

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

June 13, 2025

Manager - Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051 Scrip Code : STCINDIA - EQ	Manager - Listing Compliance Department BSE Limited 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street Mumbai - 400001 Scrip Code : 512531
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**Sub: Annual Audited Standalone Financial Result for the quarter and year ended March 31, 2025**

**Dear Sir/Madam,**

This is to inform that the Board of Directors of The State Trading Corporation of India Limited at its meeting held on today i.e., June 13, 2025 has approved and taken on record the Annual Audited Standalone Financial Result for the quarter and Year ended March 31, 2025. In pursuance of Regulation 33, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, STC enclosing herewith the following:

- Auditors' Report on the Annual Audited Standalone Financial Result for the quarter and year ended March 31, 2025, pursuant to Regulation 33.
- Annual Audited Standalone Financial Results for the Quarter and Year ended March 31, 2025.
- Statement of Impact of Audit Qualification (Standalone) for the financial year ended 31.03.2025.

The Meeting of the Board of Directors commenced at 12:00 noon and concluded at 02:45 P.M.

Please take the above on record.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited

(Vipin Tripathi)

Company Secretary & Compliance Officer



# P V A R & ASSOCIATES

## CHARTERED ACCOUNTANTS

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### Independent Auditor's Report

To  
The Members of  
The State Trading Corporation of India Limited

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of The State Trading Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Standalone Cash Flow Statement for the year then ended, notes to the Standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Standalone Financial Statements").

#### Qualified Opinion

In our opinion and various issues as mentioned in the Basis for Qualified Opinion paragraphs, the aforesaid Standalone Financial Statements except for the qualified opinion give the information required by the Companies Act 2013 ("the Act") in the manner so required and present a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies ( Indian Accounting Standards ) Rule 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025 and its net profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

##### **1. Non -Current Assets held for Sale**

- i. Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect of following properties namely:

##### **a) Leasehold Building**

- i. Leasehold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs  
ii. Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs





**b) Freehold Building**

- i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to Rs. 2720 lacs
- ii. 7 apartments in different locations of Mumbai amounting to Rs. 1918 lacs
- iii. Flats at Ahemdabad

Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by Rs. 11.67 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into **overstatement of profit by Rs. 11.67 lacs.**

Further the farm tanks installed at Mallet Bunder amounting to Rs. 14.84 lacs have also been handed over on as is where is basis. The company has not raised any debit note for the same and thus non-current assets are being **overstated by Rs. 14.84 lacs.**

Further to this, the auction of the STC assets was conducted by MBPT on 11.06.2024 and the assets were ultimately sold for Rs. 355 lacs, with the previously forfeited EMD of Rs. 25 Lacs. STC calculated its total receivables from MBPT at Rs. 418 lacs which includes the sale proceeds, EMD and deposits. STC to set off this amount against the Rs. 257 lacs Lease rent payable, (amount yet to be reconciled with MBPT) resulting in a net receivable of Rs. 161 lacs from MBPT. Refer Note 57.

Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2025 resulting into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.

- ii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the company to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments. This has resulted into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.

**2. Trade Receivables**

All trade receivables amounting to 1,69,710.16 lacs as per Note No. 9 have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 1,06,982.54 lacs have been shown as **"Having Significant increase in credit risk"** since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.



Further there has been no recovery during the Financial Year 2024-25 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not stated at realizable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03.2025 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.

We are of the view that all trade receivables amounting to 1,69,710.16 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,982.54 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,982.54 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,06,982.54 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of Rs.52786 lacs has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 6247 lacs approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT/High Court Mumbai, making STC also a party to the case claiming Rs. 47647 lacs.

STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.

STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount of Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.

Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.

### **3. Foreign Currency Receivables and Payables**

Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 41.49 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 2024-25.

Thus, the Company has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables, which are under litigation/ disputed.

Therefore, we are unable to ascertain the potential impact on the financial statements, if any.





#### **4. Other Current Assets**

- i. Refer Note No. 14 - "Other Current Assets for non-provisioning in respect of Duties and taxes recoverable, CST (coal) amounting to Rs. 6.89 lacs which is non recoverable and still not written off.
- ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable: For non-provisioning in respect of Claims Recoverable o/s since more than 3 years amounting to Rs.3157.74 lacs where no present status is ascertained by the management of the Company and still not written off.

*This is non-compliance of IND AS -36 as no provision has been made for impaired assets.*

*All these current assets are being reflected at their carrying amounts instead of on Realization values.*

*This has resulted into overstatement of Current assets by Rs. 3157.74 lacs and overstatement of profit by Rs.3157.74 lacs.*

#### **5. Provisions**

*Refer Note No. 38, for non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 13,283 lacs (for the period March,2004 to July, 2018) which has resulted in overstatement of profit by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, company has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.*

*Director General of Audit has intimated short provision of Rs.75.92 cr towards interest (calculated @10% p.a. on Rs.132.83 cr from 14th July 2018 upto 31st March 2024) which will further cumulate till final payment to L&DO. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.*

*Further, Company has not ascertained liability/ provisional liability for Non-compliance of the various conditions of the Lease deed (including non-deposit of 25% of the gross rent received by STC from its tenants) payable to L&DO for the period August 2018 to March 2025, and the interest thereon. Amount is unascertained by the management. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.*

#### **6. Trade Payables**

*Refer Note No.21, All the trade payables amounting to Rs. 1,09,654.70 lacs are without any balance confirmation and are outstanding for more than 3 financial years.*

*No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.*



## 7. Statutory Dues

### **GST**

Refer Note No.14, The GST input receivable and payable balances are not reconciled by the Company as on March 31,2025. GST input Rs 54.21 lacs - non claimable but no provision has been made. Profit of the company is overstated by the same amount.

### **Tax Deducted at Source**

TDS deducted will be reconciled with form 26AS at the time of submitting Income Tax return, as on the date of report the complete information is not available.

No provision has been made for TDS default of Rs 7.29 lacs pending, submission of correction statements.

## 8. Investments (Refer Note No.8)

- **STCL Limited (Subsidiary Company)** : As confirmed by STC management "Accounts for the FY 2024-25 could not be prepared and hence were not made available for consolidation purpose. As per Reg 33 of SEBI (LODR), 2015, every listed company which is having subsidiary company is required to approve its consolidated financial accounts within 60 days from the end of financial year, and in case of non-compliance of Reg 33 of SEBI (LODR), 2015, Regulatory penalty will be levied on STC by each of the stock exchanges separately."

The availability/ recovery of asset and/ or write off could not be ascertained by the management.

- **NSS Satpura Agro Development Company Ltd. (Joint Venture)** : The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/ recovery of asset and/ or write off could not be ascertained by the management.
- **Sea Lac Agro Ventures Limited:** The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.
- **Maharashtra Small Scale Industries Development:** The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.
- **Andhra Pradesh Trade Promotion Corporation Limited:** The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.
- **Sindhu Resettlement:** The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.

9. **Other Equity (Refer Note No.19):** An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back and details shall be provided in next financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.





## 10. Other Observations

- i. Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs.603 lacs. As informed by the management, the company has made various other claims on U.P. Government and accordingly dues of Rs. 3382.23 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the company till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.

ii. **The impact of the following observations is not ascertainable: -**

- a. Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.

Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Company's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.

- b. Refer to Claims recoverable from HHEC & CCIC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to Rs. 2693.54 lacs (Rs. 687.69 lacs for HHEC & Rs.2005.85lacs for CCIC) as on March 31,2025. The matter is said to be under correspondence with HHEC & CCIC.

STC received a demand of Rs. 8,002 Lacs from NDMC during 2016-17 towards property tax for the period from 1999-2000 to 2016-17 and the same has been allocated proportionately to CCIC & HHEC. Out of total demand of Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made. The matter was pending at Patiala House Court, Delhi, which has vide its order dated 24.03.2025.

HHEC in pursuance to its Board approval dtd. 29.01.2024 submitted a proposal for surrendering back its share of 4.5% office space in JVB and 64 staff quarters at STC housing colony at zero cost to STC in lieu of outstanding dues payable to STC.

