewith a statement on the matters specified in the directions in the "**Annexure-C**".

As required by section 143(3) of the Act, 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 purposes of our audit;

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 financial statements dealt with by this report are agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e. Since the Company is in the process of winding up, the issue as to whether the observation or comments of the auditors have any adverse effect on the functioning of the Company does not arise;

f. The provision of section 164 (2) of the Act does not apply to the Company as the Company is a Government Company;

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure- B ";

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

   (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note Nos. – 7,11,18 and 30 of notes to the financial statements;
   (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G.C. Banka & Co.
Chartered Accountants
Firm Registration No.313104E

G C Banka 13/9/18
(Partner)
M. No. 051155

Place: Rourkela
Date: 13.09.2018

STCL LIMITED

(Annexure-A)

Annexure to the Auditor's Report of even date to the members of STCL Limited, on the financial statements for the year ended 31st March 2018.

Based on the audit procedure 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 accounts 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.

(b) As explained to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of asset is reasonable.

(c) As per information and explanation given to us, the original title deeds of all the immovable properties are in the custody of Banks. The Company has sent a letter seeking confirmation of the original title deeds of all the immovable properties of the Company held by the Bank. However, confirmation from the bankers has not been received as on the date of our report. As such and in absence of any evidences, we are not able to verify the title deeds of immovable property of the Company.

(ii) The company did not hold any inventory during the year and hence the clause is not applicable.

(iii) As informed to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the registers maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the Company and hence, not commented upon.

(iv) In our opinion and according to information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security except with respect to an investment made during the year 2008-2009 in shares of NSS Satpura for Rs. 10,00,000. In terms of explanation to Rule 13 of Companies (Meeting of Board and its Powers) Rules, 2014, the Company should have passed a special resolution within one year from the date of notification of Section 186 of the Companies Act, 2013, which has not been complied with.

(iv) In our opinion and according to information and explanations given to us the company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the Act and Rules framed thereunder.

(v) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of section 148 of the Act, in respect of the activities carried by the Company.

(vi) (a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, Investor Education And Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, if any, applicable to it with appropriate authorities except for an amount of Rs. 2,53,755/- relating to Kerala Sales Tax for the year ended 31.03.1996.

(b) According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, service tax, custom duty, excise duty and value added tax outstanding on account of dispute, other than the following

Particulars	*Amount*	*Period to which the Amount Relates*	*Forum where dispute is pending*
Sales Tax-KGST Act	7,28,753	1997-98	Sales Tax Appellate Tribunal, Kerala.
Sales Tax-CST Act	80,349	1997-98	Sales Tax Appellate Tribunal, Kerala.
Sales Tax-TNGST Act	2,67,774	2001-02	Sales Tax Appellate Tribunal, Tamilnadu.
Claim by Tamil Nadu Civil supplies Corp. Ltd. For refund of tax portion on value of goods supplied.	14,44,891	2002-03	High Court Chennai.
Sales Tax-TNGST Act	31,83,129	2005-06	Deputy Commissioner of Commercial Taxes Appeals Madurai.
Sales Tax-TNGST Act	2,02,672	2006-07	Deputy Commissioner of Commercial Taxes Appeals Madurai.
Sales Tax-TNGST Act	1,16,21,061	2007-08	Madras High Court.
Sales Tax-TNGST Act	12,36,579	2008-09	Madras High Court.
Income Tax Act, 1961	2,11,95,009*	2010-11	[See Note below]
Income Tax Act, 1961	4,23,450	Short Payment of TDS	Income Tax Dept.
Service Tax Act	1,42,70,138 [Excluding Penalty]	2012-13	Commissioner of Service Tax, Bangalore
Enforcement Directorate	10,00,00,000	----	Appellate Authority under FEMA

- Note: The Company has filed an application u/s 220(A) of the income Tax Act,1956, with the Income tax department against the notice of the demand for Rs. 2,11,95,009/- relating to AY 2010-11 raised by the Tax Recovery Officer, Income Tax Department. No details has been received till the date of audit.

(vii) The Company has defaulted in repayment of dues to Banks as a result, based on the information made available to us the amount due to the banks towards Long Term Borrowing and Short Term Borrowings is Rs. 45,63,55,42,365/- since financial year 2008-09. Details are given below:

Particulars	*Principal (in Rs.)*	*Accumulated Interest (in Rs.)*	*Total Defauls (in Rs)*
Packing Credit			
Vijaya Bank	9,69,90,000	25,85,29,724	35,55,19,724
UCO Bank	37,14,71,891	126,21,38,660	1,63,36,10,551
Cash Credit/ Short Term Loans			
Axis Bank	1,18,48,00,000	1,98,15,10,188	3,16,63,10,188
Canara Bank	1,62,62,27,786	6,25,67,23,096	7,88,29,50,882
IDBI Bank	1,96,22,75,536	4,61,44,00,599	6,57,66,76,135
State Bank of India	1,98,53,61,313	5,17,33,76,507	7,15,87,37,820
UCO Bank	72,46,63,417	246,21,66,685	3,18,68,30,102
Union Bank of India	1,43,93,72,636	5,25,19,91,936	6,69,13,64,572
Vijaya Bank	2,31,10,49,482	6,20,67,86,615	8,51,78,36,097
Yes Bank	15,03,58,354	31,53,27,636	46,56,85,990
Total	11,85,25,70,415	33,78,29,51,646	45,63,55,22,061

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(viii) The Company has not raised any money by public offer or further public offer. The company has also not borrowed any money by way of term loan from any nationalized bank during the financial year. Accordingly, the provisions of clause 3 (ix) of the order are not applicable to the Company and hence, not commented upon.

(ix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(x) In our opinion and according to information and explanations given to us remuneration has been paid to the managing director of the company within provisions of section 197 read with schedule V of the Companies Act, 2013.

(xi) In our opinion and according to information and explanations given to us, provisions of NIdhi company are not applicable to the company

(xii) In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act and the details have been disclosed as required by the applicable accounting standards.

(xiii) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered any non-cash transaction in contravention of section 192 of the Companies Act.

(xv) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For G.C. Banka & Co.
Chartered Accountants
FRN: 313104E

Place : Rourkela
Date : 13.09.2018

G.C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

13/9/18
G C Banka
(Partner)
M. No. 051155

STCL Limited.

"ANNEXURE B"

Annexure to the Independent Auditor's Report of even date on the Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of STCL Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting 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 its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial control over financial reporting, 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 procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

i. The Company did not have appropriate Internal control with respect to reconciliation of Trade Receivables, Trade Payables, other creditors and Business Associates, which could result in the material misstatement in books of accounts.

ii. The lease rent of steam sterilization unit located in Chindwara, Madhya Pradesh was not collected during the period of lease i.e. November, 2013 till the lease was terminated as on 31st January, 2015. The Company has not exercised its right to terminate the lease despite rent remaining unpaid throughout the lease period. The Company has not filed any suit against the lease for recovery of its dues.

iii. The company has rent advance to the tune of Rs 3.68 crores with STC India Limited (the Holding Company), given towards occupation of earlier premises taken from STC India Limited which has been terminated.

iv. The Board of Directors of the Company had delegated certain powers to the managing director of the company vide 107th board resolution dated 27th January, 2006. However, no review of the same has been made subsequently till date.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of material weaknesses described above on the achievement of objectives of control criteria, the company has maintained, in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2018, based on the internal financial control over financial reporting criteria established by the company considering the essential of internal control stated in the Guidance Note on Audit of internal financial controls over Financial reporting issued by the Institute of Chartered accountants of India.

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 March 31, 2018 financial statements of the company, and the material weakness does not affect our opinion on the financial statements of the company.

Place : Rourkela
Date : 13.09.2018

For G.C. Banka & Co.
Chartered Accountants
FRN: 313104E

G C Banka
(Partner)
M. No. 051155

STCL Limited

Annexure – C (Addendum)

Auditor's Report in compliance to Directions under section 143(5) of Companies Act 2013 for the year ended on 31.03.2018

Sl. No.	Directions	Reply
1.	Whether the company has clear titles /lease deeds for free hold and leasehold land respectively ?. If not please state the area of freehold and lease hold land for which titles are not available.	STCL has properties situated at following locations. 1. Bydagi, Haveri District, Karnataka- 5 Acres 2. Umranala Chindwara District Madhya Pradesh 8 acres. 3. Madikere, Kodagu District Karnataka -2.2 Acres 4. Siddapura, Kodagu District Karnataka -0.5 Actres As per information and explanation given to us, the original title deeds of all the immovable properties are in the custody of Banks. The Company has sent a letter seeking confirmation of the original title deeds of all the immovable properties of the Company held by the Bank. However, confirmation from the bankers has not been received as on the date of our report. As such and in absence of any evidences, we are not able to verify the title deeds of immovable property of the Company. Kindly refer **Annexue A.1(c)** of our audit report.
2.	Whether there are any cases of waiver/ write off of debts /loans/interest etc if yes , the reasons there for and the amount involved.	No - no waiver/write off of debts/loans/interest etc done in the year 2017-18.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grants from government or other authorities.	No gifts / grants have been received by the company during the year. No record of third party inventory is maintained by STCL. The company has made disclosures in para 5.1(a) & 11.1(g) of the notes to accounts with regards to disputed assets held by custodians and under injunction.

For G.C. Banka & Co.
Chartered Accountants
Firm Registration No.313104E

G C BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

13/9/18

G C Banka
(Partner)
M. No. 051155

Place: Rourkela
Date: 13.09.2018

STCL LIMITED
CIN: U85110KA1982GOI005013
Balance Sheet as at March 31, 2018

(Amount in INR)

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2	31,173,868	38,144,524	45,882,615
(b) Financial Assets :				
(i) Non current investments	3	1	1	1
(ii) Other Financial Assets	4	113,234	11,283,647	28,826,406
(c) Other Non-current assets	5	-	-	-
Current Assets				
(a) Financial Assets :				
(i) current investments	6	-	-	2,000
(ii) Trade receivables	7	1,050,000	1,050,000	1,050,000
(iii) Cash & cash equivalents	8	4,070,807	3,283,611	3,043,523
(iv) Bank Balances other than (iii) above	9	1,795,742	1,795,742	1,795,742
(v) Loan	10	38,514,823	43,514,823	43,672,054
(vi) Others	11	452,929	1,546,179	698,031
(b) Tax Assets (Net)	12	2,905,139	2,869,709	11,056,704
(c) Other Current Assets	13	2,389,095	2,843,554	2,322,984
Total Assets		82,465,638	106,331,790	138,350,060
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	15,000,000	15,000,000	15,000,000
(b) Other Equity	15	(45,641,830,986)	(39,073,193,210)	(33,445,791,390)
Non Current Liabilities				
(a) Provisions	16	3,164,916	2,665,437	3,093,053
(b) Other non-current liabilities	17	12,976,000	15,328,209	18,146,144
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	11,852,561,919	11,852,590,719	11,852,611,046
(ii) Trade payables	19	11,136,621	12,569,957	13,437,429
(iii) Other Financial Liabilities	20	33,828,858,239	27,279,518,118	21,681,347,141
(b) Provisions	21	334,291	1,398,497	24,552
(c) Other current liabilities	22	264,638	454,063	482,085
Total Equity and Liabilities		82,465,638	106,331,790	138,350,060
General Information &Significant Accounting Policies	1			

Significant Accounting Policies and the accompanying notes no. 1 to 70 form an integral part of accounts.

As per our report of even date

For G C Banka & Co.
Chartered Accountants
F.R.No. 313104E

BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

G C Banka
Partner
M.No. 051155

Place : Rourkela
Date : 31.07.2018

For and on behalf of the Board of Directors

27/7/18
N Lakshmipathy
General Manager

27/7/18
Rooma Nagrath
Director
DIN : 07829185

24.7.18
S.K. Sharma
Managing Director
Additional Charge
DIN : 06942536

STCL LIMITED

CIN: U85110KA1982GOI005013

Statement of Profit and Loss for the period ended March 31, 2018

(Amount in INR)

Particulars			Note No.	Period Ended March 31, 2018	Period Ended March 31, 2017
Income					
i)	Other Income		23	2,734,968	4,363,179
	Total Income(I)			**2,734,968**	**4,363,179**
Expenses					
i)	Employees' Benefit Expenses		24	18,158,349	14,031,150
ii)	Finance Cost		25	6,547,017,464	5,595,887,319
iii)	Depreciation & Amortization Expenses		26	6,901,715	7,738,091
iv)	Other Expenses		27	5,013,996	3,377,914
	Total expenses (II)			**6,577,091,524**	**5,621,034,474**
Profit before exceptional items and tax(I-II)				(6,574,356,556)	(5,616,671,295)
	Exceptional Items		28	(5,515,222)	1,890,437
Profit Before Tax				(6,568,841,334)	(5,618,561,732)
	Tax expense				
	(i) Current tax			-	-
	(ii) Tax paid for earlier years			-	8,353,569
	(iii) Deferred tax			-	-
I	**Profit for the Year(A)**			(6,568,841,334)	(5,626,915,301)
II	**Other Comprehensive Income**				
i)	Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans			203,560	(486,519)
	Other Comprehensive Income net of tax (B)			**203,560**	**(486,519)**
	Total Comprehensive Income for the period (A+B)			**(6,568,637,774)**	**(5,627,401,820)**
	Earnings per equity share :				
	(1) Basic			(43,792)	(37,513)
	(2) Diluted			(43,792)	(37,513)
General information & Significant Accounting Policies			1		

Significant Accounting Policies and the accompanying notes no. 1 to 70 form an integral part of accounts.

As per our report of even date

For G C Banka & Co.
Chartered Accountants
F.R.No. 313104E

CA G C Banka
Partner
M.No. 051155

Place : Rourkela
Date : 31.07.2018

For and on behalf of the Board of Directors

27/7/18
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General Manager

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DIN : 07829185

S.K. Sharma
Managing Director
Additional Charge
DIN : 06942536

STCL LIMITED
CIN: U85110KA1982GOI005013
Cash Flow Statement For The Year Ended March 31, 2018

(Amount in INR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss before tax	(6,568,841,334)	(5,618,561,732)
Adjustment for:-		
Interest and Finance Charges	6,547,017,464	5,595,887,319
Depreciation	6,901,715	7,738,091
Net write back of debts/advances/claims/assets	7,837,880	432,221
Interest income on fixed deposits	(349,363)	(1,399,437)
Profit/Loss on sale of Fixed Assets	(18,584)	-
Ammortisation of Grant	(2,352,208)	(2,817,936)
Operating Profit before Working Capital Changes	**(9,804,430)**	**(18,721,473)**
Adjustment for:-		
Increase/(decrease) Trade and other receivables	5,699,897	9,300,169
Increase/(decrease) in Trade and other payables	(6,290,171)	(1,368,718)
Increase/(decrease) in provisions	(361,169)	459,810
Changes in working capital	**(951,443)**	**8,391,261**
Less:- Taxes Paid	(35,430)	(8,353,569)
Net Cash generated/used in Operating Activities	**(10,791,303)**	**(18,683,781)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	87,525	-
Interest on deposits	349,363	1,399,437
Sale of Investments	-	2,000
Changes in term deposits	11,170,412	17,542,759
Net Cash From Investing Activities	**11,607,300**	**18,944,196**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	(28,800)	(20,327)
Net Cash From Financing Activities	(28,800)	(20,327)
D. Net changes in Cash & Cash equivalents	787,197	240,088
Reconcilation of cash & cash Equivalents		
F. Cash & Cash Equivalents at the end of the year	4,070,807	3,283,611
E. Cash and Cash equivalents at the beginning of the Year	3,283,611	3,043,523
Cash & Bank balance as per cash flow statement	787,197	240,088
Cash & Bank balance as per Balance sheet	5,866,549	5,079,353
Less: non readily convertible bank deposits	1,795,742	1,795,742
Cash & Bank balance as per cash flow statements	4,070,807	3,283,611
Cash & Bank balance includes unpaid dividend	-	-

Plus sign denotes inflows and minus (-) denotes outflow

Significant Accounting Policies and the accompanying notes no. 1 to 70 form an integral part of accounts.

