

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
Statement of Standalone Financial Results for the Quarter ended June 30, 2017

CIN: L74899DL1956GOI002674

Annexure-II  
(Rs. in crore)

Particulars	Quarter ended 30.06.2017	Quarter ended 30.06.2016
	(Unaudited)	(Unaudited)
<b>Income</b>		
Revenue from Operations	4,798.94	2,182.30
Other Income	77.81	63.76
<b>Total Income</b>	<b>4,876.75</b>	<b>2,246.06</b>
<b>Expenses</b>		
Cost of materials consumed	-	0.04
Purchases of Stock in trade	4,788.73	2,174.26
Change in Inventory	(0.17)	0.19
Employees' Benefit Expenses	25.47	25.72
Finance Cost	42.14	37.91
Depreciation & Amortization Expenses	3.93	4.02
Other Expenses	6.62	8.22
<b>Total expenses</b>	<b>4,866.72</b>	<b>2,250.36</b>
<b>Profit before exceptional items and tax</b>	<b>10.03</b>	<b>(4.30)</b>
Exceptional Items - Expense /(Income)	(3.82)	(26.30)
<b>Profit Before Tax</b>	<b>13.85</b>	<b>22.00</b>
<b>Tax expense</b>		
(i) Current tax	1.22	0.12
(ii) Deferred tax	-	-
<b>Profit for the period from continuing operations (A)</b>	<b>12.63</b>	<b>21.88</b>
Profit/(loss) from discontinued operations	-	-
Tax expense of discontinued operations	-	-
<b>Profit from discontinued operations after tax (B)</b>	<b>-</b>	<b>-</b>
<b>I Profit for the period (A+B)</b>	<b>12.63</b>	<b>21.88</b>
<b>II Other Comprehensive Income</b>		
Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans	0.09	0.08
Less: Income Tax on Above	0.03	0.03
Items that will be reclassified to profit or loss	-	-
<b>Total of Other Comprehensive Income</b>	<b>0.06</b>	<b>0.05</b>
<b>Total Comprehensive Income for the period</b>	<b>12.69</b>	<b>21.93</b>
<b>Paid up equity share capital (Face value of Rs. 10/- each)</b>	<b>60.00</b>	<b>60.00</b>
<b>Earnings per equity share : (Not Annualized)</b>		
(1) Basic (in Rupees)	2.11	3.66
(2) Diluted (in Rupees)	2.11	3.66



## Segment-wise Revenue, Results, Assets & Liabilities

(Rs. in crore)

PARTICULARS	Standalone	
	Quarter ended 30.06.2017	Quarter ended 30.06.2016
	(Unaudited)	(Unaudited)
<b>1. Segment revenue</b>		
a) Export	127.81	42.12
b) Import	4,532.22	1,884.90
c) Domestic	138.91	255.28
<b>Total</b>	<b>4,798.94</b>	<b>2,182.30</b>
Less -Inter-segment revenue	-	-
<b>Revenue from operations</b>	<b>4,798.94</b>	<b>2,182.30</b>
<b>2. Segment results - Profit /(Loss) before tax and interest from each segment</b>		
a) Export	6.64	1.31
b) Import	2.11	3.91
c) Domestic	0.89	2.27
<b>Total</b>	<b>9.64</b>	<b>7.49</b>
Less:(I) Finance cost	42.14	37.91
(ii) Other unallocable expenditure net off Unallocable income	(46.35)	(52.42)
<b>Profit before Tax</b>	<b>13.85</b>	<b>22.00</b>
<b>3. Segment Assets</b>		
a) Export	2,999.86	3,270.98
b) Import	182.82	1,668.50
c) Domestic	53.37	161.13
d) Unallocated	1,078.66	1,111.83
<b>Total</b>	<b>4,314.71</b>	<b>6,212.44</b>
<b>4. Segment Liabilities</b>		
a) Export	1,353.72	1,787.24
b) Import	263.04	1,770.49
c) Domestic	53.67	80.40
d) Unallocated	1,740.28	1,495.32
<b>Total</b>	<b>3,410.71</b>	<b>5,133.45</b>

**Notes:**

1)The Financial Results for the Quarter ended 30th June, 2017 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 13th September, 2017.