Accordingly, STC's Board on 08.08.2024 accorded approval to their offer and HHEC has handed over second floor annexe (3,795.21 sq.ft.) out of 12,667sq.ft.to STC on 26.03.2025. Since separate valuation of the 2nd floor annex is not available and the total dues pending from HHEC is yet to be reconciled, the necessary accounting entries shall be passed in the books of accounts only upon vacation/handing of the entire share as mentioned above by HHEC. Refer Note No. 39



c. **Borrowings**

*Refer to Note No. 20, the view of the default by the company in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress*

*Borrowings have been reflected at Rs.80623.24 lacs. Further, STC is in the process of finalizing the OTS proposal with the lender banks wherein, STC is pursuing alternative course of settlement for payment of Rs. 5,000 lacs upfront and Rs. 625 lacs as monthly instalment for 24 months to lender banks instead of transfer of immovable properties & formal proposal submitted to the lender banks which is under consideration with lender bank. The same has been updated in DRT proceeding & the next date of hearing is 15.07.2025. The amount of liability is subject to final settlement / court order/ Approval from Board of Director of the company.*

*NFRA circular dated 28.11.2022, states that interest has to be recognized on its borrowings even if classified as NPA by lender banks and OTS is being negotiated with them. STC is expecting the OTS will be concluded during FY 2025-26. Hence, the appropriate treatment in books shall be done at that time. Impact of OTS proceedings and interest liability on borrowing is not quantified by management.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion (including the basis for the qualified opinion)

**Key Audit Matters:**

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





### ***Information Other than the Financial Statements and Auditor's Report thereon***

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Annual Report on CSR activities, Report on Corporate Governance, Secretarial Auditor's Report Information, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Annual Report on CSR activities, Report on Corporate Governance, Secretarial Auditor's Report is expected to be made available to us after the date of this auditors' report.

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

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

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Other Matters**

- **Non – compliance of Regulation 33 SEBI (LODR):** As per Reg 33 of SEBI (LODR), 2015, every listed company shall publish its Financial Results within 60 days from the end of the last quarter, and in case of non-compliance of Reg 33 of SEBI (LODR), 2015, Regulatory penalty will be levied on The State Trading Corporation of India Limited by each of the stock exchanges separately.
- **Statutory Committee:** As confirmed by STC management, the company is unable to re-constitute the Statutory Committees i.e. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Risk management Committee due to non-availability of Independent Directors on the Board of the Company
- **Secretarial Audit Report** is not yet received upto the date of Annual audit.

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

The Company's Board of Directors are 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 financial position, financial performance, (changes in equity) and cash flows 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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management has prepared these financial statements on non-going concern basis as per decision of the Board of Directors.

Board of Directors are also responsible for overseeing the Company's financial reporting process. However, it is to point out that there are no Full Time Working Directors in the Company as on 31<sup>st</sup> March, 2025 and the Company is functioning only with the assistance of Independent Directors and Director (Finance) on Additional Charge.

### ***Auditors' Responsibilities for the Audit of the Standalone Financial Statements***

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

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the non-going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





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

However the financial statements of the Company have been prepared on non-going concern basis as decided by the Board of Directors.

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

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

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

#### ***Report on Other Legal and Regulatory Requirements:***

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations, except for the matters referred in "Basis for Qualified Opinion"- **Impact of which is partly non-ascertainable**, which to the best of our knowledge and belief were necessary for the purposes of our audit and if not, the details thereof and the effect of such information on the financial statements.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, except for the matters referred in "Basis for Qualified Opinion", so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the company.



- iii. The Balance Sheet, the Statement of Profit and loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards, except for the Basis for Qualified opinion, specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- v. The going concern matter described under “Material uncertainty in relation to Going Concern” paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- vi. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company, being a Government Company;
- vii. 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”. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.**
- viii. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
- ix. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has not been able to disclose the impact of pending litigations on its financial position in its financial statements, refer note 38 & 39 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable profits.
  - c. During the year, the Company has made no transfer to Investor Education and Protection Fund due to heavy accumulated profits. Therefore, question of delay in transferring amounts, required to be transferred, by the Company does not arise.





- d. i) The Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, whose financial statements have been audited under the Act, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- e. There has been no dividend declared during the year.
- f. According to the information and explanation provided to us and based on our examination which included test checks, the Company have used accounting software (Tally Prime) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Audit trail at database level is enabled in Tally Software for all the relevant transactions recorded in the software and the audit trail feature has not been tampered. The audit trail has been preserved by the company as per the statutory requirements for record retention at application level and for database level with effect from its enablement.

According to the information and explanation provided to us and based on our examination which included test checks, Audit trail (edit log) is being maintained at application level and for database level in respect of, "Performance Management System", Payroll Software and "Leave Management System" upto 31.03.2025 which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software.



3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in **Annexure- C**.

**For P V A R & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN No. 005223C**



**(CA RUCHI AGARWAL)**

**Partner**

**Membership No. 504134**

**UDIN: 25504134BMGZFP6893**

**Place: New Delhi**

**Date: 13.06.2025**



## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2025.

(i) a) According to the information and explanation given to us:

- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (Assets held for disposal).
- B. The company is maintaining proper records showing full Particulars of Intangible Assets (Assets held for disposal)

b) The "Assets held for disposal" have been physically verified by the Company during the year and no material discrepancies were observed in such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for cases as below:

Location	Description	Held in the name of	Audit observations	Gross Block/ Revalued amount (in Crore)	Net Block (in crore)
New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi. Area: 2.599 acres	President of India	Execution of lease deed is pending since 1975. Further, out of total area, physical position of land measuring 714.60 sq mtrs is not now with STC (i.e. 388.91 sq mtrs. acquired by DMRC for construction of Metro and 325.69 sq mtrs. by NDMC for widening of the Road during Asian Game) and value the same has not been uploaded in FAR / FAS. Measurement for area under physical position is yet to be done.	581.88	559.29



New Delhi	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi Area: 16.17 acres	President of India	Execution of lease deed (for 50% share of total land measuring 32.33 acre) allotted for housing colony is still pending. Further, records / details for area given by STC from its own share to HHEC for its housing colony is to be adjusted in the FAR / FAS. Measurement for area under physical position of the company is yet to be done.	125.57	123.94
New Delhi	Flats at AGVC, Khel Gaon Marg, New Delhi. Area: 8 flats measuring 14424 sq fts	President of India	Execution of lease / conveyance deed is still pending.	27.45	27.20
Mumbai	7 nos. of Flats (refer foot note of note no.4)  Area: 7997 sq fts	President of India	Execution of lease / conveyance deed is still pending.	29.35	19.18
Mumbai	Mallet Bunder  Area: 11586.96 sq meters approx.	President of India	Lease deed expired since 2016 and the company has surrendered the plot, certificate being executed on 12.11.2021	36.72	11.67

All the aforesaid properties have been held in the name of the promoter i.e. President of India. No valid reason could be provided by the management as to why title deed has not been executed in the name of STC.

Also, Original title deeds of 1 Ahmedabad, 18 Mumbai flats & 2 Kolkata flats are not available with the company, however photocopies and true copies are available with the company.

d) According to the Information and explanations given to us and on the basis of the examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (now classified as "Assets held for disposal" or intangible assets or both) during the year.

e) According to the Information and explanation given to us and on the basis of the examination of the record of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.





(ii)

a) According to the information and explanation given to us since the Company does not have any tradeable inventory, this item is not applicable. However, the Company has stock of stationery/Stores and spares, which does not have any significant value and has been physically verified by the Company.

b) As per the information and explanations given to us, the company's sanctioned working capital are classified as NPA (non performing asset) by bank and are under legal/OTS proceedings. Company is a non-going concern. Hence, no quarterly returns or statements filed by the company with such banks or financial institutions.

(iii) As per the information and explanations given to us, during the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, Limited liability partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (e) of the order are not applicable to the company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments or provided any guarantees or security to the parties covered under sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under. Thus clause (V) of Paragraph 3 of the order is not applicable to the Company.

(vi) We have been explained that the Central Government has not prescribed the maintenance of cost records for the services of the Company under Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013. Accordingly, this clause of the order is not applicable to the Company.

(vii)

a) As per the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Act, Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Custom Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

b) According to the information and explanations given to us, there were no undisputed amounts payable referred to in sub clause (a) in arrears as at 31 March, 2025 for a period of more than six months from the date they became payable.