As per our report of even date

For G C Banka & Co.
Chartered Accountants
F.R.No. 313104E

BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

G C Banka
Partner
M.No. 051155

Place: Rourkela
Date: 31.07.2018

27/7/18
N.Lakshmipathy
General Manager

For and on behalf of the Board of Directors

27/7/18
Rooma Nagrath
Director
DIN: 07829185

27.7.18
S.K.Sharma
Managing Director
Additional Charge
DIN : 06942536

STCL LIMITED

Notes to the Financial Statements

1. General Information & Significant Accounting Policies

1.1 STCL was incorporated in India on October 23, 1982. The company is a wholly owned subsidiary of the State Trading Corporation of India Ltd. The company was engaged in trading of Spices. As the union cabinet had approved the winding up of STCL Limited, the company had filed the winding up petition in the High Court of Karnataka.

1.2 First time adoption of Indian Accounting Standards (Ind-AS)

The company has adopted Ind-AS, in accordance with Notification dated February 16, 2015 issued by Ministry of Corporate Affairs, Government of India, with effect from April 01, 2017 with a transition date on April 01, 2016.

1.3 Significant Accounting Policies:

1.4 Statement of Compliance and basis of preparation of Financial Statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements.

The Financial statements of the company are prepared based on the assumption that the company is not a going concern due to the following reasons:-

a) The shareholders of the company in their extraordinary general meeting held on September 12, 2013 has approved winding up of the company under 433(a) of the companies Act, 1956
b) Department of Commerce, Ministry of commerce and Industry vide letter dated August 26, 2013 has conveyed approval of the union cabinet for winding up of the company and to offer Voluntary Separation Scheme (VSS) to the Employees.
c) Company has filed winding up petition before the Hon'ble High Court of Karnataka on November 26, 2013.

Accordingly the company has drawn the accounts on liquidation basis i.e. assets have been revalued on realizable basis, whereas the liabilities towards the banks have been stated at book value, in view of legal cases initiated by the banks against company for recovery of their dues and all other liabilities at their settlement value.

Company has measured certain financial instruments and defined benefit plan – plan assets at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with Indian Generally Accepted Accounting Practice (GAAP) which includes Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act.

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1.5 Application of Indian Accounting Standards (Ind-AS)

As per MCA notification dated 16.02.2015, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crores need to comply with the requirements of Ind AS for its accounting period beginning on or after 01.04.2017.

Though the Net worth of the company is less than 100 crores, the company still required to comply with Ind AS w.e.f 01.04.2017 being the subsidiary of holding company for which Ind AS is applicable w.e.f 01.04.2017.

1.6 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.7 Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

1.8 Revenue Recognition

i. Trading Income

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable taking into account the amounts of trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

ii. Cost of Sale and Sales

a) Purchases and sales are recognised on the performance of contracts.

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b) In cases where contracts provide for crystallization of price or for price adjustment on a subsequent date, corresponding purchases and sales are booked on the basis of expected settlement price and any differential determined subsequently is accounted for at the time of final settlement. Cost of Sale and Sales are accounted for considering all costs and elements including usance interest on supplier's credit as provided for in the contract and incurred till the date of recognition including expenses incurred by and surplus accruing to Business Associates as per contract terms.

c) In respect of back-to-back / tripartite / joint-execution / third party arrangements, purchases and sales are booked on the basis of documents furnished by the Business Associate as adjusted for the fixed trade margin accruing to the Company.

d) In case of dealings on behalf of the Government (including consignments under Government's Gift / Grant Scheme), purchases and sales and incidental expenses or income thereof are accounted for under the respective head of accounts. Surplus or deficit to Government Account, after adjusting company's margin accruing to the Company, is adjusted in Cost of Sales or Trade Income respectively.

e) In case of certain commodities, import of which is canalised through the company, imported on 'government account' against authorisation letter issued by government of India, purchase/sale is booked in the name of company.

f) High Sea Sales:
Sale during the course of import by transfer of documents of title i.e. High Sea Sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.

iii. Dividend and interest income

Dividend income from investments is recognized when the Company's right to receive payment has been established and it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv. Claims

a. Pending settlement, certain expenses / gain/ losses like dispatch earned / demurrage payable etc. are accounted for on provisional basis on the best estimates of the Management .

b. Claims are recognized in the Statement of Profit & Loss if there is no uncertainty relating to its ultimate realization. Claims recognized in the Statement of Profit & Loss but on subsequently becoming doubtful are provided for through the Statement of Profit & Loss.

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v. Revenue Recognition on Actual Realization

Income and expenses are accounted for on accrual basis except the following which are recognised on cash basis:-

a) Claims for refund of excess insurance premium on open policies.

b) Interest on loans to subsidiaries and on delayed payments of sales/ trade finance where realization is doubtful.

c) Export benefits.

d) Interest realisable from the items handled on Government account.

e) Liquidated damages.

f) Claims lodged with Insurance Companies.

1.9 Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange difference which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical costs in a foreign currency are recorded using the exchange rates at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.(i.e. translation differences on items whose fair value gain or loss is recognised in OCI or Statement Of Profit and Loss are also recognised in OCI or Statement Of Profit and Loss, respectively).

1.10 Property, Plant and Equipments

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The company has chosen the cost model of recognition for an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment is recognized 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. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

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i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing items of PPE, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of items of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.11 Depreciation

The depreciable amount of an item of PPE and investment properties is allocated on a straight line basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Depreciation on PPE other than land is provided in accordance with useful life of assets specified in Schedule II of the Companies Act, 2013 on straight-line method except intangible assets, which are depreciated over a period of 2 ½ years.

Leasehold land is amortised over the lease period. Land on perpetual lease is not amortised.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from the date the asset is available for use till it is de-recognised

The Estimated useful life adopted to compute depreciation is as under:-

S. No.	Description	Years
1	Building	
	a) RCC frame	60
	b) Other than RCC frame	30
	c) Factory Buildings	30
	d) Fences, tube wells	5
	e) Others including temporary structure	3
2	Plant and Machinery	15

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3	Electrical installation and equipments	10
4	Furniture & Fixture	10
5	Vehicles - cars	8
6	Office equipments	5
7	Computer and data processing units: -Servers & Networks -End user devices such desktop, laptop etc.	 6 3
8	Components: HVAC plant	
a	Chiller Unit	15
b	Piping work	15
c	Air handling work	10
d	Other components	15
9	Lease hold land	Over lease period
10	Perpetual lease	Nil
11	Intangible Assets – Software etc.	2.5

1.12 **Intangible Assets**

All Intangible Assets (Computer Software's) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably.

Intangible Assets are amortized over their useful life as determined by the Management.

Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises purchase price, import duties, non-refundable purchase tax, after deducting trade discount, rebate and any cost directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by Management. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Computer softwares are amortized on straight line basis over a period of two and a half year beginning from the date of capitalization.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed prospectively. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for prospectively i.e. change in estimate in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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1.13 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, the company measures investment property at cost less accumulated depreciation and accumulated impairment loss, if any.

All investment property are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset by the Company.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes. Fair values are determined on the basis of a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

1.14 Impairment

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets

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have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

1.15 **Government grants**

Government grants received are recognized initially as income when there is reasonable assurance that Company will comply with the conditions associated with the grant. These grants are classified as grants relating to assets and revenue based on the nature of the grant.

Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are disclosed separately as Income in the statement of Profit & Loss.

Government grants with a condition to purchase, construct or otherwise acquire long term assets are initially recognised as deferred income. Once recognised as deferred income, such grants are recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. Changes in estimates are recognised prospectively over the remaining life of the assets.

1.16 **Leases**

Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

i. As a lessee

Finance leases are capitalised at the commencement of the lease. At the inception date leased property is recognised lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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ii. As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term of relevant lease.

1.17 Inventories

Inventories are carried at lower of cost and net realizable value except by-products which are valued at net realizable value. Cost is determined as:

a) on yearly weighted average method in respect of inventories pertaining to own business and items handled on Govt. account under PDS or otherwise,

b) on actual cost as per specific identification method in respect of items handled on back to back arrangement with business associates,

c) Goods–in-transit is valued at CIF cost.

Cost of inventory comprises cost of purchases, cost of conversion and other cost incurred including manufacturing overheads net of recoverable taxes incurred in bringing them in their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimates of net realisable value are based on the most reliable evidence available at the time of estimation as to the amount the inventories are expected to realize.

1.18 Employee benefits

I. Short term employee benefits expected to be paid are recognized at their undiscounted amount in the accounting period in which they are incurred.

II. *Post-retirement benefits :*

a) Defined contribution plan : Company's contribution towards provident fund payable to Provident fund trust and liability towards encashment of un-availed leave are provided on accrual basis. Since RPFC has cancelled the relaxation order of the PF trust during the February, 2017 the contribution towards provident fund payable to provident fund is being paid to RPFC from March 2017, onwards.

b) Defined Benefit plan:

i. Provision for gratuity, leave encashment and half pay leave are determined on the basis of actuarial valuation using the projected unit credit method.

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ii. Company has taken Group Gratuity Scheme from LIC of India to cover the payment of gratuity to employees. Premium paid under the policy is charged to profit & loss account.

iii. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

III. *Termination Benefits*:

Retirement benefit under Voluntary retirement scheme is written off in the year in which opted.

1.19 **Borrowing Costs**

Finance cost include exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.20 **Financial instruments**

Non-derivative financial instruments

Non-derivative financial instruments consist of:

a. financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;

b. financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Initial Recognition

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where

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substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent Measurement

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

b. Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in statement of profit and loss and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current financial assets, except for those maturing later than 12 months after the reporting date which are presented as non-current financial assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d. Security Deposits

Security Deposits are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses.

e. Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

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f. Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost. An entity controlled by the company is considered as a subsidiary of the company. Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition. Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Derivative financial instruments

The Company may uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

1.21 Taxation

Tax expense

Tax expense for the period comprises current tax and deferred tax. Tax recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the tax is also recognised in other comprehensive income or equity.

1. Current tax

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Current tax comprises the accepted tax payable / receivable only taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates and laws enacted or substantially enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company;

a. As a legal enforceable right to set off the recognised amounts and
b. Intends either to settle on a net basis, over to realise the assets and settle the liability simultaneously.

2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and corresponding tax basis used in computation of taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets 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 period.

Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

1.22 Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is-

a. expected to be realised, or intended to sold or consumed in normal operating cycle;
b. held the asset primarily for the purpose of trading;
c. expected to be realised within twelve months after the reporting period; or
d. cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when-

a. expected to be settled in normal operating cycle;
b. held the liability primarily for the purpose of trading;

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c. the liability is due to be settled within twelve months after the reporting period; or
d. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

1.23 Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risk specific to the liability. When discounting is used, the increase in provision due to passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company or when estimates cannot be made of the amount of the obligations.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognizes a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets

Contingent Assets are not recognized in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefit will arise then such assets and the relative income will be recognized in the financial statements.

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Provision for Doubtful Debts/Advances/Claims

Provision for doubtful debts / advances /claims is made where there is uncertainty of realization irrespective of the period of its dues. For outstanding over three years (except government dues), provision is made unless the amount is considered realizable as per management estimate.

1.24 **Earnings per share**

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.25 **Segment Information**

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on their revenue growth and operating income.

The Company has identified its Operating Segments as Exports, Imports and Domestic.

The Assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as unallocable assets/liabilities.

Exemption from retrospective application:

i) Fair Value as deemed cost exemption:

The company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transaction date except for certain class of assets which are measured at fair value as deemed cost.

ii) Cumulative translation differences:

The company has elected to apply Ind AS 21 – The effects of changes in foreign exchange rate prospectively. Accordingly all cumulative gain/losses recognized are reset to Zero by transferring it to retained earnings.

iii) Investment in subsidiaries, joint ventures and associates:

The company has elected to measure investment in subsidiaries, joint Ventures and associate at cost.

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STCL LIMITED

CIN: U85110KA1982GOI005013

Statement of Changes In Equity for the year ended March 31, 2018

Equity Share Capital

(Amount in INR)

Particulars	No of Shares	Face Value	Amount
Balance as at April 1, 2016	150,000	100	15,000,000
Changes in share capital during the year	-	-	-
Balance as at March 31, 2017	150,000	100	15,000,000
Balance as at April 1, 2017	150,000	100	15,000,000
Changes in share capital during the year	-	-	-
Balance as at March 31, 2018	150,000	100	15,000,000

Other Equity

(Amount in INR)

Particulars	Reserve & Surplus				Other Reserve (Revaluation Reserve)	Total
	General Reserve	Capital Reserve	Retained earnings	Contingency Reserve		
Balance as at 31.03.2016	56,594,823	12,000,000	(33,588,430,531)	43,527,000	13,637,631	(33,462,671,077)
Change in accounting policy prior period errors	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	9,570,860	-	-	9,570,860
Amortization of Grant - VITC under ASIDE Scheme	-	-	15,121,725	-	-	15,121,725
Amortization of Grant - Grant-in-aid received under ASIDE Scheme	-	-	(246,656)	-	-	(246,656)
Impairment of Investments	-	-	6,800,413	-	-	6,800,413
Remeasurement of actuarial valuation of defined benefit plans	-	-	(2,366,656)	-	-	(2,366,656)
Adjustment for Prior Period Error	-	-	-	-	-	-
Grant treat as deferred Income	-	(12,000,000)	-	-	-	(12,000,000)
Balance as at April 1st 2016	56,594,823	-	(33,559,550,844)	43,527,000	13,637,631	(33,445,791,390)
Total Comprehensive Income for the year	-	-	(5,627,401,820)	-	-	(5,627,401,820)
Add: Current Year Transfer	-	-	-	-	-	-
Add/ (Less): Net adjusted against the revaluation	-	-	-	-	-	-
Less: Adjusted against the revaluation Reserve	-	-	-	-	-	-
Transfer to bonus share reserve (set on)	-	-	-	-	-	-
Transfer to bonus share reserve (set off)	-	-	-	-	-	-
Balance as at March 31st 2017	56,594,823	-	(39,186,952,664)	43,527,000	13,637,631	(39,073,193,210)
Balance at the beginning of the reporting period as on April 1st 2017	56,594,823	-	(39,186,952,664)	43,527,000	13,637,631	(39,073,193,210)
Total Comprehensive Income for the year	-	-	(6,568,637,774)	-	-	(6,568,637,774)
Add: Current Year Transfer	-	-	-	-	-	-
Add/ (Less): Net adjusted against the revaluation Reserve	-	-	-	-	-	-
Transfer to bonus share reserve (set on)	-	-	-	-	-	-
Transfer to bonus share reserve (set off)	-	-	-	-	-	-
Balance as at March 31st 2018	56,594,823	-	(45,755,590,438)	43,527,000	13,637,631	(45,641,830,986)

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Notes to accounts for the period ended March 31, 2018

2 Property, Plant and Equipment

For the period ended March 31, 2018

(Amount in INR)

Particulars	Gross Block: Gross carrying value as at April 01, 2017	Gross Block: Additions	Gross Block: Disposal/ adjustments	Gross Block: Gross carrying value as at March 31, 2018	Accumulated depreciation: Accumulated depreciation as at April 01, 2017	Accumulated depreciation: Additions	Accumulated depreciation: Disposal/ adjustments	Accumulated depreciation: Accumulated depreciation as at March 31, 2018	Accumulated Impairment: Accumulated impairment as at April 01, 2017	Accumulated Impairment: Additions	Accumulated Impairment: Accumulated impairment as at March 31, 2018	Net Block: Carrying Value as at March 31, 2018
Vehicles	180,000			180,000	-			-	45,000	45,000	90,000	90,000
Air Conditioner	11,000	-	(11,000)	-	3,666		(3,666)	-	-		-	-
Computers	100,000			100,000	-			-	30,000	35,000	65,000	35,000
Office Equipments	90,000		29,798	119,798	76,811	23,781	(28,365)	72,227	-		-	47,571
Furniture & Fixtures	120,000		(120,000)	-	101,558	49,526	(151,084)	-	-		-	-
Refrigerator	3,000		(3,000)	-	2,998		(2,998)	-	-		-	-
Free Hold Land	18,269,500	-	-	18,269,500	-	-	-	-	-	-	-	18,269,500
Factory Building	12,095,734	-	-	12,095,734	2,123,145	1,311,531	-	3,434,676	1,300,606	3,544,608	4,845,214	3,815,844
Plant & Machinery	15,013,283	-	-	15,013,283	1,884,818	1,884,817	-	3,769,635	2,169,489	158,304	2,327,793	8,915,855
ASSETS NOT IN ACTIVE USE AND HELD FOR DISPOSAL												
Vehicles	98			98	-			-	-		-	98
Total	45,882,615	-	(104,202)	45,778,413	4,192,996	3,269,655	(186,113)	7,276,538	3,545,095	3,782,912	7,328,007	31,173,868

For the period ended March 31, 2017

(Amount in INR)