2) Limited Review as per Regulation 33 of the SEBI (LODR) Regulations, 2015 has been carried out by the Statutory Auditors of the Company.



(3) The Company has adopted Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs, w.e.f. 01.04.2017 and accordingly the results for the quarter ended 30.06.2017 are in compliance with Ind-AS subject to ascertainment of fair valuation of financial assets / liabilities in some cases on account of expected credit loss / discounting factors. However, there will be no material variation on this account. The date of transition to Ind-AS is 01.04.2016. The results for the quarter ended 30.06.2016 have been restated to comply with Ind-AS to make them comparable and have not been subjected to limited review / audit. The final Ind-AS financial statements as of and for the year ending 31.03.2018 including corresponding figures may require adjustment, if any, due to changes in financial reporting requirements arising during the course of implementation of Ind-As from revision or interpretation or clarifications relating to these standards / rules issued by Ministry of Corporate Affairs (MCA) / Institute of Chartered Accountants of India (ICAI)

4) Reconciliation of Profit after tax for the quarter ended 30th June 2016 between Ind-AS compliant results reported above with results reported as per previous Indian GAAP.

Particulars	Quarter ended 30.06.2016 (Rs. in crore)
Profit (after tax) as per previous GAAP	22.02
<b>Add: Adjustments as per IND AS</b>	
Actuarial Loss/(gain) on defined plans recognised in other comprehensive income	(0.08)
Effect of prior period item -expense/(Income)	(0.07)
Effect on Depreciation & Amortization expenses	(0.02)
Tax expense impact	0.03
<b>Profit (after Tax) for the period under Ind AS</b>	<b>21.88</b>
Other comprehensive income (net of tax) (actuarial Loss/gain on defined benefit plans)	0.05
Total comprehensive income under IND AS	21.93

5) Trade receivables and other income as on 30.06.2017 include Rs. 1930.89 crore and Rs. 62.43 crore respectively, receivable from one of the associates with whom the conciliation agreement has been signed which is enforceable as decree and upheld by Hon'ble Supreme Court as final. The associate has been making part payment as per directives of Hon'ble Supreme Court. The associate is in the process of submitting final payment schedule in Hon'ble Supreme Court for repayment of entire dues. In view of the above, the debt has been considered good and interest accrued thereon is recognized as income.

6) As a matter of accounting prudence, Deferred Tax Assets for the quarter ended 30.06.2017 have not been recognized

7) Figures of the previous period have been regrouped/ rearranged to make them comparable with those of the current period wherever necessary.


As per our report of even date  
For M/s P. Jain & Company  
Chartered Accountants  
FRN : 000711C

  
(Parkaj Jain)  
Partner  
M. No. 097279



By order of the Board of Directors

  
(Rajiv Chopra)  
Director  
(Marketing) with  
additional charge  
of CMD  
DIN -06466326

  
(S K Sharma)  
Director -Personnel  
with Additional  
charge of Director  
Finance  
DIN - 06942536

Place: New Delhi  
Date: 13.09.2017



# P. JAIN & COMPANY CHARTERED ACCOUNTANTS

HO- 210 ARUNACHAL BHAWAN, 2<sup>ND</sup> FLOOR, 19 BARAKHAMBHA ROAD NEW DELHI 110001  
BO- 6, NAVYUG MARKET, 1<sup>ST</sup> FLOOR, GHAZIABAD 201001

## Limited Review Report

The Board of Directors  
The State Trading Corporation of India Limited  
New Delhi