Details of disputed Income Tax, VAT/Trade Tax, Custom Duty which have not been deposited as on 31st March, 2025 on account of matters pending before the appropriate authorities are as under:

<u>Name of Statue</u>	<u>Nature of Dues</u>	<u>Period to which Amount relates</u>	<u>Forum where dispute is pending</u>	<u>Amount (in crores)</u>
<b>Sales Tax &amp; Custom Duty</b>				
Customs Act	Custom Duty	2011-12	CESTAT, Ahmedabad	1.69
Customs Act	Customs	-	Commissioner (Appeals), Mumbai	0.06
Custom Act	Custom Duty	2017-18	CESTAT, Chennai	4.16
Sales Tax	Sales Tax	1986-87	Kerala High Court	0.50
Orissa Sales Tax Act	Sales tax	1988-89	Commissioner (Appeals), Orissa	0.01
Bihar Sales Tax Act	Sales tax	1989-90	Sales Tax Appellate Tribunal	0.01
Central Sales Tax Act	CST, WB	2003-04	Joint Commissioner, Sales Tax	0.23
West Bengal Vat Act / Central Sales Tax Act	WB VAT	2011-12	Joint Commissioner, Commercial Tax	0.02
	CST, WB			
Central Sales Tax Act	Central Sales Tax Act	1993-94	Hon'ble Assam High Court	0.02
		1994-95		
		1995-96		
Maharashtra Sales Tax Act	Sales Tax	1992-93	Maharashtra Sales Tax Tribunal	0.74
		1996-97		
Maharashtra Sales Tax Act	BST, CST & MVAT	1993-94	Joint Commissioner, Sales Tax	47.69
		2000-01		
		2003-04		
		2006-07		
Maharashtra Sales Tax Act	BST, CST & MVAT	2004-05	Joint Commissioner, Sales Tax	390.36
		2009-10		





		2011-12		
Maharashtra Sales Tax Act	TDS on Work Contract	2012-13	Sales Tax Appellate Tribunal, Mumbai	0.21
TNGST/AST/CST	Sales Tax	1974-75, 1975-76, 1985-86 to 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court	0.83
<b>Service Tax</b>				
Finance Act, 1994	Service Tax	01.04.2012- 31.03.2015	CESTAT	4.37
Finance Act, 1994	Service Tax	2007-08 -2016-17	CESTAT	6.02
Finance Act, 1994	Service Tax	01.04.2011- 31.03.2012	Service Tax Appellate Tribunal	0.13
Finance Act, 1994	Service Tax	01.10.2004-31.03.2011	Supreme Court, Delhi	16.54
Finance Act, 1994	Service Tax	01.04.2015- 30.06.2017	Joint Commissioner of CGST & Central Excise Mumbai	1.24
<b>Income Tax</b>				
Income Tax Act, 1961	Income Tax	2021-22	CIT(A)	3.36
<b>Certificate Dues Liability</b>				
<b>BPDRA</b>	Certificate Dues Liability	1971-72, 1976-77 to 1978-79	Concerned Department	0.0633

(viii) According to the information and explanations given to us, the Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix)

- a) In our opinion and according to the information and explanations given to us, the company has defaulted in repayments of loans/borrowings to Bank (Refer Note No.20 & Basis of qualified opinion section of our audit report). However, the company has outstanding loans/ borrowing from financial institutions but not from Government or dues to debenture holders.

Lender-wise details of sum defaulted by company & period of default is as follows-

Name of Banks	Amount of Instalments and interest overdue*	Period of Default as on 31.03.2025 (in days)
Syndicate Bank	280.71	2556 Days
Indian Overseas Bank	188.02	2556 Days
Union Bank of India	140.72	2587 Days
Indian Bank	94.81	2587 Days
Exim Bank	74.43	3103 Days
Bank of Baroda	26.27	2475 Days
UBI (Kumily)	1.28	2587 Days



\* Interest overdue is booked upto 31.12.2018

\*\* Amount crystallized with lender banks vide lead Bank letter dated Jun 27, 2019.

- b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender.
  - c) According to the information and explanations given to us, no fresh term loans were obtained during the year.
  - d) According to the information and explanations given to us, no funds raised during the year.
  - e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
  - f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) Based upon the audit procedures performed and the information and explanations given by the management,
- a) the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3 x(a) of the Order are not applicable to the Company and hence not commented upon.
  - b) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3 x(a) of the Order are not applicable to the Company and hence not commented upon.
- (xi)
- a) According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, frauds by the ex-employees of the Company have been noticed which are in litigation since last few years.

We are informed that there are 10 cases filed since last few years at various forums by CBI and other bodies involving fraud perpetrated by Staff of STC on others. No amount has been quantified by the Management as these cases are said to be subjudice.

- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 14 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.





- c) According to the information and explanations given to us, No whistle blower complaints have been noticed to be received by the Company during the year.
- (xii) According to the information and explanations given to us, The Company is not a Nidhi Company and hence Nidhi Rules, 2014 are not applicable to the company. Therefore paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard. (Refer Note No.47)
- (xiv)
- a. According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b. The reports of the Internal Auditor for the period under audit were considered by us.
- (xv) As per records of the company and according to information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with them & hence the above clause is not applicable.
- (xvi)
- a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.
- b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.
- c) According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) According to the information and explanations given to us, company is not part of any Group, Hence Clause 3 xvi (d) of the order is not applicable.
- (xvii) According to the information and explanations given to us, the Company has not incurred cash loss during the financial year and in the immediately preceding financial year
- (xviii) According to the information and explanations given to us, there is no resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us, Since the company has ceased its business operations and prepared the financial statements on a non-going concern basis, material uncertainty exists as on the date of audit report. There are a number of legal cases regarding trade receivables & trade payables and also the borrowings from bank amounting to Rs.80,623 lacs which are NPAs since long indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.



(xx)

- a) According to the information and explanations given to us, in respect of other than ongoing projects, the company had transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six month of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

- b) According to the information and explanations given to us, there was no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project.

(xxi) According to the information and explanations given to us, this CARO Report is issued in respect of standalone financial statement. Hence, clause 3 xxi of the order is not applicable.

**For P V A R & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN No. 005223C**



**(CA RUCHI AGARWAL)**  
**Partner**  
**Membership No. 504134**  
**UDIN: 25504134BMGZFP6893**

**Place: New Delhi**  
**Date: 13.06.2025**



**“Annexure B” to INDEPENDENT AUDITOR’S REPORT**

**Referred to Clause (vii) of Paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of Independent Auditor’s Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2025.**

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**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 **The State Trading Corporation of India Limited** (“the Company”) as of March 31, 2024 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 control 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 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.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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 controls 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 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.

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 financial controls 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of un-authorized 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 (IFCFR)**

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.



## Basis for Qualified Opinion

- a) *Company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally Prime, Accounting software used by company.*
- b) *Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/ Claims recoverable/ Security Deposits is seen as they are not updated.*
- c) *Manner of maintenance of Fixed Assets Schedule & register (Assets Held for Sale) need to be strengthened.*
- d) *Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/ Security deposits are still being withheld in the books by the company.*
- e) *Lack of control over the renewal of Rent/ lease Agreements on timely basis. There are numerous of agreements which have not been renewed over a long period.*
- f) *Ineffective implementation of accounting policy in balance confirmation of trade receivable & vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not obtained and available for these customers.*
- g) *As there are no proper Full Time working Directors in the Company, and there is also lack of Senior management personnel in the Company, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Company.*

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 the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

## Qualified Opinion

In our opinion, (including the basis for the qualified opinion) the Company has, except for effects of the material weaknesses described above on achievement objectives of the control criteria, in all material respects, an adequate internal financial controls system over financial reporting and such internal financials controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control 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 issued by the Institute of Chartered Accountants of India.





We have, to the extent possible, considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company, and these material weaknesses are not likely to affect our opinion on the standalone financial statements of the Company.