Particulars	Gross Block: Deemed cost as at April 01, 2016	Gross Block: Additions	Gross Block: Disposal/ adjustments	Gross Block: Gross carrying value as at March 31, 2017	Accumulated depreciation: Accumulated depreciation as at April 01, 2016	Accumulated depreciation: Additions	Accumulated depreciation: Disposal/ adjustments	Accumulated depreciation: Accumulated depreciation as at March 31, 2017	Accumulated Impairment: Accumulated impairment as at April 01, 2016	Accumulated Impairment: Additions	Accumulated Impairment: Accumulated impairment as at March 31, 2017	Net Block: Carrying Value as at March 31, 2017
ASSETS ACTIVE IN USE												
Vehicles	180,000			180,000	-			-	-	45,000	45,000	135,000
Air Conditioner	11,000			11,000	-	3,666		3,666	-		-	7,334
Computers	100,000			100,000	-			-	-	30,000	30,000	70,000
Office Equipmens	90,000			90,000	-	76,811		76,811	-	-	-	13,189
Furniture& Fixtures	120,000			120,000	-	101,558		101,558	-	-	-	18,442
Refrigerator	3,000			3,000	-	2,998		2,998	-	-	-	2
ASSETS NOT IN ACTIVE USE												
Free Hold Land	18,269,500	-	-	18,269,500	-	-	-	-	-	-	-	18,269,500
Factory Building	12,095,734	-	-	12,095,734	-	2,123,145	-	2,123,145	-	1,300,606	1,300,606	8,671,983
Plant & Machinery	15,013,283	-	-	15,013,283	-	1,884,818	-	1,884,818	-	2,169,489	2,169,489	10,958,976
ASSETS NOT IN ACTIVE AND NOT IN USE AND HELD FOR DISPOSAL												
Vehicles	98			98	-			-	-	-	-	98
Total	45,882,615	-	-	45,882,615	-	4,192,996	-	4,192,996		3,545,095		38,144,524

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Notes to accounts for the period ended March 31, 2018

(Amount in INR)

2 Property, Plant and Equipment

Note:
The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 01 April 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given below:-

(Amount in INR)

Particulars	Gross Block as at March 31, 2016	Ind AS Adjustment	Gross Block as at April 1, 2016	Accumulated depreciation as at March 31, 2016	Ind AS Adjustment	Accumulated depreciation as at April 1, 2016	[illegible]	Deemed cost as at April 01, 2016
Vehicles	1,045,961	-	1,045,961	865,961	-	865,961		180,000
Weighing Scale	-	-	-	-	-	-		-
Air Conditioner	24,443	-	24,443	13,443	-	13,443		11,000
Depot Equipments	-	-	-	-	-	-		-
Computers	2,142,087	-	2,142,087	2,042,087	-	2,042,087		100,000
Office Equipment	944,869	-	944,869	854,869	-	854,869		90,000
Furniture & Fixtures	963,035	-	963,035	843,035	-	843,035		120,000
Refrigerator	19,933	-	19,933	16,933	-	16,933		3,000
ASSETS NOT IN ACTIVE USE								
Free Hold Land	18,269,500	-	18,269,500	-	-	-	-	18,269,500
Factory Building	18,835,880	-	18,835,880	6,740,146	-	6,740,146	-	12,095,734
Plant & Machinery	63,493,743	-	63,493,743	48,480,460	-	48,480,460	-	15,013,283
ASSETS NOT IN ACTIVE AND NOT IN USE AND HELD FOR DISPOSAL								
Vehicles	22,829	-	22,829	22,731	-	22,731		98
Total	105,762,280	-	105,762,280	59,879,665	-	59,879,665	-	45,882,615

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FINANCIAL ASSETS
NON- CURRENT

3 **Investments** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unquoted Investments			
Investment in Equity instrument			
Shares in NSS Satpura Agro Development Corporation up 100,000 Equity shares of Rs 10/- each)	1,000,000	1,000,000	1,000,000
Allowance on Investments:-	(999,999)	(999,999)	(999,999)
Total	1	1	1

3.1 As per the directions of Administrative Ministry, during 2008-09, a Joint Venture Company has been formed by NAFED, The State Trading Corporation of India Limited & STCL Ltd. i.e., "NSS SATPURA AGRO DEVELOPMENT CORPORATION LIMITED.,".

3.2 Since the joint venture company is incurring losses and its cumulative losses is Rs. 30,13,372 upto March 31, 2013 against the total share capital of Rs. 40,00,000/- the company has provided Rs. 7,53,343/- towards permanent diminution in its investment value (cost 10,00,000) during 2012-13, Since the audited financial statement of NSS Satpura is not available for the subsequent years further allowance, if any has not been recognized in the books. The Company board approved in its 142nd Board Meeting held on October 24, 2013 for withdrawal from the joint venture Company NSSSADCL.

4 **Other Financial Assets** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured- Considered good			
Term deposit with maturity more than 12 months :			
- Term Deposit with banks	113,234	11,283,647	28,826,406
Sub-total	113,234	11,283,647	28,826,406
	113,234	11,283,647	28,826,406

NON FINANCIAL ASSETS

5 **Other Non- Current Assets** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured- Considered Doubtful			
Trade Advances			
-Doubtful	357,845,021	363,832,901	363,832,901
Sub-total	357,845,021	363,832,901	363,832,901
Less: Allowance for bad and doubtful advances	357,845,021	363,832,901	363,832,901
Total	-	-	-

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues from :-			
director	-	-	-
Other officers	-	-	-
Amount due from firm/companies in which directors are	-	-	-

5.1 The Loans and Advances includes the advance made to associate shippers for procurement of Iron Ore Fines and export thereof, for which full provision has been made in earlier years.

a) Rs.12,64,02,768/- [excluding interest] is due from one of the Business Associate , regarding a stock of around 29,400 MTS of Iron ore fines [subject to handling and storing loss an account of long storage period] approximately valuing Rs. 3,38,10,000/- as per the present market value. The stocks are in the custody of C&F agent at Vizag and there is claim of custodian charges amounting to Rs. 1,66,95,220/- Further business associate has moved in the High Court of Karnataka for appointment of Arbitrator, which is awaited.

b) Rs.6,85,78,122/-[excluding interest] is due from one of the business associate , the matter was referred to arbitration. The arbitration award was declared in Company's favor for recovery of claim along with legal cost. Further business associate has challenged the arbitration award and filed a petition before the Court and the matter is pending.

c) Rs.12,38,13,723 [excluding interest] is due from another business associate and a stock of 6,005 MTs of Iron ore fines at Vizag and 503 MTS of Iron ore fines at Kakinada approximately valuing Rs. 74,84,200/- as per the present market value. The stocks were in the custody of C&F Agents and there was a claim of custodian charges amounting to Rs. 61,94,162/-. After negotiation with the C & F Agent, STCL had finalised a one time settlement of Rs. 38,34,000/-. STCL had disposed off the Iron ore Fines of 6000 MTs lying with the C & F Agent held on account of DMRIPL for Rs. 72,45,000/- to Hanuman Agro Cotton Kurnool Ap, with the consent of the party. Sale agreement for this transaction was entered between DMRIPL

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and Hanuman Agro on 09.10.2017. The company has adjusted the realized value of Rs.34,11,000/- (Exact realised value is Rs, 29,87,880/-) to the outstanding dues of DMRIPL after paying the C & F charges. As these transactions had been undertaken on account DMRIPL, the sales and C& F charges had not been reflected in the financials statements of the company.

d) The Company has issued charge sheet to 7 officials in respect of (i), (ii) & (iii) above and also in respect of quality claims of USD 2.88 Million [Rs.18,67,35,168/-] by overseas buyer against Company which is shown under contingent liability. The CVC has appointed the inquiry officer and the inquiry is in progress.

e) Rs. 4,20,50,408/- is due from another business associate. The Company had filed a Private Complaint for diverting and misappropriation of 371 MTS of Pulses. Since the 'B' report has been filed by the Police after investigation, the Company has challenged on the 'B' report filed by the police in the Court requesting for re-investigation. The Company has also filed case under section 138 of NI Act, the legal proceedings are in progress. The Company has made full provision for the amount due of Rs.4,20,50,408/- in the earlier years. However SKT has remitted a sum of Rs.30,000,00/-. during this financial year leaving a balance of Rs,3,90,50,408/-

FINANCIAL ASSETS
CURRENT

6 **Investments** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unquoted Investments			
Government Securities 6 year National Savings Certificate - VIII Issue	-	-	2,000
Total	-	-	2,000

7 **Trade Receivables** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i. Secured Considered good	-	-	-
ii. Unsecured Considered good	1,050,000	1,050,000	1,050,000
iii. Considered doubtful	283,229,937	285,079,937	285,079,937
- Dues from directors	-	-	-
Sub-total	284,279,937	286,129,937	286,129,937
Less : Allowance for bad and doubtful receivables	283,229,937	285,079,937	285,079,937
Total	1,050,000	1,050,000	1,050,000

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues from :-			
director	-	-	-
Other officers	-	-	-
Amount due from firm/companies in which directors are	-	-	-

Movement for Allowance for bad and doubtful receivables

(Amount in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance at the beginning of the period	285,079,937	285,079,937	285,079,937
Impairment losses recognised	-	-	-
Amount written off during the period	-	-	-
Amounts recovered during the period	1,850,000	-	-
Balance at the end of the period	283,229,937	285,079,937	285,079,937

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7.1 Trade Receivables includes the following which has been fully provided:

a) Rs.2,26,28,442/-[excluding interest and trade margin] was due from one of the debtor against High Seas Sale and Pledge of stocks in their premises which was under CWC management. As the payment were not received, the Company invoked the Personal Corporate Guarantee executed by the debtor in favor of the company and filed cases under Section 138 of N.I.Act. The company has made full provision for Rs, 2,26,28,442/- in the earlier years. Arbitral award dtd.30.09.2013 came in favor of the Company for recovery of claims debtor has challenged the Arbitral award in the court and the Company has filed its objection. The party has remitted a sum of Rs, 18,50,000/- during the current financial year leaving balance of Rs2,07,78,442/- and to that extent the provision has been written back by the Company.

b) Rs.17,10,36,656/- is due from another debtor. The Company has filed a private complaint in the magistrate court against RPEPL.its sister concern and C&F Agent for unauthorized lifting of stock, which has been referred to the jurisdiction police station at Bangalore. Since B.Report was filed by the police. Company has challenged on the B report in the court requesting for re-investigation. The Company has initiated action u/s.138 of Negotiable Instrument Act for the return of the cheque unpaid. In addition the Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment the Company has filed a recovery suit in the Kolkata High Court The Arbitral award dtd.23.03.2016 came in favor of the Company. The Company has made full provision for Rs.17,10,36,656/- in the earliest years.

c)

Rs.8,96,18,184/- is due from another debtor (for which provision was made in the earlier years) against High seas Sale and Pledged of stocks held in the premises of Container Corporation of India at Chennai. As the Payments were not received. The Company invoked the personal Corporate Guarantee executed by debtor under 138 of NI Act. STCL is in the process of exploring possibilities with custom authorities for liquidation of the available stock for recovery of the dues.STCL had initiated Arbitration and Retired Justice had been appointed on 19.06.2016 as Arbitration proceedings was completed and the award was given in favor of STCL vide the order dated 20.06.2017 for an amount of Rs,8,96,18,184/- however SGSRML has challenged the award in the city civil court Bangalore which is in progress.

d) Rs.17,13,570/- due from one of the debtor Steam Sterilization unit at Chhindwara.

8 Cash & Cash Equivalents **(Amount in INR)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash in hand	24,482	39,108	95,432
Balances with Banks			
- Current Accounts	2,448,508	3,179,659	2,881,754
- Current Account in Foreign currency - EEFC	65,578	64,844	66,337
Sub-total (A)	2,538,568	3,283,611	3,043,523
Other Bank Balances			
- Term Deposits with maturity upto 3 months	1,532,239		
Sub-total (B)	1,532,239	-	-
Total	4,070,807	3,283,611	3,043,523

8.1 The Cash and Bank balance include Rs, 88,959/- equivalent to USD 1,368.10 which was held in EEFC accounts at the bank, for which USD 1000/-Confirmation was received from the banks. Above amount is restated as on March 31, 2018, March 31, 2017 and April 1, 2016 as per rate of Rs. 65.57, 64.84 and 66.33 respectively.

9 Bank balances other than above **(Amount in INR)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other Balances with Banks			
- As Margin money/under lien	1,795,742	1,795,742	1,795,742
Total	1,795,742	1,795,742	1,795,742

10 Loans **(Amount in crore)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured considered good			
- Deposit to related parties	36,871,702	41,871,702	41,871,702
- Deposits others	1,643,121	1,643,121	1,800,352
Total	38,514,823	43,514,823	43,672,054

10.1 Above deposits include deposit with The State Trading Corporation of India Limited for lease rentals, these deposits are repayable at demand.

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Notes to accounts for the period ended March 31, 2018

11 Other Financial assets (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured- considered good			
Claim Recoverable	452,929	-	-
Defined benefit Plan Asset- Gratuity	-	1,546,179	698,031
Unsecured- considered Doubtful			
Claims Recoverable:			
- From Business Associates	11,552,517,085	11,552,517,085	11,552,517,085
Less: Allowance for bad and doubtful advances	(11,552,517,085)	(11,552,517,085)	(11,552,517,085)
Total	452,929	1,546,179	698,031

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues from :-			
director	-	-	-
Other officers	-	-	-
Amount due from firm/companies in which directors are	-	-	-

11.1 **Other Financial assets includes**

a) Loans and Advances includes Rs.11,55,25,17,085/- [net of security deposit/margin money] shown as Claims Receivable from Business Associates. The Company opened usance letters of credit on overseas suppliers for import of Metal Scraps-[Nickel/Copper Scrap] for merchanting trade at the cost and risk of the Business Associates. The associates / buyers failed to meet the commitment of making the payment before the due dates of the Letters of Credit and this resulted in devolvement of LC's on Company. The net amount due from above business associate is Rs.11,55,25,17,085/- towards the cost of cargoes stuffed in 885 containers supposed to contain Nickel and Copper Scrap which were lying at South Korean and Vietnam Ports. As the payments were not received, few containers were got opened by the Company which were found to contain Iron Scrap instead of Nickel and Copper Scrap. The containers were auctioned by the port authorities. In view of the cargo being assessed as Iron/Steel Scrap and the auction sale price ranging from USD 206 to 250 per MT, the Company has filed complaints against overseas seller business associates as well as international inspection agency all the Criminal complaints filed in India have been transferred to CBI New Delhi. CBI has investigated the matter and filed charge sheet on 7th December, 2016 in the court of XXI Additional City Civil & Sessions Judge & Special Judge for CBI cases Bangalore (CCH-4). The Enforcement Directorate, has issued a show cause notice to STCL and its four officials, business associates and 8 bankers of STCL in December 2011. The Company has replied to the show cause notice. Further The Special Director, Enforcement Directorate, Chennai, summoned the Company on 25.03.2014 and Company appeared and presented the details in the adjudication process. After completion of enquiry, Special Director, Enforcement Director Chennai passed an order bearing No.SDE/SRO/BGZO/01/2018(KRUB)Dated:30.01.2018 whereby STCL was held liable for contravening the provision of the foreign exchange management act 1999 (FEMA) and in particular section 10 (6) of the (FEMA)read with regulation 6(1) of the foreign exchange management (realisation,repatriation and surrender of foreign exchange regulation 2000. Company has filed the claims along with interest

b) Vide the impugned order, ED had levied a penalty of Rs, 10,00,00,000/-(Rupees Ten Crore) with direction to pay the penalty with in 45 days and the appeal on the above order shall lie with Appellate Tribunal under Smugglers and Foreign Exchange Manipulators (Forfeiture of property) New Delhi. STCL has filed appeal before the Appellate Tribunal on 09.03.2018 Praying for dropping the charges imposed against STCL along with penalty levied .STCL filed the appeal before the Appellate Tribunal on 09.03.2018 vide Appeal No.FE-12/CHN/2018. and matter was for hearing on 25.04.2018.

c) The Company has initiated civil and criminal proceedings for recovery of the amount from the business associates and in this connection the Company has obtained injunction on the properties owned by the business associates which includes 154 acres of land belonging to them and group companies for which the business associates have submitted original title deeds to the SBI, lead bank of consortium of banks for creation of charge.

d) The Company has filed criminal complaints against business associates under section 138 of the Negotiable Instruments Act for returning of the cheques unpaid and matter is pending before the court for disposal.

e) Subsequent to the dismissal of SLP filed in the Supreme Court by FMPL/FEIPL, the High Court of Karnataka has re-appointed as sole Arbitrator vide its order dtd. 07.04.2017. He had issued the notice to both the parties for appearing on 18.05.2017 to start the arbitration proceedings. How ever he relinquished the office of the arbitration citing personal reason and STCL approached High Court of Karnataka for appointment of New Arbitrator. High Court vide its order dated 06.09.2017 appointed former Judge of High Court of Karnataka to adjudicate the matter. Arbitration fee is remitted by STCL and initiation of arbitration process is awaited .

f) As the Sale is not concluded in these transactions due to non-receipt of payment from the buyers / associates, as per the contract, the amount payable towards devolved LC's [Purchase-Metal Scrap (Imports)] were transferred to the Business Associates account and treated as 'Claims Receivable from Business Associates' in accordance with the terms of contract.