1. We have reviewed the accompanying statement of unaudited standalone financial results of **The State Trading Corporation of India Limited** for the quarter ended June 30, 2017 into which are incorporated the accounts of Corporate Office and one Branch reviewed by us and ten Branches reviewed by Internal Auditors. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without modifying our report, we draw attention to note no. 3 to standalone unaudited financial results:- The results and corresponding figures may require adjustments, if any, before constituting the final Ind AS financial statements as of and for the year ending March, 2018 arising from revisions, interpretations and/or clarification of certain exemptions and provisions of Ind AS from its transition date 01.04.2016.
4. Our report on the audited financial statements for the year ending 31<sup>st</sup> March, 2017 was qualified with regard to  
(i) Reference is invited to Note no.22.1 and 27.1, Trade receivable includes Rs. 1904.24 crore and other income includes interest of Rs. 231.93 crore booked during the current year on over dues from one of the business associates on account of goods supplied in earlier years. The dues are stated to be secured by EMD of Rs. 29.73 crore and personal guarantee of chairman of its holding company. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012, the entire dues were payable to the company by 10.11.2012. During the year, the Business Associate remitted an amount of Rs. 70.18 crore on the directions of Hon'ble Supreme Court. Considering the poor recovery, non-availability of security, dispute by party with respect to interest charged, and age of outstanding dues, interest income should not be recognized as per provisions of Accounting Standard- 9 issued by ICAI. Had the company de-recognized the interest income, net loss of current year would have been higher by Rs. 231.93 crore, reserve & surplus and trade receivable would have been lower by Rs. 231.93 crore.

Considering the overall circumstances surrounding the recoverability of outstanding dues of Rs. 1904.24 crore, we are not in a position to ascertain whether the amount is fully recoverable or not. We are informed by the management that petition for execution of decree as per Conciliation Agreements under the Arbitration and Conciliation Act, 1996 has been filed before the Hon'ble Supreme Court wherein it has been held that decree is final. The party has submitted payment proposal before the Hon'ble Apex Court which is still sub-judice before the Hon'ble Apex Court. Cases U/s 138 of Negotiable Instruments



Contd.....



Act are also filed by the company before the Hon'ble Civil Court Delhi. The Enforcement Directorate and CBI are also investigating into the matter about cheating and fraud done by the party. We have also been provided affirmative Board Resolution dt. 14.02.2017 and outcome dt. 30.05.2017 that all possible efforts are extended for recovery of the dues through legal process and company is assured of recovering the dues.

(ii) Reference is invited to Note no.25.1, Rs.7.81 crore is recoverable from HHEC and inspite of various assurances HHEC has not made the payment and in its latest letter dt. 08.02.2017, HHEC has stated that Company's position is still precarious as order position has not improved and new business visualized are not forthcoming etc. and HHEC has approached its Administrative Ministry for looking into matter and to extend financial support. The Company has also not obtained any balance confirmation from HHEC. Considering the above, provision should be made for the amount recoverable from HHEC. Had the company made provision of said recoverable, net loss of current year would have been higher by Rs. 7.81 crore, reserve & surplus and claims recoverable (current assets) would have been lower by Rs. 7.81 crore.

5. Further during the quarter ended 30<sup>th</sup> June, 2017, the Company

- (i) has recognized interest income of Rs. 62.43 crore with respect to amount recoverable from associate referred in para 4(i) above which should not be recognized for reasons referred in para 4(i) above.
- (ii) has to recover Rs 8.29 crore from M/s HHEC (one of the co-owner) as referred in para 4(ii) above. It is informed that the concerned Ministry has ordered for winding up of the company. In view of the above total amount recoverable as on 30.06.2017 of Rs. 8.29 crore should be provided for.

6. Based on our review conducted as above and subject to our observations in paragraphs 4 and 5 above, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listed Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

For P. Jain & Company  
Chartered Accountants  
(Firm Regn. No. 000711C)



(Pankaj Jain)  
Partner  
M. No. 97279



Date : 13.09.2017

Place : New Delhi