**For P V A R & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN No. 005223C**



**(CA RUCHI AGARWAL)**  
**Partner**  
**Membership No. 504134**  
**UDIN: 25504134BMGZFP6893**

**Place: New Delhi**  
**Date: 13.06.2025**

**Annexure- 'C' to the INDEPENDENT AUDITORS' REPORT**

**Referred to Paragraph 3 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2025.**

1	Whether the company has system in place to process all the accounting transactions through IT System? If yes, the processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc., made by the lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<p>There is no restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc., made by the lender to the company due to company's inability to repay the loan.</p> <p>The company is in the process of finalizing the OTS proposal with the lender banks and the amount crystalized with the Joint Lender Forum (JLF) is RS. 1,90,624 lacs as on 31.12.2018. A part payment of Rs 110000 lacs has already been made to Canara bank (e-Syndicate Bank), The leader of JLF on 29.03.2019(Rs. 90,000 lacs) and on 27.05.2019 (Rs. 20,000 lacs).</p> <p>The leader of JLF has withdrawn the NCLT proceeding against STC on 11.12.2019. Further, the company is in the process of finalizing the OTS proposal with the lender banks wherein, STC is pursuing alternative course of settlement for payment of Rs. 5,000 lacs upfront and Rs. 625 lacs as monthly instalment for 24 months to lender banks instead of transfer of immovable properties &amp; formal proposal submitted to the lender banks which is under consideration with lender bank. The same has been</p>



		<p>updated in DRT proceeding &amp; the next date of hearing is 15.07.2025.</p> <p>NFRA circular dated 28.11.2022, states that interest has to be recognized on its borrowings even if classified as NPA by lender banks and OTS is being negotiated with them. STC is expecting the OTS will be concluded during FY 2025-26. Hence, the appropriate treatment in books shall be done at that time. Impact of OTS proceedings and interest liability on borrowing is not quantified by management</p> <p>Refer Note No.20 to the standalone financial statements for further details.</p>
3	Whether the fund received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and condition? List the cases of deviation.	As per information & explanation given to us, the Company has not received any fund under any scheme of the Central/State Government during the year under report.

**For P V A R & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN No. 005223C**



**(CA RUCHI AGARWAL)**  
**Partner**  
**Membership No. 504134**  
**UDIN: 25504134BMGZFP6893**

**Place: New Delhi**  
**Date: 13.06.2025**



### COMPLIANCE CERTIFICATE

We have conducted the audit of Standalone Ind AS financial statements of The State Trading Corporation of India Ltd. for the year ended March 31, 2025 in accordance with the directions / sub-directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and certify that to the best of our knowledge and belief we have complied with all the directions/sub-directions issued to us.

**For P V A R & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN No. 005223C**



**(CA RUCHI AGARWAL)**  
**Partner**  
**Membership No. 504134**  
**UDIN: 25504134BMGZFP6893**

**Place: New Delhi**  
**Date: 13.06.2025**

**THE STATE TRADING CORPORATION OF INDIA LTD**  
Summarised Balance Sheet as at March 31, 2025

(Rs. Lacs)

Particulars	Standalone	
	As at Mar 31, 2025	As at Mar 31, 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	-	-
(b) Capital work-in-progress	-	-
(c) Investment property	-	-
(d) Other intangible assets	-	-
(e) Financial Assets :	-	-
(i) Investments	-	-
(ii) Trade receivables	-	-
(iii) Loans	-	-
(iv) Other Financial Assets	-	-
(f) Deferred tax assets (net)	-	-
(g) Other non-current assets	-	-
<b>Sub total</b>	-	-
<b>Current Assets</b>		
(a) Inventories	4.17	4.70
(b) Financial Assets :		
(i) Investments	1.04	1.04
(ii) Trade receivables	106,982.54	106,960.49
(iii) Cash & cash equivalents	4,031.75	20,059.47
(iv) Bank Balances other than (iii) above	-	-
(v) Loans	3,529.77	3,536.49
(vi) Other Financial Assets	29,347.61	17,895.38
(c) Tax Assets (Net)	902.66	1,022.50
(d) Other Current Assets	4,396.95	1,173.46
(e) Deferred tax assets (net)	-	1,616.96
(f) Assets held for Sale / Disposal	86,801.71	86,808.02
<b>Sub total</b>	<b>235,998.20</b>	<b>239,078.51</b>
<b>Total Assets</b>	<b>235,998.20</b>	<b>239,078.51</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	6,000.00	6,000.00
(b) Other Equity	(10,228.82)	(13,388.34)
<b>Sub total</b>	<b>(4,228.82)</b>	<b>(7,388.34)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables -MSME	-	-
(iii) Trade payables -Others	-	-
(iv) Other Financial Liabilities	-	-
(b) Provisions	-	-
(c) Other non-current liabilities	-	-
<b>Sub total</b>	-	-
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	80,623.24	80,623.24
(ii) Trade payables -MSME	-	-
(iii) Trade payables -Others	109,654.70	111,775.72
(iv) Other Financial Liabilities	34,484.59	38,659.12
(b) Provisions	14,555.34	14,499.90
(c) Other current liabilities	909.15	908.87
<b>Sub total</b>	<b>240,227.02</b>	<b>246,466.85</b>
<b>Total Equity and Liabilities</b>	<b>235,998.20</b>	<b>239,078.51</b>

Notes:-

1) Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis.





2) The financial results for the period ended 31st March 2025 were approved by the Board of Directors in its meeting held on 13.06.2025.

3) In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company and Canara Bank (Erstwhile Syndicate bank) had also initiated NCLT proceedings. The company is in the process of finalizing the OTS proposal with the lender banks and the amount crystallized with the Joint Lender Forum (JLF) is Rs. 1,90,624 lacs as on 31.12.2018. A part payment of Rs 110000 lacs has already been made to Canara Bank (Erstwhile Syndicate bank), The leader of JLF on 29.03.2019 (Rs. 90,000 lacs) and on 27.05.2019 (Rs. 20,000 lacs).

The leader of JLF has withdrawn the NCLT proceeding against STC on 11.12.2019. Further, we are in the process of finalizing the OTS proposal with the lender banks wherein, STC is pursuing alternative course of settlement for payment of Rs. 5,000 lacs upfront and Rs. 625 lacs as monthly instalment for 24 months to lender banks instead of transfer of immovable properties & formal proposal submitted to the lender banks which is under consideration with lender bank. The same has been updated in DRT proceeding & the next date of hearing is 15.07.2025.

NFRA circular dated 28.11.2022, states that interest has to be recognized on its borrowings even if classified as NPA by lender banks and OTS is being negotiated with them. STC is expecting the OTS will be concluded in F.Y. 2025-26. Hence, the appropriate treatment in books shall be done at that time.

4) Net trade receivable of Rs. 1,06,960.49 lacs includes Rs. 62,727.62 lacs having credit impairment.

5) Demand of Rs. 132.83 Crore was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 20.05.2025 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.

6) Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to " Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021. As per valuation of STC's immovable properties, fair value as on 30.09.2023 based on current title is : JVB - Rs 81,145 lacs, STCHC- Rs 48,267 lacs & Others - Rs 26,188 lacs. An impairment of Rs 318 lacs charged from revaluation reserve during the FY 2023-24.

7) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year. Amount in the financial statements are presented in Rs lacs (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in Rs lacs. Previous year's figures have been regrouped/rearranged wherever considered necessary. Regrouping / rearrangement of data is for specific purpose of presentation in financial statements only and do not affect legal status of STC. STC reserves all its rights under the applicable laws.

8) STC has opted the new tax regime of Income Tax and has written off the MAT credit of Rs. 1,617 lacs in FY 2024-25.