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g) In this connection, the Company has obtained the court injunction on the properties of the business associate. The Company had engaged the services of Government and Banks Registered Valuer to assess the value of land located at Punjab during January, 2012. By oversight while converting 2382.91 Bighas into Acres from the valuation report dtd. 20.01.2012 it was wrongly mentioned as 578 acres as against 501.66 acres in the previous year accounts (4.75 Bighas equal to 1 Acre, 20 Biswa equal to 1 Bigha). Further the valuation of 2382.91 Bighas (501.66 Acres) was Rs. 548.45 crores as per the valuation report dtd. 20.01.2012 has come down to Rs. 400.28 crores as per the valuation report dtd. 02.12.2016 which has been shown in the below table.

(Amount in INR)

Particulars of Properties	Average Value	
Immovable properties of Business Associates :		
Land located at Punjab [501.66 acres] as per valuation report did. 02.12.2016.	4,002,800,000	
Office Building located at New Delhi [9000 sqft]	296,900,000	
Land located at Chennai [9 acres]	402,500,000	
Land located at Maharashtra [29.951 acres] as per valuation report did. 18.06.2013	256,321,000	
Land located at Gujarat [202.618 acres]	200,000,000	5,158,521,000
Movable properties of Business Associates :		
Shares[45000] of Universal Pavers Pvt. Ltd.,Tuticorin		169,800,000
TOTAL		5,328,321,000

h) Enforcement Directorate vide its order bearing number F.No. ECIR/BGCO/25-26/2009 dated 31.03.2018 has confiscated the properties held by FMPL/ FEIPL and its group companies valuing for Rs.39 crores.

i) In view of the pending establishment of clear title and creating charge on the properties of FMPL / FEIPL and its group companies in favor of STCL / banks, full provision has been made as a measure of abundant precaution.

j) Based on the inquiry report, on the disciplinary proceedings in the matter of irregularities in the above transactions, Disciplinary Authority vide his order dtd. 07.05.2014 had imposed punishment of dismissal to three officials, compulsory retirement to five officials and reduction in the increment by two levels to one official. On the appeal made by two dismissed officials, the Appellate Authority, i.e. the Board of STCL set aside the dismissal order and imposed penalty of compulsory retirement. Further after going through the appeal made by other five officials, the Appellate Authority, in its 154th Board meeting held on 26th September, 2016 upheld the punishment imposed by the Disciplinary Authority i.e. compulsory retirement.

NON- FINANCIAL ASSETS

12 Tax Assets (Net)

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax & TDS	2,905,139	2,869,709	11,056,704
Total	2,905,139	2,869,709	11,056,704

12.1 Year wise Details of Tax Asset

(Amount in INR)

Year	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
2004-05	Advance Income Tax/TDS			758,728
2005-06	Advance Income Tax/TDS	471,742	471,742	471,742
2006-07	Advance Income Tax/TDS	341,727	341,727	341,727
2010-11	Advance Income Tax/TDS	400,095	400,095	7,400,095
2011-12	Advance Income Tax/TDS	349,348	349,348	349,348
2012-13	Advance Income Tax/TDS	637,865	637,865	637,865
2013-14	Advance Income Tax/TDS	533,337	533,337	533,337
2014-15	Advance Income Tax/TDS	-	-	338,883
2015-16	Advance Income Tax/TDS	-	-	224,979
2016-17	Advance Income Tax/TDS	135,595	135,595	-
2017-18	Advance Income Tax/TDS	35,430	-	-
	Total	2,905,139	2,869,709	11,056,704

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13 **Other Current assets** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Trade Advances	114,970	114,971	152,836
Less: Allowance for bad and doubtful advances	-	-	-
Sub-total	114,970	114,971	152,836
Other			
Prepaid Expenses	53,047	118,091	33,925
Duties & Taxes Receivable (VAT)- Input	824,240	2,157,563	2,134,193
Service Tax	1,396,838	452,929	2,030
	2,274,125	2,728,583	2,170,148
Total	2,389,095	2,843,554	2,322,984

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues from :-			
director	-	-	-
Other officers	-	-	-
Amount due from firm/companies in which directors are	-	-	-

14 **Equity Share Capital** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorized			
Equity shares			
500,000 equity shares of Rs. 100/- each	50,000,000	50,000,000	50,000,000
Issued, subscribed and fully paid			
Equity shares			
150,000 equity shares fully paid up of Rs. 100/- each	15,000,000	15,000,000	15,000,000
	15,000,000	15,000,000	15,000,000

100% of entire 1,50,000 number of paid up equity Shares of Rs.100/- each are held by the holding company "The State Trading Corporation of India Limited".

14.1 **Reconciliation of share Capital:**

Particulars	As at March 31, 2018 No of Shares	Amount
Opening Equity Shares	150,000	15,000,000
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	150,000	15,000,000

Particulars	As at March 31, 2017 No of Shares	Amount
Opening Equity Shares	150,000	15,000,000
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	150,000	15,000,000

Particulars	As at April 1, 2016 No of Shares	Amount
Opening Equity Shares	150,000	15,000,000
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	150,000	15,000,000

Shares in the company held by shareholder holding more than 5 percent

Name of the Shareholder	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- The State Trading Corporation of India Limited (100%) shareholding	150,000	150,000	150,000

Equity shares issued and subscribed do not enjoy any differential rights

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15 Other Equity

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Reserve & Surplus			
General Reserve	56,594,823	56,594,823	56,594,823
Retained Earnings	(45,755,590,438)	(39,186,952,664)	(33,559,550,844)
Contingency Reserve	43,527,000	43,527,000	43,527,000
Other Reserves			
Revaluation Reserve	13,637,631	13,637,631	13,637,631
Total	(45,641,830,984)	(39,073,193,210)	(33,445,791,390)

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
General Reserve			
Balance at the beginning of the reporting period	56,594,823	56,594,823	56,594,823
Add: Changes during the year	-	-	-
Less : Transferred during the year from the statement of	-	-	-
Balance at the end of the reporting period	56,594,823	56,594,823	56,594,823
Capital Reserve			
Balance at the beginning of the reporting period	-	-	12,000,000
Add: Current Year Transfer	-	-	-
Less: Grant treat as deferred Income	-	-	12,000,000
Balance at the end of the reporting period	-	-	-
Retained Earnings			
Balance at the beginning of the reporting period	(39,186,952,664)	(33,559,550,844)	(33,588,430,531)
Add/(Less): Profit/(Loss) for the year	(6,568,637,774)	(5,627,401,820)	
Less:- Adjustment for Prior Period Error			(2,366,656)
Less:- Amortization of Grant - VITC under ASIDE Scheme			9,570,860
Less:- Amortization of Grant - Grant-in-aid received under ASIDE Scheme			15,121,725
Less: Impairment of Investments			(246,656)
Less:- Remeasurement of actuarial valuation of defined benefit plans			6,800,413
Balance at the end of the reporting period	(45,755,590,438)	(39,186,952,664)	(33,559,550,844)
Contingency Reserve			
Balance at the beginning of the reporting period	43,527,000	43,527,000	43,527,000
Add: Current Year Transfer			
Less: Written Back in Current period			
Balance at the end of the reporting period	43,527,000	43,527,000	43,527,000
Revaluation Reserve			
Balance at the beginning of the reporting period	13,637,631	13,637,631	13,637,631
Add: any other change (to be specified)			-
Add/ (Less): Net adjusted against the revaluation reserve	-	-	
Less: Revaluation reserve transfer to retained earnings			-
Balance at the end of the reporting period	13,637,631	13,637,631	13,637,631
Total	(45,641,830,984)	(39,073,193,210)	(33,445,791,390)

15.1 The Company has not transferred any amount during the year to General / Contingency Reserves [transfer during previous year Rs. Nil on account of net loss

15.2 In Line with ITFG 8, the amount of revaluation reserve as on April 1, 2016 has been kept as separate item in other equity.

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Financial Liabilities
Non- Current

16 **Provisions** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions for Employee Benefits			
Encashment of Half pay & Earn Leave leave	3,164,916	2,665,437	3,093,053
Sub Total (A)	3,164,916	2,665,437	3,093,053

17 **Other non- current Liabilities** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Income- Grant in Aid			
Grant received from VITC under ASIDE Scheme	12,000,000	12,000,000	12,000,000
Less: Amortization towards depreciation	10,370,628	10,010,535	9,570,860
	1,629,372	1,989,465	2,429,140
Grant-in-aid received under ASIDE Scheme	62,900,000	62,900,000	62,900,000
Less: Amortization towards depreciation- PPE	16,595,180	16,051,526	15,121,725
Less: Amortization towards depreciation	34,958,192	33,509,731	32,061,270
	11,346,628	13,338,743	15,717,005
	12,976,000	15,328,209	18,146,144

17.1 The Grant-in-Aid includes Rs.6,29,00,000/- received as 'Grant' from Government of India under ASIDE Scheme towards establishment of Steam Sterilization unit and Grinding & Packing Unit at Spice Park, Chhindwara. The Company has availed a concessional custom duty of 3% under EPCG Scheme thre by saving Rs 1,21,51,050/- while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved within eight years and if the Company failed to meet the export obligation it is liable to pay custom duty along with interest at the rate of 15%p.a. In this regard the company has furnished a EPCG bond of Rs 3,76,68,000/- to the customs authorities. The concessional custom duties availed under EPCG Schemes of Rs 1,21,51,050/- and interest payable thereon Rs 1,57,90,758/- total of Rs 2,79,41,808/- shown under other liabilities. This amount equals to the accumulated depreciation up to the end of the year for Rs 3,49,58,192/- of Chhindwara Plant.

17.2 Grant received from VITC under ASIDE amounting Rs.1,20,00,000/- received as 'Grant' from M/s. Visvesvaraiya Industrial Trade Centre [Govt. of Karnataka Centre for Export Promotion] [VITC] under ASIDE Scheme during the year 2006-07 towards Chilly Processing Plant, Byadgi.

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Financial Liabilities
Current Liabilities

18 **Borrowings**

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Working Capital Loans:			
From banks- secured			
- Cash Credit	11,384,100,028	11,384,128,828	11,384,149,155
- Packing Credit Pre Shipment	468,461,891	468,461,891	468,461,891
Total	**11,852,561,919**	**11,852,590,719**	**11,852,611,046**

18.1

(Amount in INR)

Cash Credit	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Axis Bank	1,184,800,000	1,184,800,000	1,184,800,000
- Canara Bank	1,626,227,786	1,626,227,786	1,626,227,786
- IDBI Bank Ltd.	1,962,275,536	1,962,275,536	1,962,275,536
- State Bank of India	1,985,361,313	1,985,361,313	1,985,361,313
- UCO Bank	724,663,417	724,663,417	724,663,417
- Union Bank of India	1,439,372,636	1,439,372,636	1,439,372,636
- Vijaya Bank	2,311,040,986	2,311,069,786	2,311,090,113
- Yes Bank	150,358,354	150,358,354	150,358,354
	11,384,100,028	**11,384,128,828**	**11,384,149,155**
- Packing Credit Pre Shipment			
- Vijaya Bank	96,990,000	96,990,000	96,990,000
- UCO Bank	371,471,891	371,471,891	371,471,891
	468,461,891	**468,461,891**	**468,461,891**
Total	**11,852,561,919**	**11,852,590,719**	**11,852,611,046**

18.2 The total liabilities to banks along with interest amounting to Rs,45,63,55,42,365/-is payable to consortium of seven banks and UCO Bank in respect of devolved LCS/Packing credits since 2008-09.No confirming was received from the banks.The company has calculated the interest based on the interest rates disclosed in their DRT application filed by Uco bank and consortium of banks. Cash credit/Short term loan is as per the claim in the DRT(Debt Recovery Tribunal) application filed by consortium of seven banks and UCO bank on 20.07.2011.The above loan has been classified as NPA by consortium banks and UCO bank. The company has created pari passu charge on the current assets in favor of the banks and also surrendered the documents of immovable properties situated at Chindwara (3.239 hectares).Byadgi(5 acres) Siddapura(2.20 acres) and madikeri (0.50 acres) in favor of the Bankers. In view of the immovable properties of STCL given as security.an estimated amount of Rs.1,82,69,500/- out of the total advances can be considered as secured. The consortium of banks and UCO Bank have filed cases separately against the company with the Debt Recovery Tribunal. Wherein with regard to UCO bank recovery case.DRT has passed an order dtd.29.09.2015 for recovery of Rs.1,48,18,29,854.77/-However the company has challenged DRT order at DRAT.Chennai.The bankers have 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 Notice one dt 26.10.2011 on the Factory Land and Building located at Byadgi and another dt.17.11.2011 on Factory Land and Building located at Chindwara,Madhya Pradesh.

18.3 Cash credit from banks are secured by pari-passu charge over the assets of the company.

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19 **Trade Payable** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables	11,136,621	12,569,957	13,437,429
Total	**11,136,621**	**12,569,957**	**13,437,429**

20 **Other current Financial Liabilities** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a. Interest accrued and due on borrowings	33,782,951,647	27,235,934,184	21,640,046,865
b Custom Duty Payable	28,858,745	27,036,087	25,213,429
c. Earnest money deposits	7,630,039	7,630,039	7,669,039
d. ASIDE Grant Repayable	9,417,808	8,917,808	8,417,808
Total	33,828,858,239	27,279,518,118	21,681,347,141

20.1 The Grant-in-Aid includes Rs.6,29,00,000/- received as 'Grant' from Government of India under ASIDE Scheme towards establishment of Steam Sterilization unit and Grinding & Packing Unit at Spice Park, Chhindwara. The Company has availed a concessional customs duty of 3% under EPCG Scheme there by saving Rs. 1,21,51,050/- while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved within eight years and if the Company failed to meet the export obligation it is liable to pay custom duty along with interest at the rate of 15% P.A.In this regard the Company has furnished a EPCG bond of Rs. 3,76,68,000/- to customs authorities. The concessional customs duty availed under EPCG Scheme of Rs.1,21,51,050/- and interest payable thereon Rs.1,57,90,758/- total of Rs. 2,79,41,808/- shown under other liabilities.

20.1 Interest Payable on Devolved LC and Packing Credit liabilities accrued and due [since 2009-10] (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Axis Bank	1,981,510,188	1,653,111,618	1,358,773,394
- Canara Bank	6,256,723,096	4,999,545,431	3,942,863,203
- IDBI Bank Ltd.	4,614,400,599	3,731,645,986	2,967,379,146
- State Bank of India	5,173,376,507	4,181,957,419	3,327,840,720
- UCO Bank	3,724,305,345	2,965,535,437	2,326,201,036
- Union Bank of India	5,251,991,936	4,171,009,347	3,264,658,306
- Vijaya Bank	6,465,316,339	5,274,284,351	4,243,118,679
- Yes Bank	315,327,636	258,844,594	209,212,381
	33,782,951,646	27,235,934,183	21,640,046,865

20.2 Interest payable of Rs. 33,78,29,51,646/- on the principal amount due to the banks is arrived on the basis of the interest rates disclosed in the Debt Recovery Tribunal application filed by banks. Interest provision of Rs. 654,70,17,463/- have been made by the Company for the current financial year. However no confirmation is received from bank for interest payable.

20.3 An amount of Rs.50,00,000/- [less Rs.50,000/- Service Charges of VITC - Net Rs.49,50,000/-] received in the year 2009-10 as funding under ASIDE Scheme from Visvesvaraya Industrial Trade Centre, Bangalore and the same has been accounted as Grants towards Pepper Processing Unit at siddapura. However due to financial constraints the project was put on hold and the W-I-P of Rs.26,46,295/- was written off towards Impairment as on 31.03.12. As per the terms of the grant, if the project is not completed, the grant has to be refunded along with interest @ 10%. Accordingly, the grant received along with interest of Rs. 94,17,808/- has been shown under Current Liabilities as ASIDE Grant Repayable -Siddapura.

21 **Provisions** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Provisions for Employee Benefits			
Encashment of Half pay & Earn Leave leave	18,838	1,398,497	24,552
Gratuity	290,586	-	-
Others (specify nature)	24,867	-	-
Sub Total (A)	334,291	1,398,497	24,552

NON-FINANCIAL LIABILITES

22 **Other current Liabilities** (Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Interest received in advance	-	-	114,984
- Tax deducttion at source & other taxes payable	14,220	202,531	113,492
- Duties & Taxes- VAT	250,418	251,532	253,609
Total	264,638	454,063	482,085

22.1 STCL Employees Gratuity Trust have made an FDs of Rs. 56,86,099/- towards Gratuity payable to Ex-Employees. The interest received on FDs has not been shown under STCL's books since the interest belongs to STCL Employees Gratuity Trust and TDS deducted on interest was wrongly shown under STCL's PAN Account. The Company has not claimed TDS on interest accruing to STCL Gratuity Trust.

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

STCL LIMITED

CIN: U85110KA1982GOI005013

Notes to accounts for the period ended March 31, 2018

23 Other Income

(Amount in INR)

Particulars	Period Ended March 31, 2018	Period Ended March 31, 2017
(a) Interest income:-		
Term Deposits With Banks & its subsidiaries	349,363	1,399,437
Income Tax Refunds	-	32,610
Interest on Trade Finance/ Associates	-	112,647
Other Miscellaneous interest	14,078	-
Sub Total	363,441	1,544,694
(b) Miscellaneous income:-		
Amortisation of grant	2,352,208	2,817,936
Sub Total	2,352,208	2,817,936
(d) Other Receipts:-		
Exchange Fluctuations	735	550
Misc. non Trade receipts (Profit on sale of fixed Assets)	18,584	-
Sub Total	19,319	550
Total	2,734,968	4,363,179

23.1 STCL had disposed the Iron Ore Fines of 6005 Mts lying with C&F agent Ms, Prathusha Associates Shipping Pvt Ltd, Visaz on account of DMRIPL for Rs.72,45,000/-to M/s Hanuman Agro Cotton Industries Kurnool, AP with the consent of the party. Sale agreement for this transaction has been entered between DMRIPL and M/s Hanuman Agro Cotton Industries on 09.10.2017. The C&F Agent had raised for Rs. 61,94,162/- vide bill dated 09.08.2017, STCL had negotiated a one time settlement of Rs. 38,34,000/- with C&F Agent. The company had adjusted the realised value of Rs. 34,11,000/-(Exact realised values Rs, 29,87,880/-) to the outstanding dues of DMRIPL after paying Clearing and Forwarding charges. Since this transaction had been undertaken on account of DMRIPL, the sales and C&F charges had not been reflected in the Financial Statement of the company.

24 Employees' Benefit Expenses

(Amount in INR)

Particulars	Period Ended March 31, 2018	Period Ended March 31, 2017
Salaries and Allowances	7,811,444	7,828,250
Providend fund	904,334	906,798
Leave encashments	4,059,116	1,123,623
VSS Compensation	255,854	-
Gratuity	1,885,976	248,124
Welfare Expenses:	591,868	589,371
Directors Remuneration		
Salaries and Allowances	2,033,753	2,671,434
Providend fund	198,729	253,206
Leave encashments	247,100	245,719
VSS Compensation	-	-
Gratuity	170,175	164,625
Total	18,158,349	14,031,150

25 Finance Cost

(Amount in INR)

Particulars	Period Ended March 31, 2018	Period Ended March 31, 2017
Interest on working capital loan	6,547,017,464	5,595,887,319
TOTAL	6,547,017,464	5,595,887,319

G. C. BA[illegible] & CO. ROURKELA CHARTERED ACCOUNTANTS

Notes to accounts for the period ended March 31, 2018

26 Depreciation And Amortization Expenses

(Amount in INR)

Particulars	Period Ended March 31, 2018	Period Ended March 31, 2017
Depreciation on Property Plant & Equipment (PPE)		
Factory Building	369,301	369,300
Plant & Machinery	1,884,817	1,884,818
Furniture & Fixtures	49,526	101,558
Office Equipment	23,781	76,811
Electrical Installations & Equipment(Air Conditioner)	-	6,664
Roads, culverts & sewerage etc (Leasehold)	942,230	1,753,845
Impairment on assets	3,632,060	3,545,095
TOTAL	6,901,715	7,738,091

27 Other Expenses

(Amount in INR)

Particulars	Period Ended March 31, 2018	Period Ended March 31, 2017
(a) Other Operating Expenses		
Delivery charges	-	4,068
Others	126,786	-
Sub total	126,786	4,068
(b) Administration expenses		
Office Rent	11,450	13,790
Rates and Taxes:	153,050	223,280
Electricity and Water Charges	233,900	240,202
Printing and Stationery	96,218	68,134
Postage, Telegram, Teleprinter & Telex	122,537	159,641
Repairs	169,385	304,070
Travelling Expenses	645,168	503,546
Service Vehicle Expenses	107,746	-
Insurance Premium	131,227	66,315
Security Charges	127,675	133,331
Auditors' Remuneration		
- Statutory Audit Fees	80,000	99,126
Conveyance Expenses	118,714	92,957
Misc. Office expenses	779,550	16,791
Sub total	2,776,620	1,921,183
(c) Trade Expenses		
Legal & Professional Expenses	2,090,775	1,444,676
Bank Charges	19,815	7,987
Sub total	2,110,590	1,452,663
TOTAL	5,013,996	3,377,914

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

Notes to accounts for the period ended March 31, 2018

28 Exceptional items

(Amount in INR)

Particulars	Period Ended March 31, 2018	Period Ended March 31, 2017
Provision for Interest on Customs Duty payable for non-compliance with grant conditions [Chhindwara Project]	1,822,658	1,822,658
Provision for Interest on Grant received under ASIDE Scheme [Siddapura Project]	500,000	500,000
Reversal of excess provison	(7,837,880)	(432,221)
Income tax paid for earlier years/(Excess Provision of Income Tax written back)	-	
Total (a)	(5,515,222)	1,890,437
TOTAL	(5,515,222)	1,890,437

As per our report of even date

For G C Banka & Co.
Chartered Accountants
F.R.No. 313104E

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

CA G C Banka
Partner
M.No. 051155

Place: Rourkela.
Date: 31.07.2018

27/7/18

N.Lakshmipathy
General Manager

Place:
Date:

27/7/18

Rooma Nagrath
Director
DIN : 07829185

27.7.18

S.K.Sharma
Managing Director
Additional Charge
DIN :06942536

29 First Time adoption of Ind-AS

Transition from IGAAP to Ind AS

These financial statements, for the year ended March 31, 2018, are first financial statements prepared by company in accordance with Ind AS. For years upto and including the year ended March 31, 2017, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared Ind AS compliant financial statements for year ending on March 31, 2018. In preparing these financial statements, the company has prepared opening Ind AS balance sheet as at 1st April, 2016 the company's date of transition to Ind-AS in accordance with requirement of Ind AS 101, "First time Adoption of Indian Accounting Standards". The principal adjustments made by the company in restating its IGAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017 are quantified and explained in the Ind-AS reconciliation statement. However the basic approach adopted is summarized hereunder:

i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.

ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 1st April, 2016 have been measured at fair value.

iii) In accordance with Ind AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to Ind AS.

iv) The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).

v) Ind AS 101 also allows first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:

<u>Exemptions :</u>

a) **Deemed Cost for Property, Plant & Equipment and Intangible Assets:**
The company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to Ind ASs measured as per previous GAAP.

b) **Investment in subsidiary, joint ventures and associates:**
The company has elected to apply previous GAAP carrying amount of its investment in Subsidiaries, Associate, Joint venture as deemed cost as on the date of transition to Ind AS.

c) **Fair value measurement of financial assets and liabilities at initial recognition:**
The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

<u>Exceptions:</u>

a) **Classification & measurement of financial assets:**
The company has applied para B8C of Appendix B the fair value of financial assets and financial liability at the date of transition to Ind AS assumed to be the new gross carrying amount of the that financial assets or the new amortized cost of that liability at the date of transition to Ind AS.

b) **Impairment of financial assets:**
The company has availed exception under para B8D of appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively.

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30 Contingent Liabilities: (Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Claims against the company not acknowledged as debt	13,003,017,698	12,902,589,812	13,183,675,889
Guarantees	1,000,000	1,000,000	1,000,000
Total	13,004,017,698	12,903,589,812	13,184,675,889

30.1 **Claims against the company not acknowledged as debt Include:-**

a. Rs.12,68,01,603 [excluding interest] is due from M/s. Devi Mineral Resources [I] Pvt. Ltd., is a group company of Devi Trading and STCL has initiated various legal steps for recovery of dues. In order to counter the legitimate claim of STCL, Devi Trading has raised the counter claim of USD 28,80,000/- against STCL with ulterior motive which is false and baseless. However the company has disclosed sum of USD 28,80,000/- as contingent liability.

b. STCL was defrauded by M/s. Future Exim (India) Pvt. Ltd. & M/s.Future Metals Pvt. Ltd., in the third country merchanting trade and STCL had initiated legal steps for recovery of dues as one of the legal recourses. STCL has also initiated arbitration against M/s.FEIPL & M/s. FMPL. Sino Asia is one of group company of M/s.FEIPL & M/s. FMPL raised a wrong claim for sum USD 16,80,00,000/- with ulterior motive to counter the legitimate claim of STCL against M/s.FEIPL & M/s. FMPL even though all the legal steps have initiated to counter the claim. However the company has disclosed sum of USD 16,80,00,000/- as contingent liability.

c. The APMC, Bangalore has filed a suit in May 2011 against the Company for recovery of Market Fee / Penalty totalling an amount of Rs.1,14,29,284/-. The transaction was carried out in the year 2001-02. The Market Fee was already paid by the Company to Food Corporation of India, Bangalore while obtaining Release / Delivery Order for 80,000 MTs of Maize through Tender Process. Accordingly the Company has filed its objections to the petition and the legal proceedings are in progress. The claims of APMC has been shown under contingent liabilities.

d. STCL had awarded the Civil construction work to M/s Carmel Builders Fibro tech India Pvt Ltd, in respect of Pepper processing unit at Siddapura in Coorg Dist. Of Karnataka in Aug 2008. The company terminated the contract in July 2009 on account of poor progress of work. The contractor has disputed the same and made a demand of Rs. 80,11,634/- towards the work done. The Arbitration was completed and awarded STCL to pay a sum Rs. 49,41,480/- to M/s Carmel Builders. STCL has challenged the Arbitral award in the court. The Balance amount of Rs. 67,26,634/- (Rs. 8,011,634 less Rs.1,285,000 shown under payable to contractor) is shown under contingent liability.

e. M/s.Excel Cardamom Company had filed a petition in the year 1992 on the Company in Delhi High Court against the forfeiture of EMD amount of Rs.10,00,000 by the Company in respect of cloves transactions. In the year 2007, the High Court having adjudicated the matter, passed a decree that STCL was entitled to forfeit only Rs.1,23,342/- being its share of profit and has to refund the balance amount of Rs. 8,76,857/- along with interest. Company had filed an Appeal with the Divisional Bench which stayed the execution of the said decree subject to STCL depositing a sum of Rs.6,00,000/- and BG of Rs.10,00,000/- in favour of Delhi High Court, which was complied with. The Divisional Bench has passed an order in March-2008 against the company as per which STCL has to pay Rs. 10,00,000/- to Excel Cardamom Co. along with interest of 9% p.a. from June 1989. The order also stated that BG of Rs. 10,00,000/- be encashed and along with the Deposit of Rs.6,00,000/- the balance amount Excel Cardamom can file an execution petition. The company has filed a SLP in Supreme Court against the Order of Delhi High Court. However, the company has disclosed the liability of Rs. 35,06,192/- under Contingent Liability.

f. The Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. IDBI Bank claimed an amount of Rs. 62,00,23,705/- towards penal interest/liquidated damages as per the balance confirmation certificate as on 31.03.2012. However, the company has disclosed the liability of Rs. 62,00,23,705/- under contingent liability.

g. The Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. Union Bank of India claimed an amount of Rs. 9,59,97,748/- towards excess interest as per the balance confirmation certificate as on 31.03.2015. However, the company has disclosed the liability of Rs. 9,59,97,748/- under contingent liability.

h. The Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. State Bank of India claimed an amount of Rs. 94,23,73,090/- towards excess interest as per the balance confirmation certificate as on 31.03.2016. However, the company has disclosed the liability of Rs..94,23,73,090/- under contingent liability.

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i. The Company had obtained a legal opinion which stated that fee collected for issuance of NOC for export of onion does not fall within the definition of ambit of Service Tax and hence, service tax is not applicable. Based on the legal opinion, the company had not collected / paid service tax on said transaction.

The Company had received a Show-cause Notice from the Service Tax Department in October 2011 for non payment of Service Tax of Rs. 1,42,70,138 for the year 2006-07 to 2010-11 (excluding interest and penalty) and the Company filed an Appeal against the said Notice which was held against it as per the Order dtd.. 13.12.2012 of the Commissioner (Adjudication) and demanded a payment of Rs. 1,42,70,138 as Service Tax and imposing an equivalent amount of Rs. 1,42,70,138/- as penalty. The Company has filed an Appeal against the above Order with the Service Tax Appellate Tribunal (CESTAT) on 19.03.2013 as per the legal advice obtained. The CESTAT impugned order is set aside and the matter is remanded to the original adjudicating authority. The Company has disclosed sum of Rs. 4,22,83,637/- as contingent liability towards service tax for the period from 1.4.06 to 31.03.2014 including the penalties of Rs. 1,42,70,138/-.

j. In respect of Assessment year 2010-11, notice has been received u/s 220(2) dtd. 26.02.2016 for payment of Rs. 2,11,95,009/- as interest against the default. The company had filed an application u/s 220(2)(a) on 22.06.2016, requesting to drop the interest amount claimed. However the company has disclosed the liability of Rs. 2,11,95,009/- under Contingent Liability.

k. Subsequent to filing of arbitration petition by M/s Shiva shanker Minerals Pvt. Ltd. against STCL and on completion of arbitration process and being awarded Rs. 3,37,31,514/- including legal fees of Rs. 26,55,114/- along with interest at the rate of 12% till the realisation. STCL has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore. However the company has disclosed the total liability of Rs. 6,06,69,338/- along with interest of Rs. 2,69,37,824/- till date.

l. The Income Tax Department has sent a notice of demand to pay Rs 4,23,450 towards short payment of TDS and intereest thereon. The Company has replied for rectification of demand.

m. The Enforcement Directorate has levied penalty of Rs 10,00,00,000 for contravention of Sec.10(6) of Foreign Exchange Management Act, read with regulation 6(1) of Foreign Exchange management (realisation,repatriation and surrender of Foreign Exchange Regulation 2000. The Company has filed appeal to the appellate authority and expecting full relief from them.

30.2 **Contingent Assets:** No contingent assets reported as on balance sheet date.

30.3 **Capital Commitments :-** No capital commitments reported as on balance sheet date.