**As per our report of even date attached  
For P V A R & Associates**

Chartered Accountants  
Firm Reg. No. 005223C

(CA Ruchi Agarwal)  
Partner  
M. No. 504134


Place: New Delhi  
Dated: 13.06.2025



(Nitin Kumar Yadav)  
CMD



(Anoop Nair)  
Director- Fin

  
(B.S. Rao)  
CFO  
(VIPIN TRIPATHI)



**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Statement of Financial Results for the quarter & year ended Mar 31st, 2025**  
**CIN: L74899DL1956GOI002674**

(Rs. Lacs)

Particulars	STANDALONE				
	Quarter ended 31.03.2025	Quarter ended 31.12.2024	Quarter ended 31.03.2024	Year ended March 31, 2025	Year ended March 31, 2024
	(audited)	(un-audited)	(audited)	(audited)	(audited)
<b>Income</b>					
Revenue from Operations	-	-	-	-	-
Other Income	2,778.86	2,724.25	2,732.74	12,507.60	9,581.41
<b>Total Income</b>	<b>2,778.86</b>	<b>2,724.25</b>	<b>2,732.74</b>	<b>12,507.60</b>	<b>9,581.41</b>
<b>Expenses</b>					
Cost of materials consumed	-	-	-	-	-
Purchases of Stock in trade	-	-	-	-	-
Change in Inventory	-	-	-	-	-
Employees' Benefit Expenses	879.98	845.19	800.76	3,088.81	3,234.49
Finance Cost	52.42	47.20	193.62	201.18	193.62
Depreciation & Amortization Expenses	-	-	-	-	-
Other Expenses	460.45	379.10	402.09	1,614.21	1,344.14
<b>Total expenses</b>	<b>1,392.85</b>	<b>1,271.49</b>	<b>1,396.47</b>	<b>4,904.20</b>	<b>4,772.25</b>
<b>Profit before exceptional items and tax</b>	<b>1,386.01</b>	<b>1,452.76</b>	<b>1,336.27</b>	<b>7,603.40</b>	<b>4,809.16</b>
Exceptional Items - Expense /(Income)	(9.34)	1.08	(148.07)	2,716.81	(436.40)
<b>Profit Before Tax</b>	<b>1,395.35</b>	<b>1,451.68</b>	<b>1,484.34</b>	<b>4,886.59</b>	<b>5,245.56</b>
<b>Tax expense</b>					
(i) Current tax	1,046.67	-	793.25	1,046.67	793.25
(i) Tax related to earlier years	-	1,268.52	(763.22)	1,267.74	(768.35)
(ii) Deferred tax	-	-	-	-	-
<b>Profit for the period from continuing operations (A)</b>	<b>348.68</b>	<b>183.16</b>	<b>1,454.31</b>	<b>2,572.18</b>	<b>5,220.66</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>-</b>	<b>-</b>	<b>-</b>
<b>I Profit for the period (A+B)</b>	<b>348.68</b>	<b>183.16</b>	<b>1,454.31</b>	<b>2,572.18</b>	<b>5,220.66</b>
<b>II Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans	587.35	-	2,115.51	587.35	2,115.51
Less: Income Tax on Above	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-
<b>Total of Other Comprehensive Income</b>	<b>587.35</b>	<b>-</b>	<b>2,115.51</b>	<b>587.35</b>	<b>2,115.51</b>
<b>Total Comprehensive Income for the period</b>	<b>936.03</b>	<b>183.16</b>	<b>3,569.82</b>	<b>3,159.53</b>	<b>7,336.17</b>
<b>Paid up equity share capital (Face value of Rs. 10/- each)</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>
Other Equity excluding Revaluation Reserves	-	-	-	(92,431.12)	(101,530.64)
<b>Earnings per equity share :</b>					
(1) Basic (in Rupees)	1.56	0.31	5.95	5.27	12.23
(2) Diluted (in Rupees)	1.56	0.31	5.95	5.27	12.23



Segment-wise Revenue, Results, Assets & Liabilities					
(Rs. Lacs)					
Particulars	STANDALONE				
	Quarter ended 31.03.2025	Quarter ended 31.12.2024	Quarter ended 31.03.2024	Year ended March 31, 2025	Year ended March 31, 2024
	(audited)	(audited)	(audited)	(audited)	(audited)
<b>1. Segment revenue</b>					
a) Export	-	-	-	-	-
b) Import	-	-	-	-	-
c) Domestic	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
Less -Inter-segment revenue	-	-	-	-	-
<b>Revenue from operations</b>	-	-	-	-	-
<b>2. Segment results - Profit /(Loss) before tax and interest from each segment</b>					
a) Export	-	-	-	-	-
b) Import	-	-	-	-	-
c) Domestic	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
Less:(I) Finance cost	52.42	47.20	193.62	201.18	193.62
(ii) Other unallocable expenditure net off					
Unallocable income	(1,447.77)	(1,498.88)	(1,677.96)	(5,087.77)	(5,439.18)
<b>Profit before Tax</b>	<b>1,395.35</b>	<b>1,451.68</b>	<b>1,484.34</b>	<b>4,886.59</b>	<b>5,245.56</b>
<b>3. Segment Assets</b>					
a) Export	9,108.50	9,483.13	9,078.38	9,108.50	9,078.38
b) Import	99,150.31	95,763.69	96,189.76	99,150.31	96,189.76
c) Domestic	-	-	-	-	-
d) Unallocated	128,786.06	130,462.03	133,810.37	128,786.06	133,810.37
<b>Total</b>	<b>237,044.87</b>	<b>235,708.85</b>	<b>239,078.51</b>	<b>237,044.87</b>	<b>239,078.51</b>
<b>4. Segment Liabilities</b>					
a) Export	10,443.41	10,492.80	11,323.53	10,443.41	11,323.53
b) Import	101,851.14	102,254.91	107,315.73	101,851.14	107,315.73
c) Domestic	-	-	-	-	-
d) Unallocated	127,932.47	128,125.98	127,827.59	127,932.47	127,827.59
<b>Total</b>	<b>240,227.02</b>	<b>240,873.69</b>	<b>246,466.85</b>	<b>240,227.02</b>	<b>246,466.85</b>





**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. Lacs)

Particulars	For the Year Ended 31st March, 2025		For the Year Ended 31st March, 2024	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit /(Loss) Before Tax		4,886.59		5,245.56
Adjustment for:				
-Interest on loans	-		-	
-Depreciation	-		-	
-Net write back of Debts/Advances/claims/Liabilities/Assets	9.63		(436.92)	
-Income/Expenditure relating to let out property	(10,466.37)		(7,691.94)	
- Interest Income on fixed deposits/Investments	(1,695.84)		(1,677.51)	
-Loss on sale of asset	-		0.52	
-Profit on sale of assets	(3.51)	(12,156.09)	-	(9,805.85)
<b>Operating Profit Before Working Capital Changes</b>		<b>(7,269.50)</b>		<b>(4,560.29)</b>
Adjustment for:				
-Trade and other receivables		(16,521.82)		44.77
-Inventories		0.53		1.12
-Trade and other payables		6,295.27		169.81
<b>Changes In Working Capital</b>		<b>(17,495.52)</b>		<b>(4,344.59)</b>
Income Tax Paid / (refund)		(481.22)		(2,132.57)
<b>Net Cash Generated/Used In Operating Activities (A)</b>		<b>(17,014.30)</b>		<b>(2,212.02)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
-Purchase of Fixed Assets		-		-
-Sale of Fixed Assets		10.02		1.81
-Proceeds Received from T-Bills/Deposits		77.18		92.19
-Interest received		1,695.84		1,677.51
-Let out properties (net)		10,466.37		7,691.94
<b>Net Cash From Investing Activities (B)</b>		<b>12,249.41</b>		<b>9,463.45</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>				
-Increase in loans		-		-
-Interest Paid		-		-
<b>Net Cash From Financing Activities (C)</b>		<b>-</b>		<b>-</b>
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)		<b>(4,764.89)</b>		<b>7,251.43</b>
Reconciliation of Cash & Cash Equivalents				
Closing Cash & Bank Balances as per Balance Sheet		23,969.62		28,734.51
Opening Cash & Bank Balances as per Balance Sheet		28,734.51		21,483.08
<b>Cash &amp; Bank Balances as per Cash Flow Statement</b>		<b>(4,764.89)</b>		<b>7,251.43</b>
Cash & cash equivalents as per Balance Sheet*		23,969.62		28,734.51
Less : Non readily convertible Bank Deposits		19,937.87		8,675.04
Cash & cash equivalents as per cash flow statement		4,031.75		20,059.47
Cash & cash equivalents includes unpaid dividend		-		-

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

**As per our report of even date attached**

**For P V A R & Associates**

Chartered Accountants

Firm Reg. No. 005223C



**(CA Ruchi Agarwal)**

Partner

M. No. 504134

Place: New Delhi

Dated: 13.06.2025



(Nitin Kumar Yadav)  
CMD

(VIPIN TRIPATHI)  
Company Secretary

(Anoop Nair)  
Director- Fin.