31 Payment to the Statutory Auditors

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017
Statutory Audit Fees	80,000	99,126
Total	80,000	99,126

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

STCL LIMITED
CIN: U85110KA1982GOI005013
Notes to accounts for the period ended March 31, 2018

32 Disclosures in respect of Ind AS 107 - Financial Instruments

Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(Amount in INR)

Particulars	Amortized cost as at March 31, 2018	Financial assets/ liabilities at FVTPL as at March 31, 2018	Financial assets/ liabilities at fair value through OCI as at March 31, 2018	Total carrying value as at March 31, 2018	Total fair value as at March 31, 2018
Financial Assets:					
Investments	1	-	-	1	1
Trade Receivables	1,050,000	-	-	1,050,000	1,050,000
Term Deposit with banks	113,234	-	-	113,234	113,234
Deposits(STC Rent Deposits)	1,643,121	-	-	1,643,121	1,643,121
Claims Recoverable	452,929			452,929	452,929
Defined benefit Plan Asset	-	-	-	-	-
Claims Recoverable:	-	-	-	-	-
Cash & Cash Equivalents	4,070,807	-	-	4,070,807	4,070,807
Bank balances other than above	1,795,742	-	-	1,795,742	1,795,742
Total Finanical Assets	**9,125,834**	-	-	**9,125,834**	**9,125,834**
Financial Liabilities:					
Earnest money deposits	7,630,039	-	-	7,630,039	7,630,039
Interest accrued and due on borrowings	33,782,951,647	-	-	33,782,951,647	33,782,951,647
Other liabilities	9,417,808	-	-	9,417,808	9,417,808
Borrowings	11,852,561,919	-	-	11,852,561,919	11,852,561,919
Custom Duty Payable	28,858,745	-	-	28,858,745	28,858,745
Trade Payable	11,136,621	-	-	11,136,621	11,136,621
Total Financial Liabilities	**45,692,556,779**	-	-	**45,692,556,779**	**45,692,556,779**

(Amount in INR)

Particulars	Amortized cost as at March 31, 2017	Financial assets/ liabilities at FVTPL as at March 31, 2017	Financial assets/ liabilities at fair value through OCI as at March 31, 2017	Total carrying value as at March 31, 2017	Total fair value as at March 31, 2017
Financial Assets:					
Investments	1	-	-	1	1
Trade Receivables	1,050,000	-	-	1,050,000	1,050,000
Term Deposit with banks	11,283,647	-	-	11,283,647	11,283,647
Deposits(STC Rent Deposits)	1,643,121	-	-	1,643,121	1,643,121
Claims Recoverable	-	-	-	-	-
Defined benefit Plan Asset	1,546,179	-	-	1,546,179	1,546,179
Claims Recoverable:	-	-	-	-	-
Cash & Cash Equivalents	3,283,611	-	-	3,283,611	3,283,611
Bank balances other than above	1,795,742	-	-	1,795,742	1,795,742
Total Finanical Assets	**20,602,301**	-	-	**20,602,301**	**20,602,301**
Financial Liabilities:					-
Earnest money deposits	7,630,039	-	-	7,630,039	7,630,039
Interest accrued and due on borrowings	27,235,934,184	-	-	27,235,934,184	27,235,934,184
Other liabilities	8,917,808	-	-	8,917,808	8,917,808
Borrowings	11,852,590,719	-	-	11,852,590,719	11,852,590,719
Custom Duty Payable	27,036,087	-	-	27,036,087	27,036,087
Trade Payable	12,569,957	-	-	12,569,957	12,569,957
Total Financial Liabilities	**39,144,678,794**	-	-	**39,144,678,794**	**39,144,678,794**

G. C. BANKA & CO.
ROURKELA
CHARTERED ACCOUNTANTS

(Amount in INR)

Particulars	Amortized cost as at April 01, 2016	Financial assets/ liabilities at FVTPL as at April 01, 2016	Financial assets/ liabilities at fair value through OCI as at April 01, 2016	Total carrying value as at April 01, 2016	Total fair value as at April 01, 2016
Financial Assets:					
Investments	2,001	-	-	2,001	2,001
Trade Receivables	1,050,000	-	-	1,050,000	1,050,000
Term Deposit with banks	28,826,406	-	-	28,826,406	28,826,406
Deposits(STC Rent Deposits)	1,800,352	-	-	1,800,352	1,800,352
Claims Recoverable	-	-	-	-	-
Defined benefit Plan Asset	698,031	-	-	698,031	698,031
Claims Recoverable:	-	-	-	-	-
Cash & Cash Equivalents	3,043,523	-	-	3,043,523	3,043,523
Bank balances other than above	1,795,742	-	-	1,795,742	1,795,742
Total Finanical Assets	37,216,055	-	-	37,216,055	37,216,055
Financial Liabilities:					
Earnest money deposits	7,669,039	-	-	7,669,039	7,669,039
Interest accrued and due on borrowings	21,640,046,865	-	-	21,640,046,865	21,640,046,865
Other liabilities	8,417,808	-	-	8,417,808	8,417,808
Borrowings	11,852,611,046	-	-	11,852,611,046	11,852,611,046
Custom Duty Payable	25,213,429	-	-	25,213,429	25,213,429
Trade Payable	13,437,429	-	-	13,437,429	13,437,429
Total Financial Liabilities	33,547,395,616	-	-	33,547,395,616	33,547,395,616

33 Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value

(a) As on March 31, 2018

(Amount in INR)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liability	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

(a) As on March 31, 2017

(Amount in INR)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-

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Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

(c) As on April 1, 2016

(Amount in INR)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

Assets and liabilities which are measured at amortized cost for which fair values are disclosed

(a) As on March 31, 2018

(Amount in INR)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	-	-	-	-
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-

(a) As on March 31, 2017

(Amount Cr.)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	-	-	-	-
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-

(c) As on April 1, 2016

(Amount Cr.)

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Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	-	-	-	-
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-

34 Fair value of financial assets and financial liabilities measured at amortized cost

(Amount in INR)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets:						
Investments	1	1	1	1	2,001	2,001
Trade Receivables	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Term Deposit with banks	113,234	113,234	11,283,647	11,283,647	28,826,406	28,826,406
Deposits(STC Rent Deposits)	1,643,121	1,643,121	1,643,121	1,643,121	1,800,352	1,800,352
Claims Recoverable	452,929	452,929	-	-	-	-
Defined benefit Plan Asset	-	-	1,546,179	1,546,179	698,031	698,031
Claims Recoverable:	-	-	-	-	-	-
Cash & Cash Equivalents	4,070,807	4,070,807	3,283,611	3,283,611	3,043,523	3,043,523
Bank balances other than above	1,795,742	1,795,742	1,795,742	1,795,742	1,795,742	1,795,742
Total Financial Assets	9,125,834	9,125,834	20,602,301	20,602,301	37,216,055	37,216,055
Earnest money deposits	7,630,039	7,630,039	7,630,039	7,630,039	7,669,039	7,669,039
Interest accrued and due on borrowings	33,782,951,647	33,782,951,647	27,235,934,184	27,235,934,184	21,640,046,865	21,640,046,865
Other liabilities	9,417,808	9,417,808	8,917,808	8,917,808	8,417,808	8,417,808
Borrowings	11,852,561,919	11,852,561,919	11,852,590,719	11,852,590,719	11,852,611,046	11,852,611,046
Custom Duty Payable	28,858,745	28,858,745	27,036,087	27,036,087	25,213,429	25,213,429
Trade Payable	11,136,621	11,136,621	12,569,957	12,569,957	13,437,429	13,437,429
Total Financial Liability	45,692,556,779	45,692,556,779	39,144,678,794	39,144,678,794	33,547,395,616	33,547,395,616

The carrying amount of current financial instruments such as trade receivables, deposits, other assets, borrowings, cash and cash equivalents, earnest money deposit, interest accured and due on borrowings, trade payable and other liabilities are considered to be the same as their fair values, due to their short-term nature.

Company has used inputs that are not based on observable market data (unobservable inputs) to measure the fair value of above items.

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35 **Financial risk management**

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk- Foreign exchange	Future Transaction, Recongnised financial assets	Cash flow forecasting, sensitivity analysis	Company has no major foreign exchange risk, hence management is not required to take any measure
Market risk- Interest rate	*borrowings at fixed rate of interest	Sensitivity analysis	Since company in the process of winding up. Management is not required to take any measure to avoid risk arising from interest rate.
Credit risk	Cash and cash equivalent, trade receivables, financial instruments.	Ageing analysis Credit rating	The Company has receivables where the counter- party's risk of default is very high. Majority of receivables are under the litigation and long outstanding. Therefore necessary allowances have been made.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Company is in the process of winding up .Company neither have the adequate cash and cash equivalent nor generating the inflows from the operations.

a) **Market Risk**

Foreign exchange risk

No significant risk has been identified by the company

Interest rate risk

As company is in the process of liquadation, company is recognising the interest as per the recovery proceedings filed by banks on STCL

Sensitivity Analysis

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Increase by -1 %	-	-
Decrease by -1%	-	-

b) **Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

i) **Trade Receivables**

The company has outstanding trade receivables amounting to :-

Particulars	March 31, 2018	March 31, 2018	April 1,2016
Trade Receivables	1,050,000	1,050,000	1,050,000
Unbilled Revenue	-	-	-

Trade receivables are typically unsecured and are derived from revenue earned from customers.

Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in INR)

Particulars	March 31,2018		March 31,2017		April 1,2016	
	Gross Amount	Impairment	Gross Amount	Impairment	Gross Amount	Impairment
Not due	-	-	-	-	-	-
Past due less than six months	-	-	-	-	-	-
Past due more than six months	284,279,937	283,229,937	286,129,937	285,079,937	286,129,937	285,079,937.00
Total	284,279,937	283,229,937	286,129,937	285,079,937	286,129,937	285,079,937.00

Trade receivables are impaired when recoverability is considered majorly doubtful based on the recovery analysis performed by the company for individual The company does not hold any collateral or other enhancements to cover its credit risks associated with its financial assets.

ii) **Other financial assets**

The Company held cash and cash equivalents of INR 40,70,807 in March 31, 2018, INR 32,83,610 in March 31, 2017 and INR 30,43,523 April 01, 2016. The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

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c) Liquidity Risk

In the absence of any operations company doesn't required to assess its liquidity needs. Company has major liabilities towards the banks which are under The table below provides details regarding the contractual maturities of non-derivative financial liabilities.The amount disclosed in the table is the contractual undiscounted cash flows. The table includes both principal & interest cash flows.

(Amount in INR)

Particulars	Less than 6 months*	6 months to 1 year	1-5 years	More than 5 years	Total
As at March 31, 2018					
Short Term Borrowing	11,852,561,919				11,852,561,919
Trade Payable	11,136,621				11,136,621
Other financial liability	33,828,858,239	-			33,828,858,239
					-
Total	45,692,556,779	-	-	-	45,692,556,779
As at March 31, 2017					
Short Term Borrowing	11,852,590,719				11,852,590,719
Trade Payable	12,569,957				12,569,957
Other financial liability	27,279,518,118				27,279,518,118
					-
Total	39,144,678,794	-	-	-	39,144,678,794
As at April 1, 2016					
Short Term Borrowing	11,852,611,046				11,852,611,046
Trade Payable	13,437,429				13,437,429
Other financial liability	21,681,347,141				21,681,347,141
Total	33,547,395,616	-	-	-	33,547,395,616

**The above figures at shown at their original carrying amount excluding Ind AS Adjustment*

36 Capital Management

Company are under the process of winding up. Hence in the absence of any operations company doesn't required to manage its capital requirement.

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37 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"
No amount has been capitalized as borrowing cost for the year ended March 31, 2018 & March 31, 2017 respectively.

38 Disclosure in respect of Indian Accounting Standard (Ind AS)-20 "Accounting for Government Grants and Disclosure of Government Assistance"
The break-up of total grant in aid received for various purposes is as under: -

(Amount in INR)

Grant received for	2017-18	2016-17	1-Apr-16
Nature to be specified	Capital	Capital	Capital
Total Grants Received	-	-	-

(ii) Capital Reserve for Assets acquired out of Capital Grants & Subsidies (Utilised) (See details below)

(Amount in INR)

Particulars		2017-18	2016-17	1-Apr-16
Total Grant Received		74,900,000	74,900,000	74,900,000
Add: Additions during the year		-	-	-
Less :-Loss on Assets Acquired out of Grant/subsdies		-	-	-
Less :-Amortisation of Grant/subsdies		61,924,000	59,571,791	56,753,856
Closing balance (B)		12,976,000	15,328,209	18,146,144

39 Disclosure in respect of Indian Accounting Standard (Ind AS)-22 "Income Taxes"
In the absence of reasonable certainty of availability of sufficient taxable profit in these entities in the future STCL has not created deferred tax assets as of March 31, 2018, March 31, 2017 and April 01,2016 respectively relating to carry forward tax losses. The following table provides the information relating to expiry period of the carry forward of the tax losses and related deferred tax assets :

Deferred tax not recognised are as follows:-

(Amount in INR)

Particulars	Balance as on 01.04.16	Balance as on 31.03.17	Balance as on 31.03.18
Deferred Tax Assets			
Provisions	2,372,508	2,552,915	2,259,822
Disallowance of Interest	6,720,470,903	8,406,327,900	9,861,258,603
Carry forward Losses	16,400,336	19,730,371	23,393,827
Other Disallowances	2,852,950	3,330,171	3,747,054
Net Deferred Tax [Assets / Liability (-)]	6,742,096,697	8,431,941,357	9,890,659,306
Change in tax rate effect not recognised	-	1,349,110,617	-95,102,493

Movement in deferred tax balances during the year- Nil

Tax expense recognised during the year in profit & loss- Nil
Tax expense recognised during the year in OCI - Nil

Reconciliation of effective tax rates

Particulars	31.03.2018	31.03.2017
Profit Before Tax	(6,568,841,334)	(5,618,561,732)
Tax using the company's domestic tax rate @ 25.75%	(1,691,476,644)	(1,446,779,646)
Change in tax Rate		
Un-recognised Deferred Tax Assets	(1,691,476,644)	(1,446,779,646)
Prior Period Income		
Tax expense during the year	-	-

Tax Losses carrried forward

Particulars	31.03.2018	Balance Period
Business loss carried forward for 2017-18	13,843,118	8
Business loss carried forward for 2016-17	12,932,173	7
Business loss carried forward for 2015-16	6,175,423	6
Business loss carried forward for 2014-15	11,932,324	5
Business loss carried forward for 2013-14	11,048,310	4
Business loss carried forward for 2012-13	25,749,655	3
Unabsorbed Dep	13,007,902	No limit
Total	94,688,905	

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40 Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

General description of various defined employee's benefits schemes are as under:

a) Gratuity:

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five year or more is entitled to gratuity at 15 day salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to maximum of Rs.10,00,000/ on superannuation, resgnation, termination, disablement or on death. The maxium celling of Rs. 10,00,000/- has been enhacnced toRs.20,00,000/ vide amndement in the payment of gratuity Act 1972 w.e.f 28.03.2018. however the increased limit of gratuity is subject to approval in the company. the company has carried out acturial valuation of gratuity benefit considering the enhanced celling. The scheme is funded by the Company and is managed by a separate Trust through LIC.

b) Leave Encashment:

Liability towards Leave Encashment and Half Pay Leave are provided on accrual basis. Leave Encashment and Half Pay Leave are determined on the basis of actuarial valuation report from the regitstered Actuarial Valuer.

Defined Contribution Plan:

Provident Fund:

In FY 2017-18, provident fund is defined contribution plan. The contribution to the fund for the year is recognised as expenses and is charged to the Statement of Profit & Loss (Refer Note.23 for expense on this account). Providend Fund was managed by PF Trust upto february 17. Since RPFC has cancelled the relaxation order of the PF trust during the February, 2017 the contribution towards provident fund payable to provident fund is being paid to RPFC from March 2017, onwards.

The obligation of the Company to ensure a minimum rate of return to the members as specified by the Government upto February, 2017. The company has incurred loss on account of ensuring minimum return on PF fund till February, 2017. The amount of losses are yet to be communicated by RPFC.

Leave Encashment: (Amount in INR)

Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	18,838	1,398,497
Non-current	3,164,916	2,665,437
Total PBO at the End of year	3,183,754.00	4,063,934.00

Movement in net defined benefit (asset)/liability (Amount in INR)

S.NO.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	4,063,934	3,117,605	-	-	4,063,934	3,117,605
B	Included in profit or loss:						
(i)	Current service cost	278,789	311,063	-	-	278,789	311,063
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost/(income)	276,348	236,938	-	-	276,348	236,938
	Total amount recognised in profit or loss (i+ii+iii)	555,137	548,001	-	-	555,137	548,001
C	Included in OCI:						
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	445,653	197,435	-	-	445,653	197,435
(ii)	Experience adjustment	655,392	623,906	-	-	655,392	623,906
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in other comprehensive income (i+ii+iii)	1,101,045	821,341	-	-	1,101,045	821,341
D	Other	-	-	-	-	-	-
E	Contribution Paid to the Fund	-	-	-	-	-	-
F	Benefits paid	-2,536,362	-423,013	-	-	-2,536,362	-423,013
G	Closing balance (A+B+C+D+E+F)	3,183,754	4,063,934	-	-	3,183,754	4,063,934

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Gratuity (Amount in INR)

Net defined benefit (asset)/liability :	31.03.2018	31.03.2017
Current	290,586	-1,546,179
Non-current	-	-
Total PBO at the End of year	290,586	-1,546,179

Movement in net defined benefit (asset)/liability

(Amount in INR)

S.NO.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	5,379,314	4,189,777	6,925,493	4,887,808	-1,546,179	-698,031
B	Included in profit or loss:						
(i)	Current service cost	306,691	243,545	-	-	306,691	243,545
(ii)	Past service cost	1,839,337	-	-	-	1,839,337	-
(iii)	Interest cost/ (income)	365,793	318,423	-	-	365,793	318,423
C	Remeasurement loss (gain):						
	Actuarial loss (gain) arising from :						
(i)	Financial assumptions	925,429	341,657	-	-	925,429	341,657
(ii)	Experience adjustment	-1,086,604	285,912	-	-	-1,086,604	285,912
(iii)	Return on plan assets excluding interest income	-	-	513,391	512,523	-513,319	-512,523
	Total amount recognised in profit or loss (B+C)						
D	Other	-	-	-	-	-	-
E	Benefits paid	-944,474	-	-944,474	-	-	-
F	Contribution Paid to the Fund	-	-	562	1,525,162	-562	-1,525,162
	Closing balance (A+B+C+D+E)	6,785,486	5,379,314	6,494,972	6,925,493	290,586	-1,546,179

Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31.03.2018	31.03.2017
1	Discount Rate	7.54%	7.36%
2	Future Salary Increase	7.54%	8%

i The discount rate is based upon the market yeilds available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability

ii Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.

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Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit

(Amount in INR)

Assumption	As on 31.03.2018		
	Change in Assumption	Gratuity (Funded)	Leave encashment (Non Funded)
Discount rate	0.50%	6,504,274	3,040,360
	-0.50%	7,088,158	3,339,490
Salary growth rate	1.00%	7,290,942	3,490,382
	1.00%	6,259,579	2,918,552

(Amount in INR)

Assumption	As on 31.03.2017		
	Change in Assumption	Gratuity (Funded)	Leave encashment (Non Funded)
Discount rate	0.50%	5,161,128	3,937,660
	-0.50%	5,614,345	4,200,676
Salary growth rate	1.00%	5,651,863	4,338,467
	1.00%	5,022,916	3,825,512

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

Salary Increase- Actual salary increase will increase the Plan's Liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk- If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.

Maturity Profile of Defined Benefit Obligations (Amount in INR)

Year of payment	As on 31.03.2018	
	Gratuity (Funded)	Earned Leave (Non Funded)
Less than 1 year	42,930	20,259
Between 1-2 years	49,668	23,392
Between 2-3 years	57,376	1,432,959
Between 3-4 years	2,813,746	12,313
Between 4-5 years	38,175	148,458
Over 5 years	12,484,375	6,358,731

Maturity Profile of Defined Benefit Obligations (Amount in INR)

Year of payment	As on 31.03.2017	
	Gratuity (Funded)	Earned Leave (Non Funded)
Less than 1 year	40,318	1,493,594
Between 1-2 years	727,129	19,831
Between 2-3 years	41,122	22,369
Between 3-4 years	45,889	1,311,836
Between 4-5 years	1,855,783	11,799
Over 5 years	8,355,520	4,652,070

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41 Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

Disclosures for Other than Govt. Related Entities

a) List of Related parties:-

(i) Holding:-

- The State trading corporation of India Limited

(ii) Joint Ventures:-

N.S.S Satpura Development Company Limited

b. List of key management personnel

Name	Designation	Tenure
Mr. Rajiv Chopra	Chairman	30.01.2017 till date
Sh. Khaleel Rahim	Chairman	Till 18.11.2016
Sh. B.B. Saha	Director	Till 14.05.2017
Sri H.P. Girish	Managing Director	23.09.2010 to 31.01.2018
Sri S.K.Sharma	Managing Director(Additional Charge)	31.01.2018 to till date
Smt. Mugdha Sinha	Director	29.08.2016 to 29.11.2016
Smt. Rooma Nagrath	Director	15.05.2017 to till date
Sri K.V.Nagi Reddy	Director	29.11.2016 to 20.02.2017
Sri Samir Kumar	Director	18.06.2015 to 31.05.2016
Dr. Shobit Jain	Director	29.02.2017 to till date

(c) Post Employment Benefit Plans:-

The STCL Employees Provident Fund Trust.
The STCL Employees Gratuity Fund Trust

(d) Transactions with the related parties are as follows:

(Amount in INR)

Subsidiaries and Joint Venture Companies	*Holding- STC		Joint Venture Companies	
Particulars	2017-18	2016-17	2017-18	2016-17
Rent paid (Rs.)	11,450	13,790	-	-

* Please refer note no. f below for transaction with the State Trading Corporation of India Limited

(e). Compensation of key management personnel

(Amount in INR)

Particulars	Sri H.P. Girish	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term benefits	2,305,861	2,989,706
Other long-term benefits	343,896	345,278
Total	2,649,757	3,334,984

STCL has not paid any remuneration to the directors except in case of Mr. H.P. Girish which is disclosed above.

(f) Disclosure for transactions entered with Govt. and Govt. Entities and other entities

The company is a Central Public Sector Undertaking (CPSU) controlled by Central Government owned company, Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The company has applied the exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Fertilizers and chemicals.

Particulars	Nature of Relationship
STC	Major Shareholder
Government of India	Related Government

(Amount in INR)

Related Party	Nature of Transaction	Transaction During 2017-18	Transaction During 2016-17
STC	Deposit For Rent	-	-
	Rental Expense	-	3,978
	Repayment of Deposit	5,000,000	-
	Share Capital	-	-
Government of India	Grant under ASIDE Scheme	-	-
	Amortization of Grant	1,992,115	2,378,262
	ASIDE Grant Repayable	-	-
	Interest charged on Grant Repayment Liability	500,000	500,000
	Custom Duty Repayble	-	-
	Interest charged on Custom duty Repayble	1,822,658	1,822,658

*Company has availed exemption mention in para 25 of Ind AS 24 "Related Party Transaction"

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(Amount in INR)

Related Party	Nature of Transaction	Balance as on March 31,2018	Balance as on March 31,2017	Balance as on April 1,2016
STC	Deposit For Rent	36,871,702	41,871,702	41,875,680
	Repayment of Deposit	-50,00,000	-	-
	Share Capital	15,000,000	15,000,000	15,000,000
Government of India	Grant under ASIDE Scheme	11,346,628	13,338,743	15,717,005
	Amortization of Grant	-	-	-
	ASIDE Grant Repayable	9,417,808	8,917,808	8,417,808
	Interest charged on Grant Repayment Liability	-	-	-
	Custom Duty Repayble	28,858,745	27,036,087	25,213,429
	Interest charged on Custom duty Repayble	-	-	-

Particulars	The STC of India Ltd. Employees Provident Fund Trust		The STC of India Ltd. Employees Gratuity Trust	
	2017-18	2016-17	2017-18	2016-17
STCL contribution for the year	-	1,071,443	-	-
Outstanding Balance at the end of the year with STCL	-	89,670	-	-

g) Terms and conditions of transactions with the related parties

· Transactions with the related parties are made on normal commercial terms and conditions and market rates.

h) Outstanding balances with related parties are as follows:-

(Amount in INR)

Particulars	31st March 2018	31st March 2017	1st April 2016
Amount recoverable towards loans			
- From Holding	Nil		
- From Key Managerial personnel			
- From Others			
Amount recoverable other than loans			
- From Holding	36,871,702	41,871,702	41,871,702
- From Joint Ventures	Nil		
- From Post employment benefit plans			
Amount Payable			
- To Joint Ventures	Nil		

i) Individually significant transactions:

(Rs. Crore)

Particulars	Nature of Relationship	2017-18	2016-17
Nil			

42 DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS'

a) Investment in Joint Venture Entities/Associates:

Company Name	Country of Incorporation	Proportion of Ownership		
		31st March 2018	31st March 2017	01st April 2016
NSS Satupura Development Company Limited	India	25%	25%	25%

b) Since the financial statements of NSS Satpura is not available for the purpose of consolidation, we haven't prepared the consolidated financial statements for STCL Limited.

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43 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

Operating Lease - As Lessee

- Company has no material future minimum lease payments under non-cancellable operating leases.
- Company has entered into operating lease with STC Limited. Lease Rent payable is 1,000 p.m. Management is of view that lease is cancellable lease. Term of agreement is 5 years and security deposit is Rs. 3,68,71,702. Lease can be terminate either party by giving 3 month notice.

44 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

i) Basic EPS

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity

(Amount in INR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(6,568,841,334)	(5,626,915,301)
Earnings used in calculation of basic earnings per share(A)	(6,568,841,334)	(5,626,915,301)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	150,000	150,000
Basic EPS(A/B)	(43,792)	(37,513)

ii) Diluted EPS

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the

(Amount in INR)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit (loss) for the year, attributable to the owners of the company	(6,568,841,334)	(5,626,915,301)
Earnings used in calculation of basic earnings per share	(6,568,841,334)	(5,626,915,301)
Weighted average number of Equity shares adjusted for the effect of dilution (B)	150,000	150,000
Diluted EPS(A/B)	(43,792)	(37,513)

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45 Assets hypotecated as security

The carrying amount of assets hypothecated as security for current & non current borrowings are:

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
Hypothecation	50,905,905	79,271,013	90,757,034
Total Non Current assets	50,905,905	79,271,013	90,757,034

46 Disclosure in respect of Indian Accounting standard (Ind AS) 36 "Impairment of Assets"

The company has assessed that there is impairment of property plant & equipment. Company has recognised the impairment on the following assets:-

(Amount in INR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Vehicles	45,000	45,000
Computers	35,000	30,000
Factory Building-Byadagi	2,893,588	-
Road,Severage and compound wall	-	1,222,960
Plant & Machinery -Byadagi	-	280,873
Factory Building-Chindwara	651,020	77,646
Plant & Machinery -Chindawara	158,304	1,888,616
Total	3,782,912	3,545,095

47 Disclosure of prior period errors as per Ind AS-8- "Accounting policies, changes in accounting estimates & errors"

Extract from Balance Sheet

(Amount in INR)

Particulars	March 31, 2017 Without Restatement	March 31, 2017 Restated	April 01, 2016 Without Restatement	April 01, 2016 Restated
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	38,144,524	38,144,524	45,882,615	45,882,615
(b) Financial Assets :	-	-	-	-
(i) Non current investments	246,657	1	246,657	1
(ii) Other Financial Assets	11,283,647	11,283,647	28,826,406	28,826,406
(c) Other Non-current assets	-	-	-	-
Current Assets				
(a) Financial Assets :				
(i) current investments	-	-	2,000	2,000
(ii) Trade receivables	1,050,000	1,050,000	1,050,000	1,050,000
(iii) Cash & cash equivalents	3,307,473	3,283,611	3,067,935	3,043,523
(iv) Bank Balances other than (iii) above	1,795,742	1,795,742	1,795,742	1,795,742
(v) Others	45,061,002	1,546,179	44,370,085	698,031
(b) Tax Assets (Net)	2,869,709	2,869,709	11,075,408	11,056,704
(c) Other Current Assets	2,843,554	2,843,554	2,322,984	2,322,984
Total Assets	106,602,308	106,331,790	138,639,832	138,350,060
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15,000,000	15,000,000	15,000,000	15,000,000
(b) Other Equity	-39,098,673,939	-39,073,193,210	-33,467,870,664	-33,445,791,390
Non Current Liabilities				
(a) Provisions	2,665,437	2,665,437	3,093,053	3,093,053
(b) Other non-current liabilities	41,390,269	15,328,209	42,838,730	18,146,144
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11,852,590,719	11,852,590,719	11,852,611,046	11,852,611,046
(ii) Trade payables	1,674,540	12,569,957	1,934,267	13,437,429
(iii) Other Financial Liabilities	27,263,066,635	27,279,518,118	21,667,587,180	21,681,347,141
(b) Provisions	1,398,497	1,398,497	24,552	24,552
(c) Other current liabilities	27,490,150	454,063	23,421,668	482,085
Total Equity and Liabilities	106,602,308	106,331,790	138,639,832	138,350,060

** The above figures have been reclassified to conform to Ind AS presentation requirements.*

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Extract from the Statement of Profit & Loss

(Amount in INR)

Particulars	(Without Restated) For the year ended March 31, 2018	(Restated) For the year ended March 31, 2018	(Without Restated) For the year ended March 31, 2017	(Restated) For the year ended March 31, 2017
Other Income	10,572,848	2,734,968	3,425,376	4,363,179
Total Income(I)	10,572,848	2,734,968	3,425,376	4,363,179
Employees' Benefit Expenses	18,158,911	18,158,349	14,031,150	14,031,150
Finance Cost	6,547,017,464	6,547,017,464	5,595,887,319	5,595,887,319
Depreciation & Amortization Expenses	7,052,568	6,901,715	7,738,091	7,738,091
Other Expenses	5,013,996	5,013,996	3,116,795	3,377,914
Total expenses (II)	6,577,242,939	6,577,091,524	5,620,773,355	5,621,034,474
Profit before exceptional items and tax(I-II)	-6,566,670,091	-6,574,356,556	-5,617,347,979	-5,616,671,295
Exceptional Items	2,633,471	-5,515,222	4,615,208	1,890,437
Profit Before Tax	-6,569,303,562	-6,568,841,334	-5,621,963,187	-5,618,561,732
Tax expense	-	-	-	-
(i) Current tax	-	-	-	-
(ii) Tax paid for earlier years	-	-	8,353,569	8,353,569
(iii) Deferred tax	-	-	-	-
Profit for the Year(A)	-6,569,303,562	-6,568,841,334	-5,630,316,756	-5,626,915,301
	-	-	-	-
Other Comprehensive Income	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-
- Remeasurements of the defined benefit plans	-309,197	203,560	-486,519	-486,519
	-	-	-	-
Other Comprehensive Income net of tax (B)	-309,197	203,560	-486,519	-486,519
	-	-	-	-
Total Comprehensive Income for the period (A+B)	-6,569,612,759	-6,568,637,774	-5,630,803,275	-5,627,401,820
Earnings per equity share :	-	-	-	-
(1) Basic	-43,795	-43,792	-37,535	-37,513
(2) Diluted	-43,795	-43,792	-37,535	-37,513

** The above figures have been reclassified to conform to Ind AS presentation requirements..*

Year wise details of Prior Period Error

(Amount in INR)

Particular	Prior Period For the year		Adjusted as on	
	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2017	As at April 01, 2016
Cash in Hand- HO/ Perior Period Exp	4,909	-	4,909	-
Legal & Professional Expenses	187,390	-	187,390	-
Audit Fee	19,126	-	19,126	-
Rates & taxes	99,388	-	49,694	49,694
Provision for Customs Duty in Lieu of Export-Chin	-	2,273,846	-	2,273,846
Tax Deducted at Source 2014-15	-	18,704	-	18,704
Impairment of NSS Satpura	246,656	-		246,656
Loss on reconcilation of EEFC account	23,862	-	-550	24,412
Grant Ammortization	-26,062,060	-	-1,369,475	-24,692,586
Total	-25,480,729	2,292,550	-1,108,905	-22,079,274

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48 Derivative Financial Instruments

(Amount in INR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Assets	-	-
	-	-
Liabilities	-	-
	-	-
Bifurcation above derivative instrutments in current and non-current	-	-
	-	-
	-	-

48.1 Foreign Currency Exposure

(Amount in INR)

Particulars	For the year ended March 31, 2018		
	Foreign Currency	Amount in Foreign Currency	Amount in indian Rupees
	-	-	-
Total	-	-	-

(Amount in INR)

Particulars	For the year ended March 31, 2017		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
	-	-	-
Total	-	-	-

(Amount in INR)

Particulars	For the year ended March 31, 2016		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
	-	-	-
Total	-	-	-

49 Commitments

There are no capital commitments as company are in the process of liquadation.

50 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"

The amount of exchange differences (Net) credited to the Statement of Profit & Loss are INR 735 for March 31, 2018 and 550 for March 31, 2017.

51 Provision for contingencies are Nil

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52 Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Operating Segments
1) Export
2) Import
3) Domestic

Identification of Segments

The Chief Operating Decision Maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results
The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liability
Segment assets include all operating assets used by the operating segments and mainly consists of PPE, trade receivables, cash & cash equivalents and inventories. Segment liability primarily includes trade payables and other liabilities. Common assets and liabilities which can not be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

Intersegment Transfers
Intersegment prices are normally negotiated among segments with reference to the cost, market price and business risk. Profit or loss on intersegment transfers are eliminated at the company level.