(B S Rao)  
CFO



**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Statement of Financial Results for the quarter & year ended Mar 31st, 2025**  
CIN: L74899DL1956GOI002674

S.NO.	PARTICULARS	STANDALONE				
		Quarter ended 31.03.2025	Quarter ended 31.12.2024	Quarter ended 31.03.2024	Year ended March 31, 2025	Year ended March 31, 2024
		(audited)	(unaudited)	(audited)	(audited)	(audited)
1	Total income from operations	-	-	-	-	-
2	Net Profit / (Loss) for the period (before tax, exceptional and/or Extraordinary items)	1,386.01	1,452.76	1,336.27	7,603.40	4,809.16
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	1,395.35	1,451.68	1,484.34	4,886.59	5,245.56
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	348.68	183.16	1,454.31	2,572.18	5,220.66
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	936.03	183.16	3,569.82	3,159.53	7,336.17
6	Equity Share Capital	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
7	Other Equity excluding Revaluation Reserves	-	-	-	(92,431.12)	(101,530.64)
8	Earning per share of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized):					
	(a) Basic (in Rupees)	1.56	0.31	5.95	5.27	12.23
	(b) Diluted (in Rupees)	1.56	0.31	5.95	5.27	12.23

**Notes:**

1) Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis.

2) The financial results for the period ended 31st March 2025 were approved by the Board of Directors in its meeting held on 13.06.2025.

3) In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company and Canara Bank (erstwhile Syndicate bank) had also initiated NCLT proceedings. The company is in the process of finalizing the OTS proposal with the lender banks and the amount crystallized with the Joint Lender Forum (JLF) is Rs. 1,90,624 lacs as on 31.12.2018. A part payment of Rs 110000 lacs has already been made to Canara Bank (erstwhile Syndicate bank). The leader of JLF on 29.03.2019 (Rs. 95,000 lacs) and on 27.05.2019 (Rs. 20,000 lacs).

The leader of JLF has withdrawn the NCLT proceeding against STC on 11.12.2019. Further, we are in the process of finalizing the OTS proposal with the lender banks wherein, STC is pursuing alternative course of settlement for payment of Rs. 5,000 lacs upfront and Rs. 625 lacs as monthly instalment for 24 months to lender banks instead of transfer of immovable properties & formal proposal submitted to the lender banks which is under consideration with lender bank. The same has been updated in DRT proceeding & the next date of hearing is 15.07.2025.

NFRA circular dated 28.11.2022, states that interest has to be recognized on its borrowings even if classified as NPA by lender banks and OTS is being negotiated with them. STC is expecting the OTS will be concluded in F.Y. 2025-26. Hence, the appropriate treatment in books shall be done at that time.

4) Net trade receivable of Rs. 1,06,960.49 lacs includes Rs. 62,727.62 lacs having credit impairment.

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6) Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to "Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021. As per valuation of STC's immovable properties, fair value as on 30.09.2023 based on current title is: JVB - Rs 81,145 lacs, STCHC- Rs 48,267 lacs & Others - Rs 26,188 lacs. An impairment of Rs 318 lacs charged from revaluation reserve during the FY 2023-24.

7) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year. Amount in the financial statements are presented in Rs lacs (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in Rs lacs. Previous year's figures have been regrouped/rearranged wherever considered necessary. Regrouping / rearrangement of data is for specific purpose of presentation in financial statements only and do not affect legal status of STC. STC reserves all its rights under the applicable laws.

8) STC has opted the new tax regime of Income Tax and has written off the MAT credit of Rs. 1,617 lacs in FY 2024-25

As per our report of even date attached  
For P V A R & Associates

Chartered Accountants  
Firm Reg. No. 005223C

(CA Ruchi Agarwal)  
Partner  
M. No. 504134  
Place: New Delhi  
Date: 13.06.2025



By order of the Board of Directors

*(Signature)*  
(Nitin Kumar Yadav)  
CMD

*(Signature)*  
(B.S. Rao)  
CFO 13/6/25

*(Signature)*  
(Anoop Nair)  
Director- Fin

*(Signature)*  
13/06/2025  
(Vipin Tripathi)  
Company Secretary



**THE STATE TRADING CORPORATION OF INDIA LTD**

**Balance Sheet as at March 31, 2025**

**CIN No - L74899DL1956GOI002674**

(Rs. Lacs)

Particulars	Note No	As at Mar 31, 2025	As at Mar 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	-	-
(b) Capital work-in-progress	5	-	-
(c) Investment property	6	-	-
(d) Other intangible assets	7	-	-
(e) Financial Assets :			
(i) Investments	8	-	-
(ii) Trade receivables	9	-	-
(iii) Loans	10	-	-
(iv) Other Financial Assets	11	-	-
(f) Deferred tax assets (net)	12	-	-
(g) Other non-current assets	14	-	-
<b>Sub total</b>		-	-
<b>Current Assets</b>			
(a) Inventories	15	4.17	4.70
(b) Financial Assets :			
(i) Investments	8	1.04	1.04
(ii) Trade receivables	9	106,982.54	106,960.49
(iii) Cash & cash equivalents	16	4,031.75	20,059.47
(iv) Bank Balances other than (iii) above	17	-	-
(v) Loans	10	3,529.77	3,536.49
(vi) Other Financial Assets	11	29,347.61	17,895.38
(c) Current Tax Assets (Net)	13	902.66	1,022.50
(d) Other Current Assets	14	4,396.95	1,173.46
(e) Deferred tax assets (net)	12	-	1,616.96
(f) Non Current Assets held for Sale / Disposal		86,801.71	86,808.02
<b>Sub total</b>		<b>235,998.20</b>	<b>239,078.51</b>
<b>Total Assets</b>		<b>235,998.20</b>	<b>239,078.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	18	6,000.00	6,000.00
(b) Other Equity	19	(10,228.82)	(13,388.34)
<b>Sub total</b>		<b>(4,228.82)</b>	<b>(7,388.34)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	-	-
(ii) Trade payables -Outstanding dues MSME		-	-
(iii) Trade payables -Outstanding dues Other than MSME	21	-	-
(iv) Other Financial Liabilities	22	-	-
(b) Provisions	23	-	-
(c) Other non-current liabilities	24	-	-
<b>Sub total</b>		-	-
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	80,623.24	80,623.24
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	109,654.70	111,775.72
(iv) Other Financial Liabilities	22	34,484.59	38,659.12
	23	14,555.34	14,499.90
(c) Other current liabilities	24	909.15	908.87
<b>Sub total</b>		<b>240,227.02</b>	<b>246,466.85</b>
<b>Total Equity and Liabilities</b>		<b>235,998.20</b>	<b>239,078.51</b>

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

As per our report of even date attached

For P V A R & Associates

Chartered Accountants

Firm Reg. No. 005223C

(CA Ruchi Agarwal)

Partner

M. No. 504134



(NITIN KUMAR YADAV)  
CMD

(B.S. RAO)  
CFO

(ANOOPA NAIR)  
Director- Fin

(VIPIN TRIPATHI)



Place: New Delhi  
Dated: 13.06.2025



**THE STATE TRADING CORPORATION OF INDIA LTD**  
**Statement of Profit and Loss for the year ended March 31, 2025**  
**CIN No - L74899DL1956GOI002674**

(Rs. Lacs)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Income</b>			
i) Revenue from Operations	25	-	-
ii) Other Income	26	12,507.60	9,581.41
<b>Total Income</b>		<b>12,507.60</b>	<b>9,581.41</b>
<b>Expenses</b>			
i) Cost of materials consumed	27	-	-
ii) Purchases of Stock in trade	28	-	-
iii) Change in Inventory of FG, Stock in trade & WIP	29	-	-
iv) Employees' Benefit Expenses	30	3,088.81	3,234.49
v) Finance Cost	31	201.18	193.62
vi) Depreciation & Amortization Expenses	32	-	-
vii) Other Expenses	33	1,614.21	1,344.14
<b>Total expenses</b>		<b>4,904.20</b>	<b>4,772.25</b>
<b>Profit before exceptional items and tax</b>		<b>7,603.40</b>	<b>4,809.16</b>
Exceptional Items -Expense/(Income)	34	2,716.81	(436.40)
<b>Profit Before Tax</b>		<b>4,886.59</b>	<b>5,245.56</b>
<b>Tax expense</b>	35		
(i) Current tax		1,046.67	793.25
(ii) Tax related to earlier years		1,267.74	(768.35)
(iii) Deferred tax		-	-
<b>Profit for the Year from continuing operations</b>		<b>2,572.18</b>	<b>5,220.66</b>
<b>Profit/(loss) from discontinued operations</b>		-	-
<b>Tax expense of discontinued operations</b>		-	-
<b>Profit from discontinued operations after tax</b>		-	-
<b>I Profit for the Year</b>		<b>2,572.18</b>	<b>5,220.66</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		587.35	2,115.51
Less: Income Tax on Above		-	-
ii) Items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income</b>		<b>587.35</b>	<b>2,115.51</b>
<b>Total Comprehensive Income for the Year</b>		<b>3,159.53</b>	<b>7,336.17</b>
<b>Earnings per equity share :</b>			
(1) Basic		5.27	12.23
(2) Diluted		5.27	12.23

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

**As per our report of even date attached**  
**For P V A R & Associates**

Chartered Accountants  
Firm Reg. No. 005223C



**(CA Ruchi Agarwal)**  
Partner  
M. No. 504134



Place: New Delhi  
Dated: 13.06.2025

**(NITIN KUMAR YADAV)**  
CMD

**(ANOOPA NAIR)**  
Director- Fin

**(B.S.Rao)**  
CFO

**(VIPIN TRIPATHI)**  
Company Secretary



## COMPLIANCE CERTIFICATE

Compliance Certificate by the CEO and CFO under Regulation 17(8) specified in Part-B of Schedule II Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of  
The State Trading Corporation of India Ltd.

We B. Srinivas Rao, CFO and Nitin Kumar Yadav, CMD certify that: .

A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2025 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

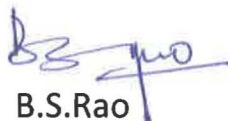
C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal




controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee that:

1. There has not been any significant change in the internal control over financial reporting during the year under reference.
2. There has not been significant change in accounting policies during the year except those disclosed in the notes to the financial statements; and
3. There has not been any instances during the year of significant fraud except to the extent disclosed in notes to the accounts, of which we had become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting

  
B.S.Rao  
(CFO)

  
Nitin Kumar Yadav  
(CMD)



Place: New Delhi  
Date: 13.06.2025

TO WHOMSOEVER IT MAY CONCERN

To the best of our knowledge and based on subject to compliance certificate the audited financial results for the year ended 31.03.2025 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statement or figures contained therein misleading.



B.S.Rao  
(CFO)



Nitin Kumar Yadav  
(CMD)

Place: New Delhi  
13.06.2025





Other Information- Integrated Filing (Financial)		
For the Financial Year ended 31.03.2025		
Sl. No.		
B.	Statement of deviation or variation for proceeds of public issue, Rights issue, preferential issue, Qualified institutions placement etc.	Not Applicable
C.	Disclosure of outstanding default on loans and debt securities	<p>In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company and Canara Bank (Erstwhile Syndicate bank) had also initiated NCLT proceedings. The company is in the process of finalizing the OTS proposal with the lender banks and the amount crystalized with the Joint Lender Forum (JLF) is RS. 1,90,624 lacs as on 31.12.2018. A part payment of Rs 110000 lacs has already been made to Canara Bank (Erstwhile Syndicate bank), The leader of JLF on 29.03.2019(Rs. 90,000 lacs) and on 27.05.2019 (Rs. 20,000 lacs).</p> <p>The leader of JLF has withdrawn the NCLT proceeding against STC on 11.12.2019. Further, we are in the process of finalizing the OTS proposal with the lender banks wherein, STC is pursuing alternative course of settlement for payment of Rs. 5,000 lacs upfront and Rs. 625 lacs as monthly instalment for 24 months to lender banks instead of transfer of immovable properties &amp; formal proposal submitted to the lender banks which is under consideration with lender bank. The same has been updated in DRT proceeding &amp; the next date of hearing is 15.07.2025.</p> <p>NFRA circular dated 28.11.2022, states that interest has to be recognized on its borrowings even if classified as NPA by lender banks and OTS is being negotiated with them. STC is expecting the OTS will be concluded in F.Y. 2025-26. Hence, the appropriate treatment in books shall be done at that time.</p>
D.	Format for disclosure of Related Party Transactions (applicable only for half-yearly filings)	Enclosed
E.	Statement on impact of Audit Qualifications (For Audit Report with Modified Opinion) Submitted along with annual audited financial results - (Standalone Not Applicable and Consolidated separately) (applicable only for annual filing i.e. 4 th quarter)	Enclosed

Place: New Delhi  
Date: 13.06.2025

  
B.S. Rao  
CFO



## THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI

## ANNEXURE-1

Statement of Impact of Audit Qualification for the Financial Year ended 31.03.2025 along with Annual Audited Financial Results - (Standalone)

(Rs. Lacs)

I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
	1	Total Income	12,507.60	122,162.30
	2	Total Expenditure	4,904.20	119,882.38
	3	Net Profit/(Loss)	7,603.40	2,279.92
	4	Earning per share	7.01	3.80
	5	Total Assets	237,044.87	346,699.57
	6	Total Liabilities	240,227.02	355,205.20
	7	Net Worth (excluding Revaluation Reserve)	(91,324.45)	(96,647.93)
	8	Any other financial item (as felt appropriate by the management)	Nil	
II	Audit qualification			
1	a. Details of Audit Qualification	1. i. Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect		
	b. Type of Audit Qualification:	Qualified Opinion		
	c. Frequency of Qualification	Repeat		
1	d. For Audit qualification, whether the impact is quantified by the audit, management's view	<p>i.Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect of following properties namely:</p> <p>a)Leasehold Building</p> <p>i. Leasehold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs ii. Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs</p> <p>b)Freehold Building</p> <p>i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to Rs. 2720 lacs ii. 7 apartments in different locations of Mumbai amounting to Rs. 1916 lacs iii. Flats at Ahemdabad</p> <p>Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non- current assets held for sale has been overstated by Rs. 11.67 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into overstatement of profit by Rs. 11.67 lacs.</p> <p>Further the farm tanks installed at Mallet Bunder amounting to Rs. 14.84 lacs have also been handed over on as is where is basis. The company has not raised any debit note for the same and thus non-current assets are being overstated by Rs. 14.84 lacs.</p> <p>Further to this, the auction of the STC assets was conducted by MBPT on 11.06.2024 and the assets were ultimately sold for Rs. 355 lacs, with the previously forfeited EMD of Rs. 25 Lacs. STC calculated its total receivables from MBPT at Rs. 418 lacs which includes the sale proceeds, EMD and deposits. STC to set off this amount against the Rs. 257 lacs Lease rent payable, (amount yet to be reconciled with MBPT) resulting in a net receivable of Rs. 161 lacs from MBPT. Refer Note 57.</p> <p>Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2025 resulting into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.</p>		
2	a. Details of Audit Qualification	ii. ii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail		
	b. Type of Audit Qualification:	Qualified Opinion		
	c. Frequency of Qualification	Repeat		
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	<p>325,685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L&amp; DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company has taken up the matter with L&amp;DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area &amp; value once the final outcome in the matter is arrived at. The efforts are being made with L&amp;DO in this regard on regular basis.</p>		
3	a. Details of Audit Qualification	<p>All trade receivables amounting to 1,69,710.16 lacs as per Note No. 9 have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 1,06,982.54 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.</p> <p>Further there has been no recovery during the Financial Year 2024-25 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not stated at realizable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03.2025 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.</p> <p>We are of the view that all trade receivables amounting to 1,69,710.16 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,982.54 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,982.54 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,06,982.54 lacs.</p> <p>Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39.4, Pt.No.4, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of Rs.62780 lacs has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 6247 lacs approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks &amp; Financial institutions have filed legal suit against RPL before DRT/High Court Mumbai, making STC also a party to the case claiming Rs. 47647 lacs.</p> <p>STC has filed non-money claim suit before different Courts at Delhi &amp; Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.</p> <p>STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount of Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.</p> <p>Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.</p>		
	b. Type of Audit Qualification:	Qualified Opinion		
	c. Frequency of Qualification	Repeat		