(i) **Segment Revenue and Expense**
Details regarding revenue and expenses attributable to each segment must be disclosed

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets,
Segment revenues and results
(a) for the year ended March 31, 2018

(Amount in INR)

	Particulars	Export	Import	Domestic	Unallocated	Total
(1)	**Segment Revenue**					
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) +1 (b))	-	-	-	-	-
(2)	**Segments Results**					-
3 (a)	Unallocated Corporate expenses net of unallocated income	-			-27,702,533	-27,702,533
3 (b)	Interest Expense				6,547,017,464	6,547,017,464
3 (c)	Interest Income				363,441	363,441
	Total	-	-	-	6,518,951,490	6,518,951,490
(4)	**Profit before tax from ordinary activities (2)- 3(a),(b) & (c)**	-	-	-	-6,574,356,556	-6,574,356,556
(5)	Exceptional Items	-	-	-	-5,515,222	-5,515,222
(6)	Income taxes	-	-	-	-	-
(7)	**Net Profit after tax (4)- (5) -(6)**	-	-	-	-6,568,841,334	-6,568,841,334
(8)	**Interest in results of JV's**	-	-	-	-	-
(9)	**Other Information :**					-
9 (a)	Segment Assets	-	-	-	82,465,638	82,465,638
9 (b)	Segment Liabilities	-	-	-	45,709,296,624	45,709,296,624
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	6,901,715	6,901,715
9 (e)	Non-Cash expenses other than depreciation					-

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(b) for the year ended March 31, 2017

(Amount in INR)

	Particulars	Export	Import	Domestic	Unallocated	Total
(1)	**Segment Revenue**					
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) +1 (b))	-	-	-	-	-
(2)	**Segments Results**	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-			-19,239,282	-19,239,282
3 (b)	Interest Expense	-	-	-	5,595,887,319	5,595,887,319
3 (c)	Interest Income	-	-	-	1,544,694	1,544,694
	Total	-	-	-	5,578,192,731	5,578,192,731
(4)	**Profit before tax from ordinary activities (2)- 3(a),(b) & (c)**	-	-	-	-5,616,671,295	-5,616,671,295
(5)	Exceptional Items	-	-	-	1,890,437	1,890,437
(6)	Income taxes	-	-	-	8,353,569	8,353,569
(7)	**Net Profit after tax (4)- (5) -(6)**	-	-	-	-5,626,915,301	-5,626,915,301
(8)	**Interest in results of JV's**	-	-	-	-	-
(9)	**Other Information :**					-
9 (a)	Segment Assets	-			106,331,790	106,331,790
9 (b)	Segment Liabilities	-			39,164,525,000	39,164,525,000
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation				7,738,091	7,738,091
9 (e)	Non-Cash expenses other than depreciation					-

Segment assets and liabilities

(c) As on April 01, 2016

(Amount in INR)

	Particulars	Export	Import	Domestic	Unallocated	Total
(8)	**Interest in results of JV's**					
(9)	**Other Information :**					
9 (a)	Segment Assets	-	-	-	138,350,060	138,350,060
9 (b)	Segment Liabilities	-	-	-	33,569,141,450	33,569,141,450

(ii) **Information about major customers**

Revenue from major customers under each segment is Rs. Nil (31.03.2017, Nil).

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53 Dividends

(Amount in INR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Equity Share Capital	15,000,000	15,000,000
(ii) Dividends not recognised at the end of reporting period.	Nil	Nil

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(Amount in INR)

54 Reconciliation of Equity as at April 1, 2016 and March 31, 2017

	Particulars	Explanatory Note**	Balance Sheet as at April 1, 2016			Balance Sheet as at March 31, 2017		
			Indian GAAP*	Adjustments	Ind AS	Indian GAAP*	Adjustments	Ind AS
I	**ASSETS**							
1	**Non current assets**							
	(a) Property, Plant and Equipment	1	45,882,615	-	45,882,615	40,702,695	2,558,171	38,144,524
	(b) Financial Assets :							
	(i) Non current investments	2	246,657	246,656	1	246,657	246,656	1
	(ii) Other Financial Assets		28,826,406	-	28,826,406	11,283,647	-	11,283,647
	(c) Other Non-current assets		-	-	-	-	-	-
2	**Current assets**							
	(a) Financial Assets :							
	(i) current investments		2,000	-	2,000	-	-	-
	(ii) Trade receivables		1,050,000	-	1,050,000	1,050,000	-	1,050,000
	(iii) Cash & cash equivalents	3	3,067,935	24,412	3,043,523	3,307,473	23,862	3,283,611
	(iv) Bank Balances other than (ii) above		1,795,742	-	1,795,742	1,795,742	-	1,795,742
	(v) Loan		43,672,054	-	43,672,054	43,514,823	-	43,514,823
	(vi) Others		(1,541,969)	(2,240,000)	698,031	(15,826)	(1,562,005)	1,546,179
	(b) Tax Assets (Net)	3	11,075,408	18,704	11,056,704	2,869,709	-	2,869,709
	(c) Other Current Assets		2,322,984	-	2,322,984	2,843,554	-	2,843,554
	Total		136,399,832	(1,950,228)	138,350,060	107,598,474	1,266,684	106,331,790
I.	**EQUITY AND LIABILITIES**							
3	**Equity**							
	(a) Equity Share capital		15,000,000	-	15,000,000	15,000,000	-	15,000,000
	(b) Other Equity	5	(33,474,671,077)	(28,879,687)	(33,445,791,390)	(39,101,474,225)	(28,281,015)	##########
4	**LIABILITIES**							
	Non Current Liabilities							
	(a) Provisions		3,093,053	-	3,093,053	2,665,437	-	2,665,437
	(b) Other non-current liabilities	3	42,838,730	24,692,586	18,146,144	41,390,269	26,062,060	15,328,209
	Current liabilities							
	(a) Financial Liabilities							
	(i) Borrowings		11,852,611,046	-	11,852,611,046	11,852,590,719	-	11,852,590,719
	(ii) Trade payables		13,387,735	(49,694)	13,437,429	12,259,144	(310,813)	12,569,957
	(iii) Other Financial Liabilities	3	21,679,073,295	(2,273,846)	21,681,347,141	27,279,518,118	-	27,279,518,118
	(b) Provisions	4	4,584,965	4,560,413	24,552	5,194,949	3,796,452	1,398,497
	(c) Other current liabilities	3 & 4	482,085	-	482,085	454,063	-	454,063
	Total		136,399,832	(1,950,228)	138,350,060	107,598,474	1,266,684	106,331,790

** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.*
*** Explanation shall be given for adjustment under Ind AS in note 70*

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55 Reconciliation of total comphrensive income for the year ended March 31, 2017

(Amount in INR)

	Particulars	Explanatory Note	Indian Gaap*	Adjustments	Ind AS
	Income				
	Other Income		2,993,155	(1,370,024)	4,363,179
	Total Income		2,993,155	(1,370,024)	4,363,179
	Expenses				
	Employees Benefit Expenses	1	13,075,713	(955,437)	14,031,150
	Finance Cost		5,595,887,319	-	5,595,887,319
	Depreciation & Amortization Expenses		6,440,131	(1,297,960)	7,738,091
	Other Expenses		3,116,795	(261,119)	3,377,914
	Total expenses		5,618,519,958	(2,514,516)	5,621,034,474
	Exceptional item		4,182,987	2,292,550	1,890,437
	Profit Before Tax		(5,619,709,790)	1,144,492	(5,618,561,732)
	Tax expense:				
	(i) Current tax		-	-	-
	(ii) Tax paid for earlier years		8,353,569	-	8,353,569
	(iii) Deferred tax		-	-	-
I	Profit/(loss) for the Period		(5,628,063,359)	1,144,492	(5,626,915,301)
II	Other Comprehensive Income				
i)	Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans	1	-	486,519	(486,519)
	Less: Income Tax on Above			-	
	Other Comprehensive Income		-	486,519	(486,519)
	Total Comprehensive Income for the period		(5,628,063,359)	1,631,011	(5,627,401,820)

** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.*

56 Reconciliation of total Equity as at March 31, 2017 and April 1, 2016

(Amount in INR)

Particulars	Explanatory Note	March 31, 2017	April 1, 2016
Total Equity (Shareholders fund as per previous gaps)		-39,044,752,002	-33,416,832,347
Adjustments:			
Remeasurement of Acturial valuation of Defined benefit plans		-955,437	6,800,413
Reversal of Revaluation Reserve		-331,954	-
Impairment Loss recognised		-1,297,960	
Adjustment for Prior Period Error		2,220,231	-2,366,656
Reclassification of Deferred income		1,369,475	-18,146,144
Impairment Loss recognised		-486,519	-246,656
Adjustments on transition date		-13,959,043	-
Total Adjustments		-13,441,208	-13,959,043
Total Equity as per Ind AS		-39,058,193,210	-33,430,791,390

57 Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in INR)

Particulars	Explanatory Note	Year Ended March 31, 2017
Profit after tax as per previous GAAP		(5,628,063,359)
Adjustments		
Impairment of property, plant and equipments		-1,297,960
Prior Period Errors before date of transition		2,292,550
Change in estimates of Employee Benefits Plans - Leave Encashment and Gratuity		-955,437
Adjustment of Prior Period errors for FY 2016-17		-260,569
Ammortization of grant- VITC		439,674
Ammortization of grant- ASIDE		929,801
Total Adjustments		1,148,058
Profit after tax as per Ind AS		(5,626,915,301)
Other comprehensive income		(486,519)
Total comprehensive income as per Ind AS		(5,627,401,820)

58 Impact on Cash flow statement on adoption of Ind AS

(Amount in INR)

Particulars	Explanatory Note	Year Ended March 31, 2017	Adjustments	Ind AS
Net cash flow from operating activities		(18,684,331)	(550)	(18,683,781)
Net cash flow from Investing activities		17,683,985	(1,260,211)	18,944,196
Net cash flow from financing activities		1,239,884	1,260,211	(20,327)
Net Increase/(Decrease) in cash and cash equivalent		239,538	(550)	240,088
Cash and cash equivalent as on April 1, 2016		3,067,935	24,412	3,043,523
Cash and cash equivalent as on March 31, 2017		3,307,473	23,862	3,283,611

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

59 Dues to Micro, Small and Medium Enterprises
Based on the information available with the company, there are no outstanding balances of parties covered under Micro, Small and Medium Enterprises Development Act, 2006.
i. Principal amount remaining unpaid at the end of the year to Micro, Small & Medium enterprise - NIL;
ii. Interest accrued & remaining unpaid at the end of the year to Micro, Small & Medium enterprise for the current year - NIL;
iii. Amount of interest paid during the year along with the payment of principal amount made beyond the appointed day - NIL;
iv. Amount of interest carried forward from last accounting year with interest for the current year on such interest - NIL.

60 Approval of financial statements
The financial statements were approved by the board of directors and authorized for issue on 27-07-2018

61 The Company had appointed M/s Management consultant Services to prepare a turn around plan for the company in view of its weak financial position. Based on the report submitted by the consultant the board of directors of the company has passed a resolution on 18.04.2013 to take neccesary steps for winding up of the company and to introduce a voluntary separation scheme (VSS) to employees. The union cabinet has approved in its meeting held on 13.08.2013 for winding up of STCL Limited. Accordingly the company has filed winding up ptition dated 26.11.2013 before High court of Karnataka which is pending for disposal. The company has offerred VSS to the regualar employees during the September 2013 out of total strength of 51 employees, 32 employees have opted for VSS.

62 Balances in the account of Trade Receivables, Trade Payables, other Creditors and Business Associates are under litigation and no confirmation are received against the aforesaid balances.

63 In the opinion of the Management, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made in the cases wherever it is considered as doubtful.

64 As full provision for doubtful debts has already been made in the previous years, no further interest income is recognized. The amounts will be recognized as income in the year of actual recovery on collection basis. The interest payable to consortium of banks and UCO Bank of Rs. 5,59,58,87,319/- calculated on accrual basis is to be recovered from the business associates to whom the credit facilities were provided.

65 The company has write back an amount of Rs. 3,79,365/- unclaimed credit balance was held in various parties accounts for more than 3 years.

66 The Company has filed a civil suit in 1994 against M/s.Rajesh Spices for breach of contract on supply of chillies to M/s.Kerala State Civil Supplies Corporation under back to back supply contract terms. The City Civil Court has passed a decree in favour of the Company directing M/s.Rajesh Spices to pay Rs.33,64,560/- with interest @ 9% p.a. [from the date of suit i.e., June 1994 to till realization] to STCL during August 2011. The decree passed in favour of the company has been transferred to City Civil Court, Nagpur, Maharashtra for recovery.

67 In cases where the Company has made Provision for Doubtful Debts, no further interest / additional margin of profit are recognized after they have been classified as doubtful debts. Any amount received from these parties after being classified as doubtful debts is being credited to their accounts and necessary entry for withdrawal of provisions are made. Only after the full receipt of the balance outstanding as per books, the interest / additional margin of profit will be recognized on cash basis.

68 Miscellaneous Expenses do not include items of expenses exceeding 1% of the total revenue of the company or Rs.10,00,000/- which ever is higher.

69 Figures in Financial Statements have been rounded off to the nearest rupee and previous years figures have been re-grouped, re-arranged wherever necessary to make them comparable with those of the current year's figures.

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

70 Explanations for Reconciliation of Balance Sheet and Statement of Profit and Loss as previously reported under IGAAP to IND AS

Note 1 :

The company has chosen the cost model of recognition for an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Note 2 :

Company has recognised the impairment on the equity investments as on date of transition as company board approved in its 142nd Board Meeting held on October 24, 2013 for withdrawal from the joint venture Company NSSSADCL.

Note 3 :

Under Ind AS, an entity shall correct material prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by restating the opening balances of assets, liabilities and equity for the earliest prior period presented, if the error occurred before the earliest prior period presented. The impact o changes in assets and liabilities is on account of prior period error and is taken under respective heads of assets, liability and equity as on transition date.

Note 4 :

Under Ind AS, remeasurement i.e. acturial gains and losses on net defined benefit liability are recognised in oth comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were formin part of the profit or loss for the year. There is no impact on total equity as at 31 March, 2016.

Note 5 :

Retained Earning as at April 01, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

G. C. BANKA & CO. ROURKELA CHARTERED ACCOUNTANTS

भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

DGCA/A/c/Desk/2017-18/STCL/1.62 / 224

Date: 17 September 2018

To
The Managing Director,
STCL Limited,
Bangalore.

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of STCL Limited, Bangalore for the year ended on 31 March 2018

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of STCL Limited, Bangalore for the year ended on 31 March 2018.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.

3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.

4. Ten copies of the Annual Report for the year 2017-18 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Yours faithfully,

(L. Tochhawng)
Director General

Encl:- As above

STCL
NO. 268
DATE 19/9/18

महालेखाकार का कार्यालय परिसर, सैफाबाद, हैदराबाद - 500 004.
A.G.'s Office Complex, Saifabad, Hyderabad - 500 004
e-mail : mabhyderabad@cag.gov.in

Grams : DIRCOMIT Fax : 040-23231318
Phone : 23233315, 23230415

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF STCL LIMITED, BANGALORE FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of STCL Limited, Bangalore for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 13 September 2018 which supersedes their earlier Audit Report dated 31 July 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of STCL Limited, Bangalore for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory Auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(L. Tochhawng)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date: 17 September 2018

Form No: MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U85110KA1982GOI005013

Name of the Company: STCL Limited

Registered Office : No.10/1,II Main,30th Cross,7th Block, Jayanagar, Bangalore – 560 070

Name of the member (s)

:...

Registered Address

:...

E-Mail Id

:...

Folio No.

I/We, being the member (s) of .... shares of the above named Company, hereby appoint

1. Name :
   Address:
   E-mail Id:
   Signature :........................., or failing him

2. Name :
   Address :
   E-mail Id :
   Signature :.........................., or failing him

3. Name :
   Address :
   E-mail Id:
   Signature :............................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual general meeting of the Company, to be held on the20th day of September 2018 at 3.00 p.m. at the Registered Office of STCL, at No.10/1,II Main,30th Cross,7th Bloock,Jayanagar,Bangalore-560 070 and at any adjournment thereof in respect of such resolutions as are indicated below:

Optional

Resolution Number	For	Against
1. Adoption of Annual Accounts for the year 2017-18		
2. Fixing of Auditors' Remuneration		
3. Appointing Shri S. K. Sharma as a Director of the Company		

Signed this ....day of .... 20......

Affix Revenue Stamp

Signature of shareholder

99

Signature of Proxy holder(s)

Note : This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.