		<p>Out of the total trade receivable of Rs. 1,69,710.16 lacs includes Rs. 1,06,982.54 lacs "having significant increase in credit risk" being under dispute/litigation (for details of major legal cases refer note no. 39 ). Trade receivables against which dispute/legal proceedings are under process, have been considered as "Having Significant increase in credit risk". The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors.</p> <p>Trade receivables include 56,844 Lacs (approx.) on account of export of pharma products to foreign buyers purchase from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyer's pre- acceptance to STC's bills of exchange. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland defaulted in making payment against the export bills. A claim of 52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore. A Decree of 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from foreign buyer i.e. Sweetland Trading Pte Ltd. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks &amp; Financial Institutions have filed legal suit against RPL before DRT/High Court Mumbai making STC also a party to the case claiming 47,647 Lacs.</p> <p>STC has filed non-money claim suit before different Courts at Delhi &amp; Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back to back basis i.e STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.</p> <p>STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount of Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.</p>
4	a. Details of Audit Qualification	<p>Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 41.49 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 2024-25.</p> <p>Thus, the Company has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables, which are under litigation/disputed.</p> <p>Therefore, we are unable to ascertain the potential impact on the financial statements, if any.</p>
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the	Matters are subjudice considering materiality concept.
5	a. Details of Audit Qualification	<p>i. Refer Note No. 14 -"Other Current Assets for non-provisioning in respect of Duties and taxes recoverable , CST (coal ) amounting to Rs. 6.89 lacs which is non recoverable and still not written off.</p> <p>ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable: For non-provisioning in respect of Claims Recoverable o/s since more than 3 years amounting to Rs.3157.74 lacs where no present status is ascertained by the management of the Company and still not written off.</p> <p>This is non-compliance of IND AS -36 as no provision has been made for impaired assets.</p> <p>All these current assets are being reflected at their carrying amounts instead of on Realization values.</p> <p>This has resulted into overstatement of Current assets by Rs. 3157.74 lacs and overstatement of profit by Rs.3157.74 lacs.</p>
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the	Pending with various department and authorities
6	a. Details of Audit Qualification	<p>Refer Note No. 38, for non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 13,283 lacs (for the period March,2004 to July, 2018) which has resulted in overstatement of profit by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, company has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.</p> <p>Director General of Audit has intimated short provision of Rs.75.92 cr towards interest (calculated @10% p.a. on Rs.132.83 cr from 14th July 2018 upto 31st March 2024) which will further cumulate till final payment to L&amp;DO. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.</p> <p>Further, Company has not ascertained liability/ provisional liability for Non-compliance of the various conditions of the Lease deed (including non-deposit of 25% of the gross rent received by STC from its tenants) payable to L&amp;DO for the period August 2018 to March 2025, and the interest thereon. Amount is unascertained by the management. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.</p>
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the	Demand of Rs. 132.83 Crore was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 20.05.2025 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.
7	a. Details of Audit Qualification	<p>Refer Note No.21, All the trade payables amounting to Rs. 1,09,654.70 lacs are without any balance confirmation and are outstanding for more than 3 financial years.</p> <p>No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.</p>
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the	Matters are subjudice
8	a. Details of Audit Qualification	<p>Refer Note No.14, The GST input receivable and payable balances are not reconciled by the Company as on March 31,2025. GST input Rs 54.21 lacs - non claimable but no provision has been made. Profit of the company is overstated by the same amount. TDS deducted will be reconciled with form 26AS at the time of submitting Income Tax return, as on the date of report the complete information is not available.</p> <p>No provision has been made for TDS default of Rs 7.29 lacs pending, submission of correction statements.</p>
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat



	d. For Audit qualification, whether the impact is quantified by the audit, management's view	GST matter will be taken up & default of TDS will be paid in FY-2025-26
9	a. Details of Audit Qualification	<p>8. Investments (Refer Note No.8)</p> <ul style="list-style-type: none"> <li>• STCL Limited: As confirmed by STC management "Accounts for the FY 2024-25 could not be prepared and hence were not made available for consolidation purpose. As per Reg 33 of SEBI (LODR), 2015, every listed company which is having subsidiary company is required to approve its consolidated financial accounts within 60 days from the end of financial year, and in case of non-compliance of Reg 33 of SEBI (LODR), 2015, Regulatory penalty will be levied on STC by each of the stock exchanges separately." The availability/recovery of asset and/or write off could not be ascertained by the management.</li> <li>• NSS Satpura Agro Development Company Ltd.: As confirmed by STC management, The company has been strike off .However, still it is appearing in the books of accounts of STC India Limited. The availability/recovery of asset and/or write off could not be ascertained by the management.</li> <li>• Sea Lac Agro Ventures Limited: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.</li> <li>• Maharashtra Small Scale Industries Development: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.</li> <li>• Andhra Pradesh Trade Promotion Corporation Limited: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.</li> <li>• Sindhu Resettlement: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.</li> </ul>
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	New
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Effective treatment w.r.t NSS Satpura Agro Development Company Ltd. shall be given in F.Y. 2025-26. Investment In Sindhu Resettlement has been shown at a nominal value of 0.04 lacs. Rest all the investments have been fully provided for.
10	a. Details of Audit Qualification	Other Equity: An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back and details shall be provided in next financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	New
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	These reserves have been earmarked for specific purpose. These are very old and the same shall be reviewed in the F.Y. 2025-26.
11	a. Details of Audit Qualification	i. I. Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs.603 lacs. As informed by the management, the company has made various other claims on U.P Government and accordingly dues of Rs. 3382.23 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the company till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	* Includes an amount payable of Rs. 603 lacs to U.P. Government is adjustable against claims of interest and carrying charges amounting to Rs 3,382.23 lacs is outstanding from UPGEWC on account of (i) differential of import price and amount realised on risk sale of 9555.285 MTs Lemon Tur and (ii) Interest and carrying charges, and STC has been continuously following up the recovery matter with Govt of UP and filed its petition dtd 28.01.2022 for resolution of dispute through AMRCD mechanism. Last AMRCD meeting was held on 14.11.2025 wherein AMRCD committee had directed to carry out the reconciliation between STC and UPGEWC. Accordingly, STC vide letter dated 28.02.2025 has sent the documents/information in support of our claim to UPGEWC. Further, a reminder dated 13.05.2025 is also sent to UPGEWC by STC.
	<b>Signatories</b>	
	> DIR-Fin	   
	> CFO	
	> Audit Committee Chairman	
	> Statutory Auditor - PVAR & Associates	



**Format for Disclosure of Related Party Transactions (applicable only for half-yearly filings i.e., 2nd and 4th quarter)**

Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.

Sr. No.	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
	Name	PAN	Name	Relationship of the counterparty with the listed entity or its subsidiary			Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilise	Notes
1	The State Trading																	
			SBI Personalised Banking Branch	Tennant	Service	9,162,634												
			SBI IFB Branch	Tennant	Service	52,056,900												
			SBI CAG Branch	Tennant	Service	46,729,020												
			SBI Overseas Branch	Tennant	Service	67,977,480												
			Special Protection Group	Tennant	Service	2,411,442												
			Security Printing & Minting Corporation	Tennant	Service	41,691,521												
			IRCTC	Tennant	Service	933,741												
			Department of admist. Reform and Public gravience	Tennant	Service	90,910,022												
			Department of Economic Affairs	Tennant	Service	52,892,973												
			NCLT	Tennant	Service	-												
			Commission of Air Quality Index	Tennant	Service	11,569,948												
			Capacity Building Commission	Tennant	Service	36,264,853												
			STCL	Tennant	Service	100,134,828												
			ONGC	Tennant	Service	(0)												
			16th Finance Commision	Tennant	Service	51,965,621												
			Shri. S.K. Meena	KMP	Employee Benefit	1,555,044												
			Shri B.S Rao	KMP	Employee Benefit	1,054,331												
			Shri Vipin Kumar Tripathi	KMP	Employee Benefit	620,714												

